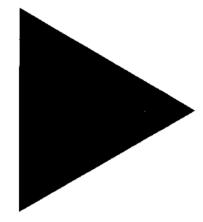
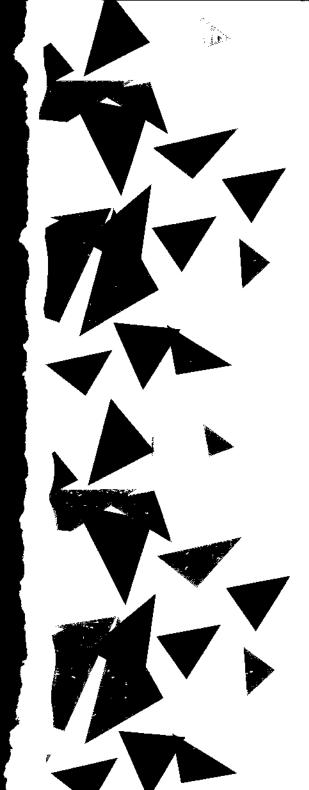




Tri-Pack Films Limited

annual today





## introduction >>>

Over the years, the packaging industry has progressed by leaps and bounds. Since inception, innovation has been at the core of Tri-Pack's business. As markets expand, consumer habits change with lifestyles, economic status, needs and wants.

The Company has since then transcended from just selling products to also selling experience; experience that required putting ourselves in the customers' shoes, building our business around their needs and help them achieve their desired outcome through the holistic experience that only we provide.

Innovation has also brought forth the need "future-proof ourselves" – to be sustainable, to think beyond the core product, to build in an open way, to stay on the pulse of the market, and to inspire our people.

We believe that it is this mindset that spurs our progress, drives us to think big, to defy expectations and to prepare us for tomorrow and the years ahead.





### contents >

#### Vision, Mission & Stakeholders' Information

- 10 Vision
- 12 Mission Statement & Corporate Strategy
- 13 Code of Business Conduct and Ethics
- 14 About us and our Business
- 15 Our Products
- 16 Geographical Presence
- 18 Company Information
- 19 Key Milestones
- 22 Stakeholder Engagement
- 24 Share Price Sensitivity Analysis
- 25 Shareholding Information
- 27 Shareholding Pattern

#### Sustainability / Health, Safety & Environment & Quality

32 HSE Policy

#### Sustainability & Corporate Social Responsibility

- 34 Commitment towards Sustainability & Corporate Social Responsibility (CSR)
  - Sustainability
  - **Energy Saving Measures**
  - Environmental Protection Measures
- 35 Efforts to mitigate the adverse impact of industrial effluents
  - Industrial relations
  - Valuing diversity
  - **Employment of Special Persons**
  - Business Ethics and Anti-Corruption Measures
  - Contribution to National Exchequer
  - Business Continuity Plan / Disaster Recovery Plan
- 36 Corporate Social Responsibility

#### Functional and Operational Excellence

- 38 Overview of key objectives & strategies
- 42 Human Resource Management
- 46 Speak-up Policy
- 47 Calendar of Major Events
- 48 Analysis of Resources
- 49 Analysis of Financial & Non-Financial Targets
  - Market Share Information
- 50 SWOT Analysis



#### Corporate Governance

- 52 Governance Framework
- 56 Board of Directors
- 59 Principal Board Committees
- 62 Organizational structure
- **63** Statement of Compliance with Code of Corporate Governance
- 65 Review Report to the Members on Statement of Compliance with Code of Corporate Governance

#### Financial Information

- 66 Key Performance Indicators
- 67 DuPont Analysis
- 68 Quaterly Analysis
- 70 Balance Sheet Composition
- 71 Analytical Review
- 75 Horizontal Analysis
- 77 Vertical Analysis
- 79 Financial Statistical Summary
- **81** Sources and Application of Funds
- 83 Value Added and its Distribution

#### Directors' Report and Financial Statements

- **85** Directors' Report to the Members
- 90 Auditors' Report to the Members

#### Financial Statements

- 91 Balance Sheet
- 93 Profit & Loss Account
- 94 Statement of Changes in Equity
- 95 Cash Flow Statement
- **96** Notes to and Forming Part of Financial Statements
- 134 Notice of Annual General Meeting
- 137 Glossary of Terms
- 138 Notice of Annual General Meeting (Urdu Version)
- 144 Directors' Report (Urdu Version)

Proxy Form

Proxy Form (Urdu Version)





## safe clean convenient

To merely add aesthetics to a classic is simply not innovation. However, to take a classic and add to its functions, is. At Tri-Pack we add value to your everyday consumables by adding convenience and extended shelf life. We help preserve and add trust to the brands you buy.

At Tri-Pack we've got safety, hygiene and convenience all wrapped up.



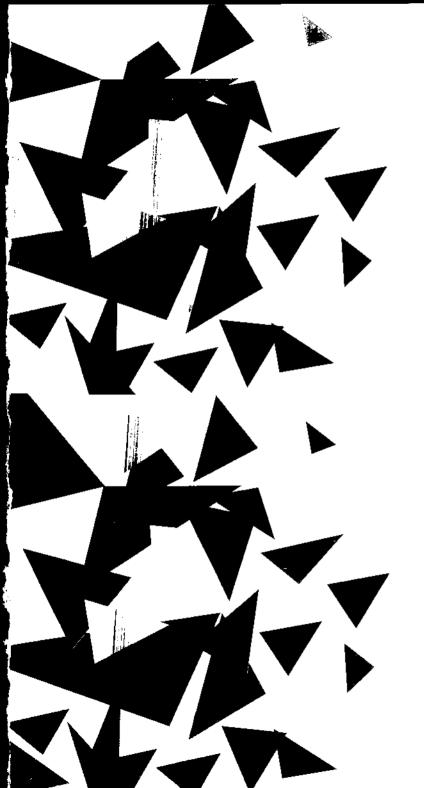


# consumers embrace quality

People trust packaged products for durability, quality and integrity. Deliverables at Tri-Pack revolve around high quality thus enabling our customers to keep consumer trust.

At Tri-Pack we help our clients **enhance** & **maintain quality of their products.** 





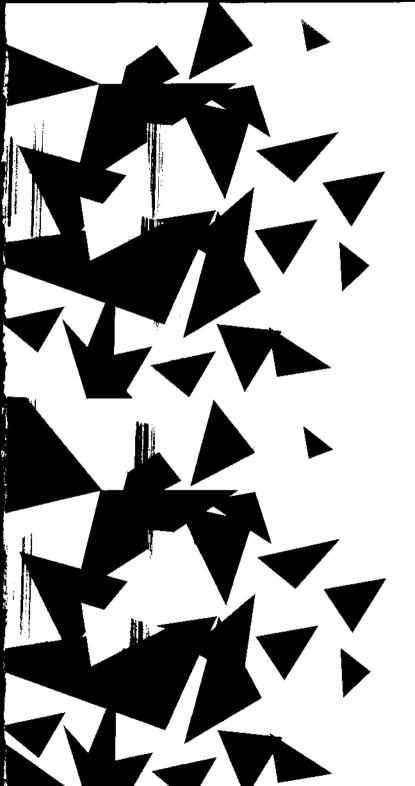
## bolstering brands building relationships

When you think about it how many products do you use today that you never thought would be packaged or branded? Today our buying habits seek convenience and trusted brands reign the marketplace.

At Tri-Pack we consider ourselves to be an extension of our clients' team. We provide packaging solutions, innovations and ideas.

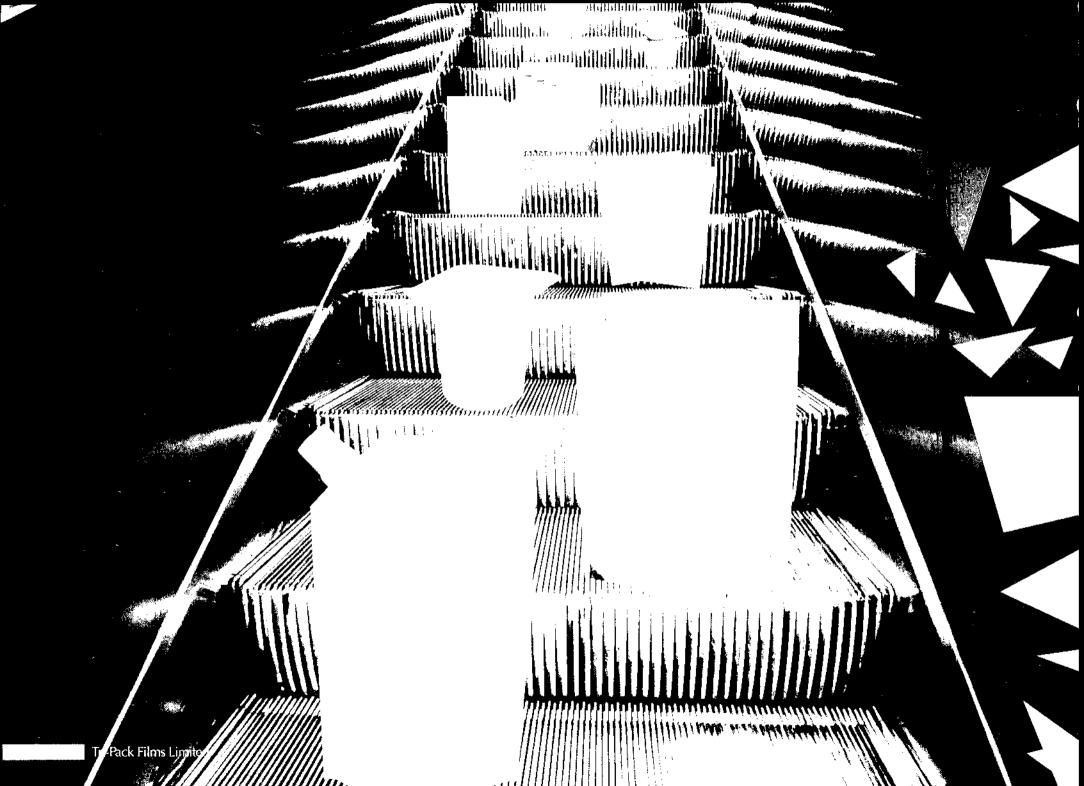
Tri-Pack: building brands & relationships





