

TRI-PACK FILMS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

	Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
(Rupees in '000)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	6,602,084	6,731,234
Intangibles		5,574	6,979
Long term deposits		3,130	3,115
		<u>6,610,788</u>	<u>6,741,328</u>
CURRENT ASSETS			
Stores and spares		365,663	348,894
Stock in trade		1,265,618	1,293,873
Trade debts - net		1,340,576	1,227,890
Advances and prepayments		151,156	60,024
Other receivables		200,403	114,540
Income tax - net		1,155,008	1,150,343
Cash and bank balances	5	1,227,044	378,033
		<u>5,705,468</u>	<u>4,573,597</u>
TOTAL ASSETS		<u>12,316,256</u>	<u>11,314,925</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	6	300,000	300,000
Subscription money against rights issue	7	1,088,561	-
Reserves		1,765,770	1,813,802
		<u>3,154,331</u>	<u>2,113,802</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Long term finances		3,336,470	3,664,793
Deferred tax liabilities		89,111	58,725
Accumulated compensated absences		32,637	30,433
		<u>3,458,218</u>	<u>3,753,951</u>
CURRENT LIABILITIES			
Trade and other payables	8	2,193,358	2,234,051
Accrued mark-up		113,351	79,840
Short term borrowings	9	2,276,614	2,182,897
Current maturity of long term finances		1,120,384	950,384
		<u>5,703,707</u>	<u>5,447,172</u>
TOTAL LIABILITIES		<u>9,161,925</u>	<u>9,201,123</u>
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		<u>12,316,256</u>	<u>11,314,925</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

TRI-PACK FILMS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Note	Quarter ended March 31	
		2016 (Rupees in '000)	2015
Net revenue	11	2,446,458	2,639,155
Cost of sales		(2,024,624)	(2,421,500)
Gross profit		421,834	217,655
Distribution costs		(67,609)	(74,922)
Administrative expenses		(81,950)	(72,350)
		(149,559)	(147,272)
Operating profit		272,275	70,383
Other income		10,457	6,741
		282,732	77,124
Other expenses		(9,809)	-
Finance costs		(140,568)	(240,788)
		(150,377)	(240,788)
Profit / (loss) before taxation		132,355	(163,664)
Income tax expense	12	(30,387)	15,000
Profit / (loss) after taxation		101,968	(148,664)
Other comprehensive income for the period		-	-
Total comprehensive income /(loss)		101,968	(148,664)
Earnings / (loss) per share - basic and diluted (Rupees)	13	3.04	(4.43)

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

Chief Executive

Director

TRI-PACK FILMS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

	Issued, subscribed and paid up share capital	Subscription money against rights issue (Note 7)	Reserves		Total	
			General reserve	Unappropriated profit / (Accumulated loss)		
				Total reserves		
	← (Rupees in '000) →					
Balance as at January 1, 2015	300,000	-	1,605,000	(270,547)	1,334,453	1,634,453
Total comprehensive loss for the quarter ended March 31, 2015						
Loss after taxation for the quarter ended March 31, 2015	-	-	-	(148,664)	(148,664)	(148,664)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(148,664)	(148,664)	(148,664)
Balance as at March 31, 2015	<u>300,000</u>	<u>-</u>	<u>1,605,000</u>	<u>(419,211)</u>	<u>1,185,789</u>	<u>1,485,789</u>
Balance as at January 1, 2016	300,000	-	1,605,000	208,802	1,813,802	2,113,802
Subscription money against rights issue	-	1,100,000	-	-	-	1,100,000
Issuance cost of rights issue	-	(11,439)	-	-	-	(11,439)
Final cash dividend for the year ended December 31, 2015 @ Rs 5.00 per share	-	-	-	(150,000)	(150,000)	(150,000)
Total comprehensive income for the quarter ended March 31, 2016						
Profit after taxation for the quarter ended March 31, 2016	-	-	-	101,968	101,968	101,968
Other comprehensive income	-	-	-	-	-	-
	-	-	-	101,968	101,968	101,968
Balance as at March 31, 2016	<u>300,000</u>	<u>1,088,561</u>	<u>1,605,000</u>	<u>160,770</u>	<u>1,765,770</u>	<u>3,154,331</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