## VISION

To enhance stakeholders' value by being a supplier of first choice whilst maintaining leadership position in domestic market and profitably expanding footprint in the international market.





## mission statement f corporate strategy >>>

#### We will:

- Satisfy our customers with timely supplies of products and services at economic prices, conforming to quality standards.
- Achieve sustained growth to meet the demands of our customers' and stakeholders' expectations.
- Continue developing new markets, products, applications and solutions in concert with our customers and suppliers.
- Employ cost-effective technology to retain our competitive edge.
- Nurture and inculcate a culture based on high ethical standards to meet our obligations towards the communities we operate in.
- Attract, develop and retain talent through motivation, training, performance based rewards and providing growth opportunities.
- Care for health and safety of our employees and stakeholders and play our due role towards the environmental requirements.



## code of business conduct and ethics >>>



Tri-Pack has adopted a unified code as a guidance and standard for the conduct of the Company and its employees and shareholders. This code sets out the way we do business and conduct ourselves and its compliance is mandatory across the organization.

All employees are required to sign a compliance certification on an annual basis. Following are the key elements of the Code of Conduct:

- 1. Promote fair business practices: We understand and comply with applicable laws and regulations, relevant staff is trained periodically on all the applicable laws, particularly competition law. Participation in actions for restraint of trade, fixing of prices, volume etc. or any form of activities restraining competition is strictly prohibited. We ensure that no conduct should give indication of unfair play or impairment of rights relating to counter parties.
- 2. Avoid conflict of interest: All employees should maintain a clear distinction between corporate and private matters and affairs. Use of Company's tangible or intangible assets and resources outside Company's policy for personal gain and benefits is prohibited. Actions leading to personal benefit whether financial or otherwise or direct / indirect are expressly forbidden. Any proprietary or confidential information such as pricing, specifications, conditions, etc., shall not be disclosed outside.
- Respect for human rights, dignity and equal opportunity: We as an organization understand and recognize human rights & dignity and its sensitivities. We respect an individual's customs, cultures and beliefs. Child labour, forced labour, harassment and abuse, explicitly or implicitly is strictly prohibited and condemned. No discrimination is done on the basis of gender, cast, religion or on any basis except the merit and requirements of the job. providing an equal opportunity to all the segments of society.
- Proprietary and confidential information: All employees are required to maintain the confidentiality of Company Information. Sensitive information including trade secrets, confidential and proprietary rights shall be protected and properly used for the benefit of Company only, whether before or after the end of employment. The Company also does not allow infringement of intellectual property rights belonging to others.

- Open communication: In order to foster openness, integrity and reliability two way communication between employees and supervisors is encouraged in all aspects of work environment.
- Place and work environment: We as an organization promote sustainable use of resources; maintain safe, secure and healthy working conditions. The Company realizes the importance of work life balance and we endeavour to maintain and assist our employees to balance their work with other priorities of life and family commitments.
- Legal and ethical standards: We at Tri-Pack never violate or evade law. We ensure compliance with all the applicable laws and rules. Report any unlawful activities or breach of law committed within the Company. Any form of bribery or shape is strictly prohibited. The Company shall not use illegal payments, bribes, kickbacks or other questionable inducements to influence government policy or any business transaction.
- 8. Compliance: We always comply with laws, rules, regulations, international standards and internal regulations in our business conduct and reporting.
- Participation in politics: Individuals are free to participate in politics in their personal life but that should not in any manner be reflected in their official and Company's activities. Political donations of all kinds and shape are prohibited.
- 10. Irregular conduct fraud, deception and violation of code: Employees detecting and suspecting any incidents of irregular conduct, fraud, deception or violation of code are encouraged to bring it to the notice of their supervisor, if such supervisor is not responsive to the next level of manager. The procedure for dealing with Speak ups is in place and all the Speak ups are shared with the Board Audit Committee.
- 11. Related party transactions: All commercial transactions between the Company and related parties shall be based on arm's length basis unless otherwise approved by the Board of Directors.

The record of all related party transaction shall also be placed before the Board of Directors at each Board of Directors meeting for formal approval.

## about us and our business >>>>

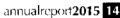
Tri-Pack Films Limited (Tri-Pack) – a joint venture between Mitsubishi Corporation of Japan and Packages Limited of Pakistan was incorporated as a Public Limited Company on April 29, 1993 to produce Biaxially Orientated Polypropylene (BOPP) Films in Pakistan. Its head office is based in Karachi and regional offices are located in Karachi, Lahore and Hattar where focus is to provide customers with dependable, economical and quality films backed by strong customer services. Tri-Pack is indeed proud of making distinctive contributions to the packaging industry in Pakistan.

The Company is continuously growing since inception with an installed production capacity of more than 80,000 tons per annum. With four manufacturing lines in Karachi and Hattar capable of manufacturing over 65,000 tons per annum of BOPP Films and two lines in Karachi with an annual capacity of over 15,000 tons of producing CPP Films, we touch the lives of millions of people every day.

At Tri-Pack, our passion to cater to the needs of our customers lies at the heart of every endeavour. We go a long mile to get results, operate responsibly, apply innovative technology, execute with excellence, and capture new opportunities to create a wonderful world today for generations to come.

We aim to create long-term value for shareholders by catering to growing demands in a safe and responsible way. We not only strive to be a world-class operator, but also a responsible corporate citizen and an employer of choice.

Our people and our products are the hallmark of our success that give us the strength to endeavour to be amongst the front runners in delivering to our customers, shareholders and community as every aspect of our operations is driven by the sole objective of creating a better future, today!

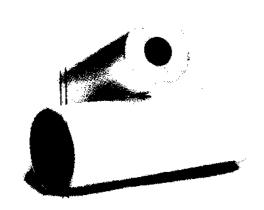


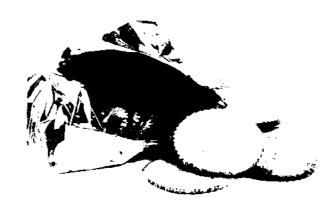


## our products >>>

Tri-Pack offers wide range of Biaxially Oriented and Cast Polypropylene (BOPP & CPP) packaging films, which are carefully and diligently produced to not only meet the packaging needs but also outperform the expectations of the market. We have judiciously created our product brands that are best suitable for food and beverage applications (snacks, confectionary, dairy food, fresh cut vegetables, beverages etc.) and non-food applications (overwrapping, lamination, bag making etc.). We have the capability to supply films in various sizes and thickness,

ranging from 10 to 150 micron. We also manufacture specialized films having unique characteristics, which are proactively & unequivocally designed to cater the ever-growing demand of our customers. Besides, it also highlights our determination to continuously improve the benchmark of the industry and to raise the competition standards; this enables us to fulfill the purpose of our existence which is greater value addition and true benefit purveyance to the ultimate consumer.







innovation to better your today and tomorrow

## geographical presence









#### BOARD OF DIRECTORS

Syed Babar Ali (Chairman) Syed Hyder Ali\* Kimihide Ando Khurram Raza Bakhtayari Yasumasa Kondo Syed Aslam Mehdi (Chief Executive) Asif Qadir

#### **AUDIT COMMITTEE**

Asif Qadir (Chairman) Kimihide Ando\* Khurram Raza Bakhtayari Yasumasa Kondo

#### **EXECUTIVE COMMITTEE**

Kimihide Ando (Chairman) Syed Hyder Ali\* Khurram Raza Bakhtayari Syed Aslam Mehdi

#### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Asif Qadir (Chairman) Kimihide Ando\* Khurram Raza Bakhtayari Syed Aslam Mehdi

#### CHIEF FINANCIAL OFFICER

Nasir lamal

#### COMPANY SECRETARY

Adi I. Cawasji

#### **AUDITORS AND TAX ADVISOR**

A. F. Ferguson & Co. Chartered Accountants

#### **LEGAL ADVISOR**

Sattar & Sattar Khan & Paracha

#### SHARES REGISTRAR

FAMCO Associates (Pvt.) Ltd 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi - 75400

Tel: (021) 34380101-2 Fax: (021) 34380106

#### WEBSITE

www.tripack.com.pk

#### **REGISTERED OFFICE**

4th Floor, The Forum, Suite No. 416-422, G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi - 75600, Pakistan. Tel: (021) 35874047-49 (021) 35831618 Fax: (021) 35860251

#### BANKERS

Standard Chartered Bank
Deutsche Bank AG
NIB Bank Limited
MCB Bank Limited
Faysal Bank Limited
Citibank NA
Bank Al-Habib Limited
Bank Alfalah Limited
Bank Slami Pakistan Limited
The Bank of Tokyo - Mitsubishi UFJ, Ltd.

Habib Metropolitan Bank Limited Meezan Bank Limited Askari Bank Limited Habib Bank Limted Allied Bank Limted Al-Baraka Bank Limted Dubai Islamic Bank United Bank Limted

#### **REGIONAL SALES & HEAD OFFICE**

House No. 18, Sir Abdullah Haroon Road, Near Marriott Hotel, Karachi. Tel: (021) 35224336-37 Fax: (021) 35224338

#### **WORKS**

Plot No. G-1 to G-4, North Western Industrial Zone, Port Qasim Authority, Karachi. Tel: (021) 34720247-48 Fax: (021) 34720245

#### **WORKS & REGIONAL SALES OFFICE**

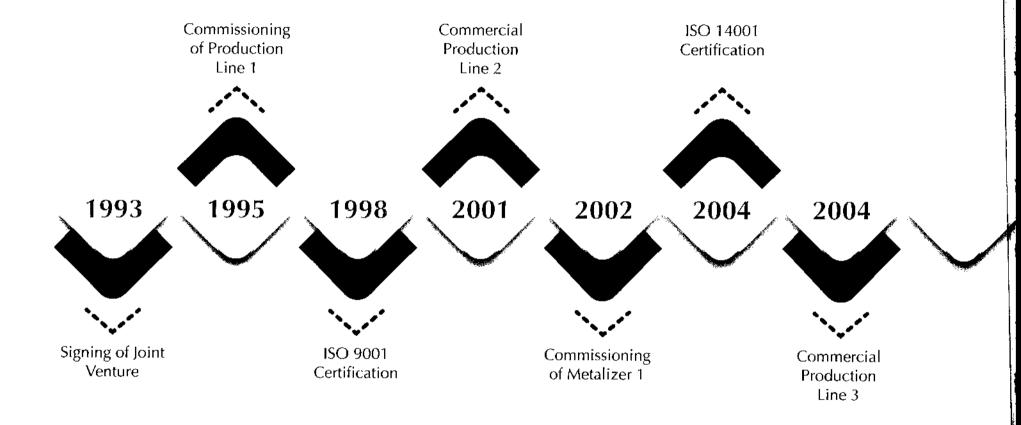
Plot No. 78/1, Phase IV, Hattar Industrial Estate, Hattar, Khyber Pakhtunkhwa, (Formerly N.W.E.P.). Tel: (0995) 617406-7 Fax: (0995) 617054

#### REGIONAL SALES OFFICE

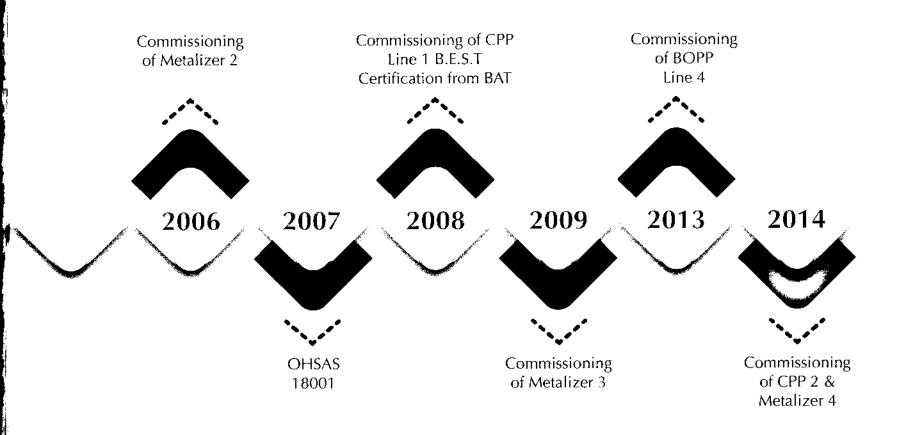
Plot No. 5 FC. *C*, Maratib Ali Road, Gulberg II, Lahore. Tel: (042) 35716068-70 Fax: (042) 35716071

<sup>\*</sup> In alphabetical order of last name













## stakeholder engagement >>>

At Tri-Pack we understand that engaging with our stakeholders is the only way to ensure that our strategy is aligned with the challenges and opportunities in the markets where we operate. We believe that our success is tied with the success of our stakeholders.

Our stakeholder engagement strategy aims to identify emerging trends, possible threats and best available value propositions for all our stakeholders including our shareholders, employees, customers, suppliers, society and regulators. We want our stakeholders to be advocates of Tri-Pack, which is why we have always encouraged an open culture that focuses on trust, integrity, respect, mutuality, commitment and satisfaction.

#### **Shareholders**

At Tri-Pack we believe that regular communications with shareholders is an important part of creating an open and constructive dialogue. The Company encourages shareholders' participation at Annual General Meetings and endeavours to provide sound disclosures through its Quarterly and Annual Reports. We also have a dedicated shares department to facilitate our shareholders, which is outsourced and operated by a well reputed organization which is managed by a well experienced team of professionals and is equipped with necessary infrastructure to undertake the operational activities pertaining to shares.



We have also maintained our website (www.tripack.com.pk) to include all necessary financial and non-financial information for our investors. The website is updated on frequent basis to ensure all relevant developments are communicated to our stakeholders on timely basis.

#### **Employees**

Our people are behind every aspect of our strategy. We believe that the way to grow as a business is to grow our people, enabling personal development and ambitious business results. We take pride in our engagement initiatives including development through a detailed Training Needs Analysis, Annual Conferences and other engagement activities. For our strategy to work we need our employees to believe in us and therefore we assess ourselves through employee engagement survey which measures their overall satisfaction levels of being part of the Company. This helps us in comparing ourselves with other large companies and in identifying ways to improve how we do things.

#### Customers

Constant engagement with customers is the essence of our customer service, which has always helped us in keeping ourselves ahead of the market. To achieve our aspiration of building a better future, it is essential to come to grips with the rapidly evolving customer needs and expectations. It is for this reason that we have a team of dedicated individuals working in close coordination with customers to ensure provision of unmatched goods and services that are aimed at improving their productivity and profitability.

#### Vendors

Tri-Pack has partnered with vendors from around the world and locally to ensure consistent quality of our products. Therefore the relationships with our suppliers are an increasingly important factor in allowing us both to maintain high standards of product supply and to respond to anticipated future customer needs. Our dedicated Commercial department constantly engages with suppliers to maintain a healthy business relationship.

#### Community

At Tri-Pack we genuinely care about giving back to our community. We actively work to be a responsible corporate member of Pakistan's society and continuously engage with the society through government agencies, non-governmental organisations and academia to align our business decision making with the reasonable societal expectations.

#### Banks

Our business relationship with our banks has been phenomenal. This is evident by the belief shown by banks in our commitments by providing significant finances to fund our projects. We maintain this relationship by actively engaging with our banks through frequent briefing sessions on Company's performance and site visits to keep them on board with our strategy and latest developments.

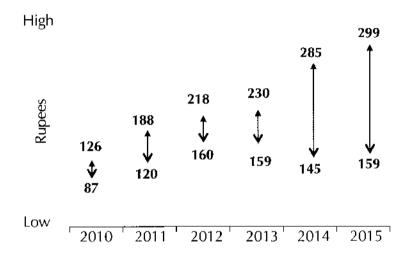
#### Regulators

As a responsible citizen Tri-Pack has always been committed to comply with all the laws and regulations including submission of regulatory reports and responding to specific enquiries on a timely basis. We have specific policies to ensure compliance of various laws and regulations.





#### Market Value Per Share



The share price of an enterprise is driven by its performance, which in turn is dependent upon a number of internal and external factors associated with the products and markets in which an enterprise operates.

In line with better profitability during the year compared to last year, the share price levels were higher. During the current year it closed at a high of Rs 299, which is the highest ever share price in last six years. Average share price during the year was Rs 224 compared to Rs 202 during last year.