Chief Executive

Director

TRI-PACK FILMS LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)**

	Note	Quarter ended March 31	
		2016	2015
(Rupees in '000)			
Cash flows from operating activities			
Cash (utilised in) / generated from operations	15	(44,692)	365,488
Payment on account of accumulated compensated absences		(796)	(628)
Increase in long term deposits		(15)	-
Staff retirement benefits paid		(8,819)	(7,020)
Income taxes paid		(4,666)	(45,769)
Net cash (utilised in) / generated from operating activities		(58,988)	312,071
Cash flows from investing activities			
Purchase of property, plant and equipment		(18,023)	(14,569)
Profit received on bank balances		104	479
Sale proceeds on disposal of operating fixed assets		4,086	4,673
Net cash used in investing activities		(13,833)	(9,417)
Cash flows from financing activities			
Long term finances paid		(158,323)	(184,685)
Short term financing - net		-	552,027
Proceeds against right issue - net of issuance cost		1,088,561	-
Finance cost paid		(101,356)	(205,546)
Bank charges paid		(767)	(4,996)
Net cash generated from financing activities		828,115	156,800
Net increase in cash and cash equivalents		755,294	459,454
Cash and cash equivalents at the beginning of the period		(104,864)	(126,842)
Cash and cash equivalents at the end of the period	16	650,430	332,612

The annexed notes 1 to 18 form an integral part of these condensed interim financial information.

Chief Executive

Director

TRI-PACK FILMS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2016 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Tri-Pack Films Limited (the Company) was incorporated in Pakistan as a public company on April 29, 1993 under the Companies Ordinance, 1984 (the Ordinance) and is listed on Pakistan Stock Exchange Limited (PSX). It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. The registered office of the Company is situated at 4th floor, the Forum, Suite No. 416 to 422, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the quarter ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2015.

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2015.

Further, contractual borrowings are not part of cash and cash equivalents and are part of financing activities.

2.1 Changes in accounting standards, interpretations and pronouncements

- a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2016, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in these financial statements.

- b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2017, but are considered not to be relevant and are therefore, not disclosed in these financial statements.

3. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended December 31, 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2015.

(Un-audited)	(Audited)
March 31,	December 31,
2016	2015

Rupees in '000

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6,559,050	6,690,826
Capital work in progress	1,176	-
Major spare parts and stand-by equipment	41,858	40,408
	<u>6,602,084</u>	<u>6,731,234</u>

Additions and disposals to operating assets and major spare parts during the period are as follows:

	Additions (at cost) during quarter ended		Disposals (at net book value) during quarter ended	
	March 31,		March 31,	
	2016	2015	2016	2015
	← (Rupees in '000) →			
Plant and machinery	13,442	6,742	-	-
Electrical installations	-	692	-	-
Furniture and fittings	723	4,494	31	26
Office and other equipment	1,232	997	-	-
Vehicle	-	-	2,501	2,837
Major spare parts	1,450	-	-	-
	<u>16,847</u>	<u>12,925</u>	<u>2,532</u>	<u>2,863</u>

5. This includes subscription money received against rights issue amounting to Rs. 1,100 million. The Company had received the 'No Objection Certificate' (NOC) from Pakistan Stock Exchange Limited on April 4, 2016 for release of this subscription money.

6. SHARE CAPITAL

The Board of Directors in a meeting held on December 4, 2015 had announced a rights issue at premium to the existing shareholders at a proportion of 29.33 ordinary shares for every 100 shares held. Total size of the issue was Rs 1.1 billion divided into 8,800,000 shares of Rs 125 each (including premium per share of Rs 115). IGI Insurance Limited and Syed Hyder Ali (Director) under an agreement between Mitsubishi Corporation of Japan (Mitsubishi), subscribed to the Mitsubishi's proportion of rights issue after obtaining approval from Competition Commission of Pakistan.

7. SUBSCRIPTION MONEY AGAINST RIGHTS ISSUE

This represents subscription money received against rights issue amounting to Rs 1,100 million as explained in note 6 above. The shares were issued to the subscribers subsequent to March 31, 2016.

8. TRADE AND OTHER PAYABLES

- 8.1 The amount includes provision in respect of Gas Infrastructure Development Cess (GIDC) amounting to Rs 324 million which has not been paid due to stay order obtained by the Company in the Honourable High Courts of Sindh and Peshawar against demand and collection under GIDC Act 2015.

Note	(Un-audited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in '000)	

9. SHORT TERM BORROWINGS

Secured

Short term money market loans	9.1	1,700,000	1,700,000
Short term running finance		576,614	482,897
		<u>2,276,614</u>	<u>2,182,897</u>

- 9.1 Short term money market loans have been arranged from commercial banks as a sub-limit of the running finance facility. These facilities are secured by joint hypothecation by way of first floating charge over current assets including but not limited to stores and spares, stock in trade and trade debts. Rate of mark-up applicable to these facilities ranges between 6.58% to 6.79% (December 31, 2015: 6.58% to 10.16%) per annum.