#### External Factors

- Fragile law & order situation
- Volatility in raw material prices
- Energy crisis
- Abrupt exchange rate fluctuations
- Low mark-up rate
- Low consumer price index

#### Internal Factors

- Efficient margin management
- Operational efficiency
- Smart working capital management
- Strict cost rationalization



## shareholders' information >>>

#### Registered Office

4th Floor, The Forum Suite # 416-422, G-20, Block 9 Khayaban-e-Jami, Clifton Karachi-75600 Tel. # 92 21 35831618 / 35831664 / 35833011, 35874047 - 49 Fax # 92 21 35860251

#### **Shares Registrar**

FAMCO Associates (Pvt.) Ltd, 8-F, Next to Hotel Faran Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal Karachi-75400 Tel. # 92 21 34380101-2 Fax # 92 21 34380106

#### **Listing on Stock Exchanges**

Tri-Pack's equity shares are listed on the Pakistan Stock Exchange.

#### Listing Fees

The annual listing fee for the financial year 2015-16 has been paid to the stock exchange within the prescribed time limit.

#### Stock Code

The stock code for dealing in equity shares of Tri-Pack Films at the Stock Exchange is TRIPF.

#### Shares Registrar

Tri-Pack's shares department is operated by FAMCO Associates (Pvt.) Ltd. and services about 1,694 shareholders. It is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function.

The Shares Registrar has online connectivity with Central Depository Company of Pakistan Limited. It undertakes activities pertaining to dematerialization of shares, share transfers, transmissions, issue of duplicate/re-validated dividend warrants, issue of duplicate/ replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact either the Registered Office or the Shares Registrar.

#### Contact persons:

#### Mr. S.M. Munawar Moosvi

Tel. # 92 21 35831618 / 35831664 / 35833011 Fax # 92 21 35860251

#### Mr. Ovais Khan

Tel. # 92 21 34380101-2 Fax # 92 21 34380106

#### Service Standards

Tri-Pack has always endeavored to provide investors with prompt services. Listed below are various investor services and the maximum time limits set for their execution:

| through post  | Over the counter      |  |
|---|-----------------------|--|
| Transfer of shares 30 days after receipt                    | 30 days after receipt |  |
| Transmission of shares 30 days after receipt                | 30 days after receipt |  |
| Issue of duplicate share certificates 30 days after receipt | 30 days after receipt |  |
| Issue of duplicate dividend warrants 5 days after receipt   | 5 days after receipt  |  |
| Issue of revalidated dividend warrants 5 days after receipt | 5 days after receipt  |  |
| Change of address 2 days after receipt                      | 15 minutes            |  |

Well qualified personnel of the Shares Registrar have been entrusted with the responsibility of ensuring that services are rendered within the set time limits.



#### Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/ forms and furnished all the relevant particulars as required under the Companies Ordinance, 1984 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

#### Dematerialization of Shares

The equity shares of the Company are under the compulsory dematerialization category. As of date 37.52% of the equity shares of the company have been dematerialized by the shareholders.

#### Dividend

The board of directors of the company has proposed a final dividend of 50% (Rs. 5 per share of Rs.10) for the financial year ended December 31, 2015. The aforesaid final cash dividend is subject to approval by the shareholders of the Company at the Annual General Meeting (2014: Nil cash dividend).

#### **Book Closure Dates**

The Register of Members and Share Transfer Books of the Company will remain closed from March 24, 2016 to March 31, 2016 both days inclusive.

#### **Dividend Remittance**

Dividend declared and approved at an Annual General Meeting is paid well before the statutory time limit of 30 days:

- (i) For shares held in physical form: to shareholders whose names appear in the Register of Members of the Company after entertaining all requests for transfer of shares lodged with the Company on or before the book closure date.
- (ii) For shares held in electronic form: to shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on book closure date.

#### Withholding of Tax & Zakat on Dividend

As per the provisions of Section 150 of the Income Tax Ordinance, 2001, Income Tax is deductible at source on dividend payable by the Company at the rate of 12.5% for filers of income tax returns, wherever applicable, and at the rate of 17.5% for non-filers of income tax returns.

Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

#### **Dividend Warrants**

Cash dividends are paid through dividend warrants addressed to the shareholders whose names appear in the Register of Shareholders at the date of book closure. Shareholders are requested to deposit those warrants into their bank accounts, at their earliest, thus helping the Company to clear the unclaimed dividend account.

#### Investors' Grievances

To date none of the investors or shareholders have filed any letter of complaints against any service provided by the Company to its shareholders.

#### **Legal Proceedings**

No case has ever been filed by shareholders against the Company for non-receipt of shares/refund.

#### **General Meetings & Voting Rights**

Pursuant to Section 158 of the Companies Ordinance, 1984, Tri-Pack Films Limited holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore and Islamabad.

Shareholders having holding of at least 10% of voting rights may also apply to the board of directors to call for meeting of shareholders, and if board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.



Since the fundamental voting principle in a company is "One Share-One Vote", voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

#### **Proxies**

Pursuant to Section 161 of the Companies Ordinance, 1984 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another person as his/her proxy to attend and vote instead of him/her. Every notice calling a general meeting of the Company contains a

statement that a shareholder entitled to attend and vote is entitled to appoint a proxy, who may not be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the office of the Company not less than forty-eight hours before the meeting.

#### Web Presence

Updated information regarding the Company can be accessed at Tri-Pack's website, www.tripack.com.pk. The website contains the Company's profile, the corporate philosophy and major products.

## shareholding pattern >>>

The shareholding pattern of the equity share capital of the Company as at December 31, 2015 is as follows:

| Shareholding |        | Number of    | Total       |  |
|--------------|--------|--------------|-------------|--|
| From         | То     | shareholders | shares held |  |
| 1            | 100    | 486          | 12,517      |  |
| 101          | 500    | 592          | 264,280     |  |
| 501          | 1,000  | 156          | 145,634     |  |
| 1,001        | 5,000  | 261          | 728,141     |  |
| 5,001        | 10,000 | 80           | 626,172     |  |
| 10,001       | 15,000 | 30           | 374,864     |  |
| 15,001       | 20,000 | 15           | 275,709     |  |
| 20,001       | 25,000 | 10           | 228,900     |  |
| 25,001       | 30,000 | 6            | 168,400     |  |
| 30,001       | 35,000 | 3            | 101,000     |  |
| 35,001       | 40,000 | 227,220      |             |  |

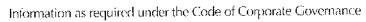


| Shareholding           |            | Number of    | Total          |
|------------------------|------------|--------------|----------------|
| From                   | То         | shareholders | shares held    |
| 40,001                 | 45,000     | 3            | 124,474        |
| 50,001                 | 55,000     | 10           | 511,500        |
| 55,001                 | 60,000     | 3            | 169,453        |
| 60,001                 | 65,000     | 4            | 250,400        |
| 65,001                 | 70,000     | 1            | 68,916         |
| 75,001                 | 80,000     | 1            | <i>77,</i> 000 |
| 80,001                 | 85,000     | 1            | 83,789         |
| 90,001                 | 95,000     | 2            | 183,623        |
| 100,001                | 105,000    | 4            | 404,600        |
| 120,001                | 125,000    | 2            | 246,800        |
| 130,001                | 135,000    | 1            | 130,436        |
| 135,001                | 140,000    | 1            | 137,000        |
| 145,001                | 150,000    | 1            | 149,100        |
| 180,001                | 185,000    | 1            | 182,000        |
| 210,001                | 215,000    | 1            | 211,800        |
| 230,001                | 235,000    | 1            | 231,130        |
| 250,001                | 255,000    | 1            | 250,100        |
| 255,001                | 260,000    | 1            | 259,400        |
| 275,001                | 280,000    | 1            | 278,400        |
| 325,001                | 330,000    | 1            | 327,100        |
| 470,001                | 475,000    | 1            | 474,500        |
| 560,001                | 565,000    | 1            | 562,049        |
| 680,001                | 685,000    | 1            | 682,260        |
| 930,001                | 935,000    | 1            | 933,850        |
| 1,065,001<br>1,350,001 | 1,070,000  | 1            | 1,065,067      |
|                        | 1,355,000  | 1            | 1,353,416      |
| 7,495,001              | 7,500,000  | 1            | 7,499,000      |
| 10,000,001             | 10,005,000 | 11           | 10,000,000     |
|                        |            | 1,694        | 30,000,000     |



#### Information as required under the Code of Corporate Governance

| :          | Shareholders' category   | y                          | Number of shareholders | Total shares held |  |
|------------|--|----------------------------|------------------------|-------------------|--|
| <br>i.     | Associated Companies, Undertakings and Related Pa                          | arties (name wise details) |                        |                   |  |
|            | Babar Ali Foundation   |                            | 1                      | 137,000           |  |
|            | [G] Insurance Limited  |                            | 1                      | 1,353,416         |  |
|            | Mitsubishi Corporation - Japan   |                            | 1                      | 7,499,000         |  |
|            | Packages Limited   |                            | 1                      | 10,000,000        |  |
|            |  | Total:                     | 4                      | 18,989,416        |  |
| ŕ.         | Mutual Funds (name wise details)   |                            |                        |                   |  |
|            | CDC - Trustee NAFA Stock Fund  |                            | 1                      | 121,800           |  |
|            | CDC - Trustee National Investment (Unit) Trust                             |                            | 1                      | 562,049           |  |
|            |  | Total :                    | 2                      | 683,849           |  |
| ii.        | Directors and their spouse(s) and minor children (na                       | me wise details)           |                        |                   |  |
|            | Mr. Asif Qadir   |                            | 1                      | 100               |  |
|            | Syed Aslam Mehdi   |                            | 1                      | 1,000             |  |
|            | Mr. Kimihide Ando  |                            | 1                      | 500               |  |
|            | Mr.Yasumasa Kondo  |                            | 1                      | 500               |  |
|            | Syed Babar Ali   |                            | 1                      | 474,500           |  |
|            | Syed Hyder Ali   |                            | 1                      | 93,500            |  |
|            |  | Total:                     | 6                      | 570,100           |  |
| v.         | Executives   |                            | NIL                    | NIL               |  |
|            |  | Total:                     | NIL                    | NIL               |  |
| / <b>.</b> | Public Sector Companies and Corporations                                   |                            | 1                      | 682,260           |  |
|            |  | Total:                     | 1                      | 682,260           |  |
| vi.        | Banks, Development Finance Institutions, Non-Banking Finance Institutions, |                            |                        |                   |  |
|            | Insurance Companies, Takaful, Modaraba and Pensio                          | n Funds                    | 7                      | 841,769           |  |
|            |  | Total:                     | 7                      | 841,769           |  |
| vii.       | Shareholders holding 5% or more voting rights in the                       | e Listed Company           |                        |                   |  |
|            | Mitsubishi Corporation - Japan   | • /                        | 1                      | 7,499,000         |  |
|            | Packages Limited   |                            | 1                      | 10,000,000        |  |
|            | V  | Total:                     | 2                      | 17,499,000        |  |

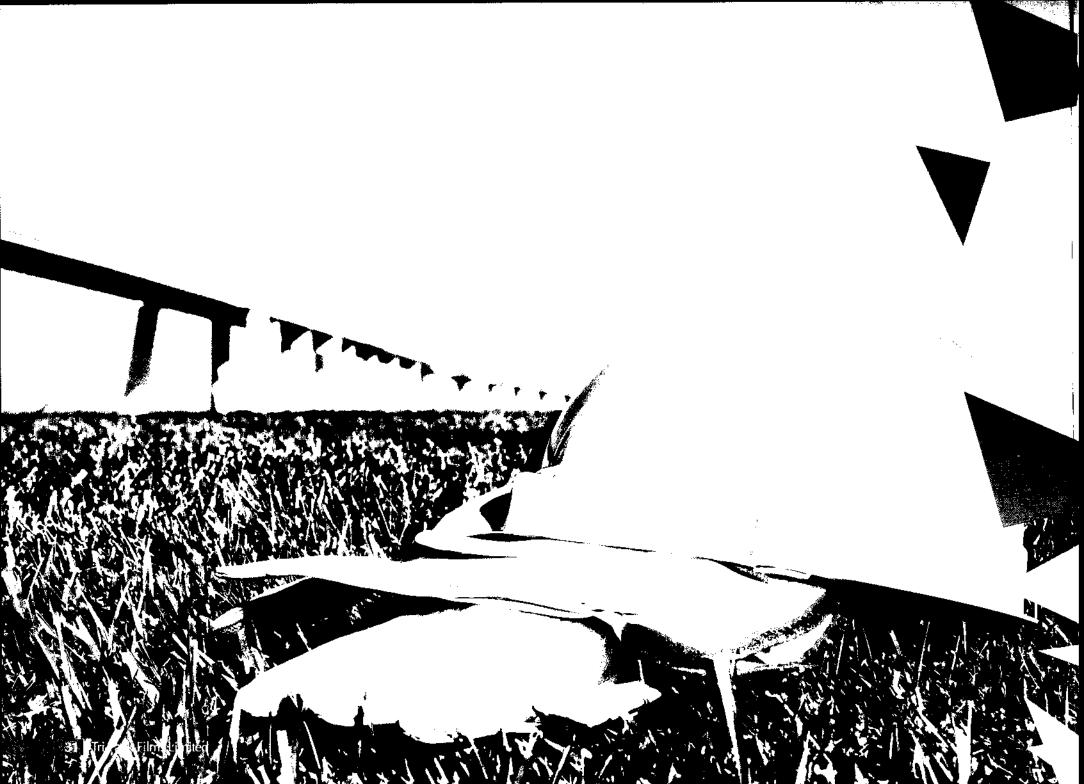


| S.No.        | Shareholders' category   | Number of shareholders | Total shares held | %          |
|--------------|--|------------------------|-------------------|------------|
| 1            | Directors, Chief Executive Officer, and their spouses and minor children     | 6                      | 570,100           | 1.90       |
| 2            | Associated Companies, undertakings and related parties                       | 4                      | 18,989,416        | 63.30      |
| 3            | Banks Development Financial Institutions, Non Banking Financial Institutions | 2                      | 63                | 0.00       |
| 4            | Insurance Companies  | 3                      | 769,366           | 2.56       |
| 5            | Modarabas and Mutual Funds   | 2                      | 683,849           | 2.28       |
| 6            | Shareholders holding 10%   | 2                      | 17,499,000        | 58.33      |
| 7            | General Public:  |                        |                   |            |
|              | a. Local<br>b. Foreign   | 1,629<br>-             | 6,592,535<br>-    | 21.98<br>- |
| 8            | Others   | 48                     | 2,394,671         | 7.98       |
| Total (exclu | uding: shareholders holding 10%)   | 1,694                  | 30,000,000        | 100.00     |

## share price/volume >>>>

The monthly high and low prices and the volume of shares traded on the Karachi Stock Exchange during the financial year 2015 are as under:

|                    | Share   | Share price on the KSE (Rs.) |                         |  |  |
|--------------------|---------|------------------------------|-------------------------|--|--|
| Month              | Highest | Lowest                       | Volume of shares traded |  |  |
| January            | 304.50  | 262.75                       | 1,151,000               |  |  |
| February           | 282.90  | 240.02                       | 354,400                 |  |  |
| March <sup>′</sup> | 240.00  | 163.10                       | 267,800                 |  |  |
| April              | 201.75  | 158.30                       | 619,600                 |  |  |
| May                | 192.49  | 155.00                       | 1,162,500               |  |  |
| June               | 195.00  | 175.00                       | 543,500                 |  |  |
| July               | 205.00  | 182.04                       | 274,400                 |  |  |
| August             | 272.85  | 190.00                       | 1,429,400               |  |  |
| September          | 261.90  | 208.00                       | 493,300                 |  |  |
| October            | 284.00  | 222.52                       | 1,109,600               |  |  |
| November           | 263.90  | 223.10                       | 875,100                 |  |  |
| December           | 288.90  | 221.70                       | 751,300                 |  |  |





# health, safety &

#### Tri-Pack Films Limited's policy is to:

- Ensure customer satisfaction through product of best quality, developments, modern technologies & by acquiring knowledge and skills.
- Establish, implement and review objectives & targets to ensure continuous improvement in our HSEQ System.
- Comply with all regulatory requirements on Health, Safety and Environment, Protect employees and community from health & safety hazards and to prevent environmental pollution.
- Use raw materials efficiently, manage waste effectively and economically and to conserve resources.
- Communicate to all stakeholders about our occupational health, safety, environment and quality policy & performance.
- Ensure that any new plant, equipment and processes installed will minimize hazards and impact to the environment.
- Ensure sustainable use of energy and water resources.



#### **HSE Strategy & Developments**

Compliance with Health, Safety and Environment (HSE) remained top priority during the year and the year closed without any serious incident in this respect.

Focus remained on improving the design of HSE Management System in line with international best practices such as Occupational Safety & Health Administration (OSHA) and Health Safety Executive (HSE), which necessitate our employees as well as the contractors to conform to these standards. In order to identify safety hazards and for effective risk assessment, a general culture of safety with effective safety management system was encouraged and promoted. Behavior based safety techniques and efficient incident reporting are vital parts of our system.

The HSE Management System comprises of following inter-related components:

- Commitment, leadership and accountability
- Policies, procedures and objectives
- Organization and resources
- Contractor and supplier management
- Risk management
- Performance monitoring and improvement
- Audits and reviews

#### **Quality Control**

The Company has a dedicated Research & Development (R&D) wing to ensure the consistency of quality of existing lines of products and to develop new products. A formal quality philosophy and organizational structure is in place, which helps in performance tracking in both pre and post manufacturing phases of a product. R&D has sufficient resources available to implement the quality framework at both plant and customers' site. On need basis, consultants/ industry experts are also engaged. In order to develop the skillset of staff both on-the-job and external trainings are provided to staff on recurrent basis.

In line with the commitment of adherence to international quality and safety standards the Company successfully managed to obtain following ISO certifications:

- Quality Management System
- **Environment Management System**
- Occupational Health and Safety Assessment Series
- Food Safety Management System
- Hazard Analysis and Critical Control Point
- Publicly Available Specification

#### Sustainability & Corporate Social Responsibility Commitment towards Sustainability & Corporate Social Responsibility (CSR)

Sustainability is at the heart of everything we do. Each year we actively seek to imbue sustainability into our business operations. And while we are making progress, we do not assume that we are winning; continuous improvement is a fundamental goal of our sustainability efforts.