- 9.2 Total facilities available under mark-up arrangements aggregated Rs 8,750 million (December 31, 2015: Rs 8,750 million) out of which the amount unavailed at the period end was Rs 6,473 million (December 31, 2015: Rs 6,567 million).

(Un-audited) March 31, 2016	(Audited) December 31, 2015
(Rupees in '000)	

10. CONTINGENCIES AND COMMITMENTS**Contingencies**

Guarantees issued by banks on behalf of the Company

<u>277,436</u>	<u>277,436</u>
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Commitments

Letters of credit for purchase of raw material and spares

<u>641,595</u>	<u>299,507</u>
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- 10.1 The facilities for opening of letters of credit and for guarantees as at March 31, 2016 amount to Rs 12,150 million (December 31, 2015: 12,150 million) and Rs 395 million (December 31, 2015: Rs 395 million), of which the amount remaining unutilised was of Rs 10,302 million (December 31, 2015: Rs 10,390 million) and Rs 118 million (December 31, 2015: Rs 118 million) respectively.
- 10.2 There are no changes in the status of contingencies as reported in the financial statements for the year ended December 31, 2015.

		Quarter ended March 31,	
		2016	2015
		(Rupees in '000)	
11.	REVENUE		
	Revenue	2,920,516	3,065,276
	Less: Discounts	(52,401)	-
	Sales tax	(421,657)	(426,121)
	Net revenue	<u>2,446,458</u>	<u>2,639,155</u>

12. The amount represents deferred tax (charge) / income recorded during the period.

		Quarter ended March 31,	
		2016	2015
		(Rupees in '000)	
13.	EARNINGS / (LOSS) PER SHARE		
	Profit / (loss) after taxation attributable to ordinary shareholders	<u>101,968</u>	<u>(148,664)</u>
		Number of shares	
		(Re-stated)	
	Weighted average number of ordinary shares during the period	<u>33,528</u>	<u>33,528</u>
		2016	2015
		Rupees	
		(Re-stated)	
	Earnings /(loss) per share - basic and diluted	<u>3.04</u>	<u>(4.43)</u>

- 13.1 The weighted average number of outstanding shares as at March 31, 2015 have been restated to reflect the bonus element in the rights issue. There were no convertible dilutive potential ordinary shares outstanding on March 31, 2016 and 2015.

14. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise related group companies, companies in which directors are interested, staff retirement benefits, directors, key management personnel and close members of the family of all the aforementioned related parties. The Company in the normal course of business carries out transactions with various related parties.

Significant transactions with related parties are as follows:

Nature of transaction	Nature of relationship	(Un-audited) Quarter ended March 31	
		2016	2015
		(Rupees in '000)	
Purchase of goods and services	Associated undertaking	78,407	112,202
Sale of goods and services	Associated undertaking	257,699	141,938
Contributions to staff retirement benefit funds	Retirement benefit funds	16,727	14,867
Salaries and other short term employees' benefits	Key management personnel	25,069	29,861

	Note	(Un-audited) Quarter ended March 31	
		2016	2015
		(Rupees in '000)	
15. CASH (UTILISED IN) / GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		132,355	(163,664)
Adjustment for non-cash charges and other items:			
Depreciation		144,641	150,897
Amortisation		1,405	1,100
Provision for staff retirement benefits		16,726	14,868
Profit on bank balances		(104)	(479)
Gain on disposal of operating fixed assets		(1,554)	(1,811)
Provision for accumulated compensated absences		3,000	4,001
Exchange loss - unrealised		4,934	18,346
Finance cost		135,634	222,442
Working capital changes	15.1	(481,729)	119,788
		(44,692)	365,488

		(Un-audited) Quarter ended March 31	
		2016	2015
		(Rupees in '000)	
Note			
15.1	Working capital changes		
	(Increase) / decrease in current assets:		
	Stores and spares	(16,769)	25,613
	Stock in trade	28,255	459,523
	Trade debts	(112,686)	85,339
	Advances and prepayments	(91,132)	(42,197)
	Other receivables	(85,863)	106,377
		(278,195)	634,655
	Decrease in current liabilities:		
	Trade and other payables	(203,534)	(514,867)
		(481,729)	119,788
16.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	5 1,227,044	375,082
	Short term running finance	9 (576,614)	(42,470)
		650,430	332,612
17.	PLANT CAPACITY AND ACTUAL PRODUCTION		
		(Un-audited) Quarter ended March 31	
		2016	2015
		(Metric tonnes)	
	Operational capacity available during the period	20,950	19,600
	Production	10,874	11,202
18.	DATE OF AUTHORISATION FOR ISSUE		

These condensed interim financial information were authorised for issue on April 20, 2016 by the Board of Directors of the Company.

Chief Executive

Director