It is our ongoing mission to identify emerging sustainability related challenges and CSR opportunities and work towards addressing them.

In 2016 and beyond, we are committed to be more responsible stewards of the planet.

#### Sustainability

Sustainability is an integral part of our business and operations. Tri-Pack is committed to reduce its impact on the planet and deliver more sustainable products to its customers; from producing energy efficient products and deploying cutting-edge safety systems to being the employer of choice for employees, we make decisions based on how the outcome ultimately creates value for our customers and stakeholders, consistent with the long-term preservation and enhancement of environmental, social and financial capital.

As a responsible corporate citizen, Tri-Pack is committed to protecting human health and the local environment. Our

dedication not only encompasses compliance with the law but also integration of sound environmental practices into our business operations.

#### **Energy Saving Measures**

At-Tripack, we remain keen to increase our operational efficiencies not only to add up to our bottom line, we also focus on optimization of energy resources available to us in particular and to the community at large. We remain vigilant to the energy crisis prevailing in the Country and we play our role by reducing our energy consumption through better upkeep of our equipment to enhance fuel efficiency, frequent audits of our machinery and critically reviewing frequency of maintenance intervals. Going forward the Company is planning to engage external experts for better insight and control of our power generation facilities.

#### **Environmental Protection Measures**

The guiding principles at Tri-Pack Films are the welfare and wellbeing of our people and our planet. We deeply care and are highly concerned about the unnecessary wastage of our natural resources and in result of our efforts we are utilizing our natural resources like natural gas, water, fuel etc. efficiently and thus our engines, oil heaters & vehicles comply the National Environment & Quality Standards (NEQS). Hence our business strategies take full account of far reaching environmental impact of our operating decision to ensure the protection of the environment.

We have taken various initiatives to go green at our plant facilities. Substantial investments have been made to grow the plantation at





and near our facilities. Our commitment to environment protection is in line with our objective of a better future.

#### Efforts to mitigate the adverse impact of industrial effluents

We at Tri-Pack constantly monitor the waste water parameters against the limits defined in NEQS. This is being done through audits by third party and by Environmental Protection Authority. With our consistent effort to improve on these parameters we have successfully managed to improve TDS (Total Dissolved Solid) values by 24% in the year 2015.

#### Industrial relations

Tri-Pack conforms to all applicable laws and acts pertaining to its operations and business practices as prescribed. We strive to be the employer of choice and comply with all employment laws and labor legislations.

Tri-Pack complies with the Factories Act and the core conventions of the International Labor Organization (ILO), We have the same Labor Rights for every Tri-Pack employee, wherever they work.

#### Valuing diversity

Tri-Pack believes that its success and competitiveness depends upon its ability to embrace diversity. In an effort to create a workplace culture that provides equal opportunities for everyone and ensures that people are always treated with dignity and respect a diverse workforce is being encouraged regardless of race, nationality, gender, age, marital status, sexual orientation, disability, religion or political beliefs. This commitment was displayed by inducting females and individuals with special needs in the work force.

#### **Employment of Special Persons**

As a socially responsible corporate citizen, Tri-Pack offers employment opportunity to special persons and dependents of deceased employees subject to availability of position and suitability of the candidates in accordance with the Company's policies.

We have successfully created employment opportunities for people with disabilities at our plant operations in Port Qasim.

#### **Business Ethics and Anti-Corruption Measures**

Tri-Pack's Code of Conduct is based on its values and clarifies the ethics and compliance expectations for everyone who works at Tri-Pack Films Limited. Our everyday business decisions are guided by our Code of Conduct. The code covers areas of operation safety, responsibly and reliably; our people; our stakeholders, the government and communities we work with; our assets and financial integrity.

The Company has ensured that appropriate steps have been taken to disseminate it throughout the Company.

#### Contribution to National Exchequer

Tri-Pack's contribution to the national exchequer in the form of sales tax, custom duties and income taxes etc is approximately Rs 2.460 million in 2015.

#### **Business Continuity Plan**

The Company considers its utmost priority to take all possible steps to ensure continuity of its operations in case of an event leading to business disruption. A comprehensive Business Continuity Plan is in place. The same has been imparted throughout the organization through formal trainings and drills.

#### **Corporate Social Responsibility**

Tri-Pack endeavors to operate its business in an innovative, sound, ethical and responsible way. Our intent is to continuously enhance our corporate value whilst striving to build a better and more sustainable world.

Our effort to attain human excellence does not just confine to ourselves but goes beyond. 2015 saw the Company push its CSR agenda across two key areas i.e. Contribution through Volunteerism and Social Initiative.

Over the year, Tri-Pack held its very first Blood Donation Drive in collaboration with Fatimid Foundation. Fatimid Foundation is known to have been working to help Thalassemia, Leukemia and other patients whose life depend on blood transfusions. We believe that giving the gift of life is a priceless act that supersedes any kind of charity. Thalassemia patients are dependent on donated blood to survive; and blood can only come from a volunteer donor. People from Tri-Pack, who made the choice to donate; and there is no substitute for their donation.

Simultaneously we launched a goodwill project for Dar ul Sakun via Donation Drive in support of their "Rehabilitation through Recycling Trash" Campaign. The proceeds from these items are used in their rehabilitation centers. When hundreds of people get together and coordinate their giving, tremendous and lasting good can be done for the community. There is no better way to make an impact than to contribute to the good will for our society.

#### **Corporate Social Accountability Management**

Our workplace practices are specifically designed to comply with the SA8000: Social Accountability standard.

Hiring policy at Tri-Pack Films Limited is based on safeguarding the basic rights and dignity of a worker. We believe in voluntary work, and our will and commitment ensures that forced labor is relegated to history.

Our hiring policy promotes good practice and ensures ethical sourcing of candidates and it is our prime concern to provide a working environment to our employees which is not harmful to their health and safety.

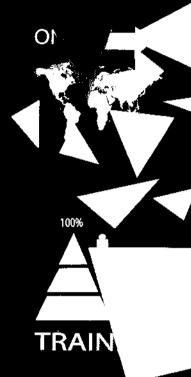
Our Social Management System ensures compliance and continuous improvement in delivering the below-cited aspects:

- Child Labor
- Forced Labor
- Health & Safety
- Discrimination
- Disciplinary Practices
- Working Hours
- Compensation

Our standards and compliance itself are based on various conventions and recommendations for Labor Laws (ILO) and the Factories Act.



CUSTOMER SERVICE goals





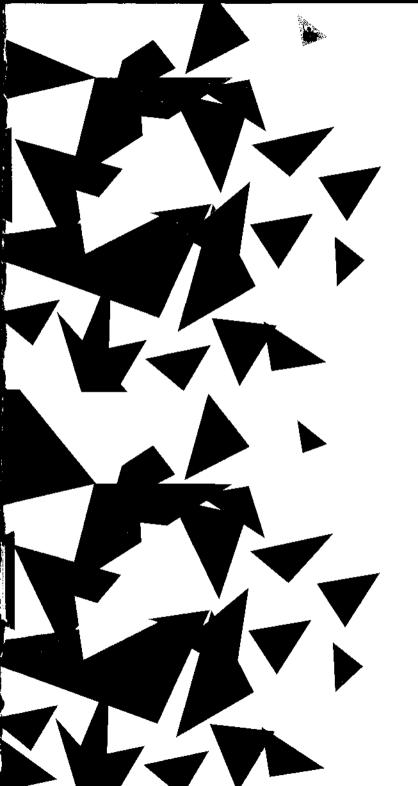












# functional and operational excellence

#### Overview of key objectives and strategies

Our passion to create a better future today does not only reflect in our aspiration but it is a part of day to day operational objectives and strategies. To create a sense of belonging to our vision we attempt to inculcate it in our very actions and day to day dealings in all aspects of business.

#### Customer service and product development

The central objective of our product development & innovation activity is to deliver practical solution that meets customer's requirement in today's rapidly changing markets. Creating value for our customers through developing economical source of raw materials, low cost packaging and bringing in new technologies has been focal point of our philosophy.

Development of measuring quality standards has been continuously reviewed ensuring product specification closest to the machine needs. In house storage development is under way which shall ensure meeting customer needs speedily and timely and facilitating customer to maintain low inventories at their end.

We have been very closely working with our customers to enable them and their customers to enhance operational efficiencies through high speed operations and cutting down time thus making them low cost producers. To fulfill our commitment towards environment, we have introduced concept of lighter weight packaging which is much appreciated by our customers. It has given an economical solution for the same packaging.



Tri-Pack is committed to design and produce its products that conforms to international standards and requirements i.e. free of any physical, biological chemical contaminations or allergens. Tri-Pack is certified against following international standards.

- 1. ISO-22000:2005 (Food Safety Management System)
- 2. PAS-223:2011 (Publically Available specifications (Technical))
- 3. HACCP Codex Alimentarius.

#### Research & development

We continue to develop new markets, products, applications and solutions in concert with our customers and suppliers. Our in-house R&D department is equipped with cutting edge contemporary and sophisticated equipment. Our highly professional R&D team works round the clock to ensure the production of high quality films.

Our world class R&D processes ensure that developed products meet customer requirements by giving better run-ability. It not only cuts down the cost at customers' end but also enhances our profitability.

New films are also being developed in different grades to replace older versions or tap new markets to enhance safety, hygiene and convenience of the end consumer.

#### Operational efficiency

It is our core objective to employ cost effective technology to retain our competitive edge. Total Productive Maintenance (TPM) remained a key source of improving operational efficiencies. TPM culture is being promoted throughout all levels of organization.

Frequent third party audits of plant are conducted to ensure optimum machine performance. It also gives us an opportunity to compare our machine operations with international standards.

#### **Human Resource development**

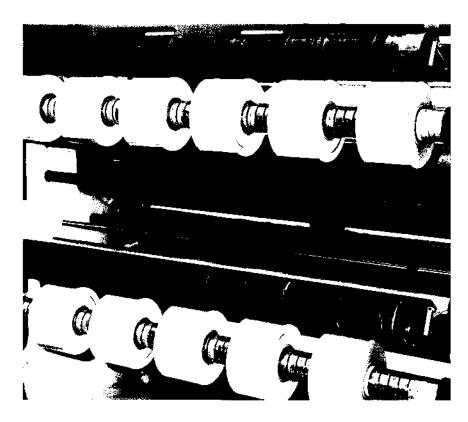
We want people to grow their careers at Tri-Pack and develop the skills and talent needed to grow our business. The Company continued to provide developmental opportunities to its employees at all levels, with the aim of enhancing their leadership, management and technical skills, to enable them to maximize their potential and help achieve individual and organizational goals.

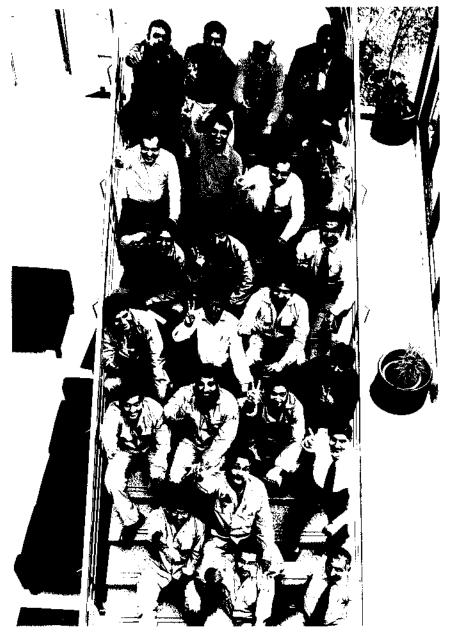
We take pride in our employee engagement platform which allows us to assess ourselves through employee engagement survey which measures our employees' overall satisfaction levels of being part of the Company,

We at Tri-Pack strongly emphasize on inclusion of all without any bias. We have a precise modus operandi when it comes to equal opportunity at all levels; from recruitment to compensation, to training and development across the board, all employees have equal rights in terms of rewards and recognition. In an effort to create a workplace culture that provides equal opportunities for everyone and ensures that people are always treated with dignity and respect a diverse workforce is being encouraged regardless of race, nationality, gender, age, marital status, sexual orientation, disability, religion or political beliefs. Global internship program initiated in strategic alliance with AIESEC (Association internationale des étudiants en sciences économiques et commerciales) for Global Exchange and induction in the panel of authorized trainers for Chartered Accountants by the Institute of Chartered Accountants in England & Wales (ICAEW) are great leaps in developing talents of our people.

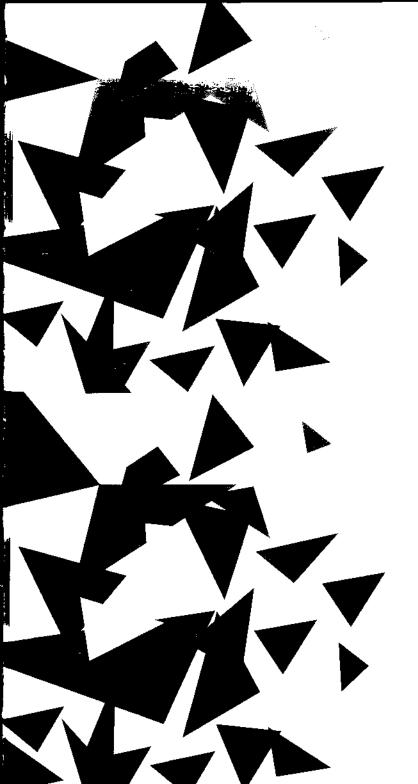
#### **Internal Controls & Compliance**

Tri-Pack has a robust internal control framework, which is designed to provide reasonable assurance regarding the Company's objectives in the matters pertaining to efficiency of operations, cost-effective use of resources, reliability of financial reporting and compliance with laws and regulations. We have documented Standard Operating Procedures that act as guiding principles for our activities. The Company has also engaged a well reputed audit firm to carry out internal audits of our processes. The findings of these audits are shared with the Board Audit Committee.









# human resource

#### **HR Strategic Priorities**

Tri-Pack has been a leader in building and defining the market standards. We are determined to continuously provide innovative solutions to our valued customers. Over the last year our business landscape has changed and surely evolved. Our ambition to capture growth and create value while leveraging our brand stands strong in our priorities.

Keeping this in view, the focus of HR strategy is to improve the productivity and effectiveness of the business through its people. Passion, teamwork and cohesion are key components in the success of our business.

It is our firm belief that everyone at Tri-Pack has a role to play in delivering our strategic priorities.

#### Attracting and developing the right blend

We are focused on ensuring adequate supply of human resources to meet the strategic goals and operational plans - the right people with the right skills and attitude at the right time.

#### **Employee Empowerment**

A culture where employees are empowered; provided with the right tools and resources to achieve beyond limits is what we have always strived for. Employees are strongly encouraged to challenge and question the status quo.





#### Respect for Self and Others

We are determined to create an environment where all employees respect each other irrespective of grade. Employees can report any misconduct or violation of company policies whether resulting in financial implications or not, without the fear of retaliation or retribution.

#### Develop capability and talent

It is our key priority to equip our employees with knowledge, skills and abilities necessary to achieve our goals. We are not only focused on developing skills that are needed for current job but also groom them for future roles.

#### The people behind our business

Our competitive advantage is our fine blend of people. We are a staunch believer that to deliver world class solutions it is imperative that we attract, develop and retain talent efficiently. As we ponder over the last year we can clearly conclude that it has been a year of continued progress, with increasing signs of relative stabilization and substantial growth. Our strategic cost saving measures at both operational and commercial front has delivered a clear improvement in our overall performance. We believe that the way to grow as a business is to ensure the growth of our people, enabling personal development and ambitious business results.

# No. of Training **Participants**

#### **Employee Engagement**

For our strategy to work we need our employees to believe in us. For the last two years all our employees are invited to participate in an employee engagement survey which allows us to measure engagement levels, compare ourselves with the best of the best in the industry and help us identify ways to improve overall employee value proposition. Our employee engagement index measures how committed our employees are, their desire to continue working for us and their overall level of satisfaction. The index improved compared to last year from 3.51 mean score to 3.66 on a scale of 5. The response this year was over whelming- Response Rate improved from 72% in 2014 to 92% in 2015.

Another milestone this year was the launch of intra/internet designed in-house through mutual collaboration between IT team and HR. This platform aims to serve as a strategic link between the organization and its employees for an un-interruptive exchange of information. The employees use a common front end web browser to browse through the vast reservoir of information available within the company such as policies, personal information, etc. A key feature of this portal is that Tri-Pack employees can access it at any time; any place across the globe just a click away.

Training Man Hours

#### **Talent Acquisition**

Talent acquisition is pivotal in any business. Likewise, at Tri-Pack we continued our efforts to acquire the best talent at various levels. The highlight of this year was the roll out of Tri-Pack's Summer Internship Program. This was a fantastic opportunity for students to gain some valuable work experience, be creative and prove themselves in a challenging work environment. It also provided us with the opportunity to identify potential recruits for years to come. This and other programs are a proven way to strengthen our talent pipeline while building breadth and adaptability to support our organization in a rapidly changing environment.

Another feather in the cap is that we embarked on a global exchange program with AIESEC in IBA (Association internationale des étudiants en sciences économiques et commerciales -English: International Association of Students in Economic and Commercial Sciences), through AIESEC's Global Entrepreneurs Program for global internship. Tri-Pack is the first company in the group that has taken this initiative. Our goal is to use this international platform and help young foreign students discover and develop their potential to have a positive impact on society and break down stereotypes / misconceptions of our nation.

#### Diversity

We believe that a diverse workforce is the key to achieving our goals by helping us better understand and meet the needs of our customers. We want to create a culture that provides equal opportunities for everyone and ensures that people are always treated with dignity and respect. We believe that different ways of thinking complement each other and lead to better decision making. Diverse teams are more creative, inclusive and

competitive, and better reflect the markets we serve. We are a growing business and we need to recruit and nurture the best people available. We offer equal opportunities in all aspects of employment and advancement regardless of race, nationality, gender, age, marital status, sexual orientation, disability, religion or political beliefs.

#### **Employee Development**

Tri-Pack continued to provide developmental opportunities to its employees at all levels, with the aim of enhancing their leadership, management and soft skills, to enable them to maximize their potential and help achieve individual and organizational goals. Various training programs were held in 2015 comprising of key functional, technical and soft skills trainings.

#### **Employee Awareness**

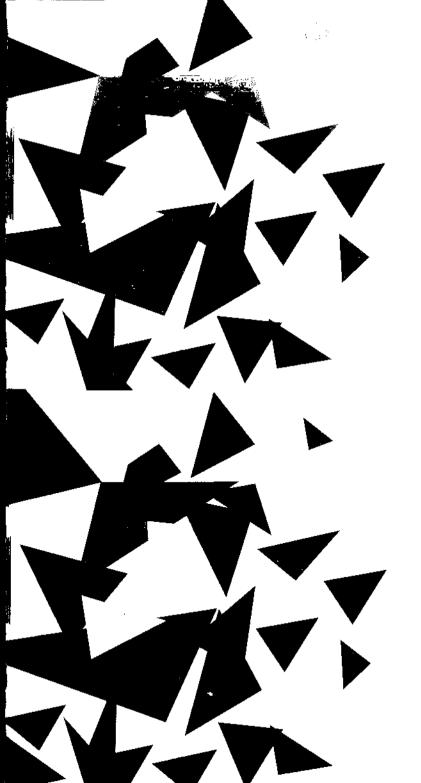
In 2015, a special focus was to educate employees on significant policies and code of conduct. Various roadshows were conducted at different locations covering Hattar, Port Qasim and Lahore region.

#### **Succession Planning**

Tri-Pack realizes the importance of a strong talent pipeline and hence our focus in 2015 and beyond is to develop and identify bench strength for all critical roles within the organization. We have embarked on developing succession plans for key positions by virtue of which we not only identify but foster the next generation of leaders through mentoring and training so that they are ready to take the helm when the time comes. Comprehensive Individual Development Plans (IDP's) have been developed for incumbents in critical role.







# speak up policy

Tri-Pack ensures that there is an accountable and transparent mechanism that enables all employees to voice concerns internally in a responsible and effective manner when they discover information which they believe shows serious malpractice.

Our whistleblowing practice is therefore fundamental to our professional integrity; it reinforces the value the Company places on its people to be honest and respected members of their individual professions. Our Speak Out function provides a method for properly addressing bona fide concerns that individuals within the Company might have, while also offering whistleblowers protection from victimization, harassment or disciplinary proceedings.

This policy covers situations where an employee (the whistleblower) raises a concern about a risk, malpractice or wrongdoing that affects others such as clients, suppliers, other employees, the Company or the public interest.

This policy is intended to assist employees who believe they have discovered malpractice or impropriety, it is not designed to question financial or business decisions taken by the Company nor should it be used to reconsider any matters which have been investigated under the harassment policy and procedure.

No disciplinary action will be taken for allegations made in good faith that are not confirmed by investigation. However, disciplinary action may be taken against an employee if he/she makes allegations that are malicious or simply to cause anger, irritation or distress.

Employees should notify the matter to the following as soon as they become aware of any suspected wrongdoing:

- Line manager
- Internal Complaints Committee
- HR Department.

Concerns can be raised by email, orally or in writing, stating that you are using the Speak Up Policy.



## calendar of events >>>>

### Januaray

#### 16th

HR & Personnel Away Day

#### 19th

**BOD** meeting

### March

#### 19th

Audit Committee meeting

#### 20th

**BOD** meeting

#### 26th

Record production of 153 tons

### **April**

### 27th

Audit Committee meeting

#### **28th**

BOD meeting

### **August**

#### 5th

Road Safety Day – Awareness Session by IGI

#### 17th

Audit Committee meeting

### 18th

**BOD** meeting

#### **22nd**

Blood Donation Drive with Fatimid Foundation

### October

#### 14th

Materials Engineering Students from NED visit Tri-Pack

Health Awareness Session IGI

#### 20th

Audit Committee meeting

#### 21th

**BOD** meeting

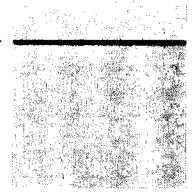
### **December**

#### 4th

**BOD** meeting

#### 23rd

TPFL Cricket
Tournament Final





# 24.3

#### Liquidity, cash flow & debt management

The Company, through efficient and optimum utilization of resources maintained its liquidity ratios to optimum levels.

Unrelenting focus on working capital management, strict cost controls and smart margin management contributed towards a strong financial performance resulted in significantly higher cash flows as compared to prior periods. Most of cash flows generated were utilized in the repayment of long term loans.

The management being wary of the changing external factors affecting the liquidity of the Company monitors the cash position on a daily basis through a dedicated reporting mechanism.

The Company has financing arrangements with all the reputed banks and has obtained both short term and long term loans to fund its expansion projects and to meet short term working capital requirements. Constant engagement with banks is the essence of maintaining a healthy business relationship, which also helps us in utilizing varied forms of funding to minimize our cost of borrowing. The repayment of long term loans is being made as per schedule.

#### **Capital Structure**

Strong performance and better liquidity positively impacted the long term debt to equity ratio which closed at 63:37. The Company has plans to issue its very first Rights Issue with an aim to further improve the the capital structure.

#### Changes in financial position, liquidity and performance

Despite volatile business environment the year closed on high notes with the Company posting highest ever EBITDA. Consequently, all the performance indicators including liquidity, gearing and profitability ratios improved significantly compared to last year.



# analysis of financial & non-financial targets

The Company has a robust process of determining financial and non-financial targets for all the teams. Financial targets are set during the budgeting exercise, which after review by the Executive Management Team and on recommendation of Board Audit Committee are approved by the Board of Directors of the Company. These financial targets are cascaded down as the key performance indicators at department and individual level.

At Tri-Pack non-financial targets are closely linked with the short term and long term objectives of the Company and are set as part of the objective setting process at the start of the year. These include employee engagement scores, environmental benchmarks, quality benchmarks, training and development targets etc.

The financial and non-financial targets set for the year 2015 have been convincingly achieved.

### market share information >







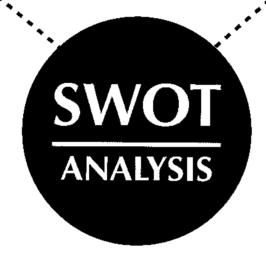


**CPP** 



#### Strengths

- Board of Directors consists of a mix of local and foreign members with decades of successful business experience.
- Owing to the Group's financial strength, Tri-Pack is one of the most preferred business partners of banks and financial institutions.
- · High quality product and customer service.
- The Company is in constant R&D, enjoying a first mover advantage in terms of prices and products. R&D helps the Company to remain market leader in terms of market share and innovation.
- State of the art technology.
- High operational capacity ensures the Company's ability to meet growing demand.



#### **Threats**

- Interest rate fluctuation, whereby an increase in the interest rate may adversely impact the profitability of the business, due to high leverage of the Company.
- The expansion in capacities of BOPP and CPP has created a situation of oversupply in the industry which can increase competition amongst the local players in short term any further enhancement in capacities will exacerbate the situation.
- · Currency exchange volatility,
- Iflegal imports particularly through Afghan transit trade and other routes.
- Dumping at uneconomical prices.
- Unrealistic BOPET prices taking away BOPP market share.

#### Weakness

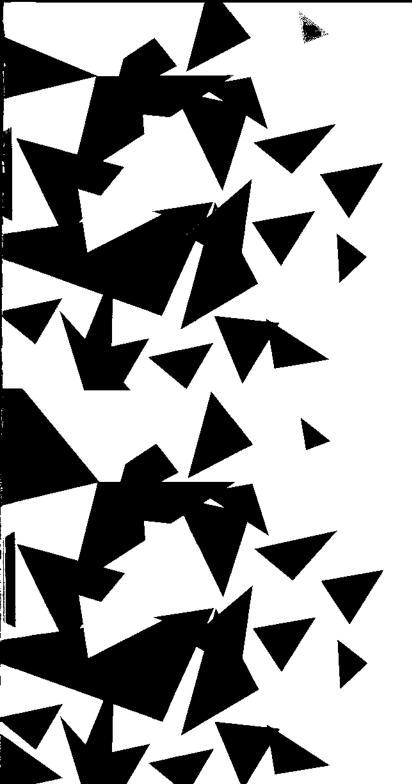
Dependence on imported raw material.

#### **Opportunities**

- Tri-Pack has the capacity to diversify its products and cater to large orders, which makes it the preferred choice for large companies.
- Target the export potential with growth in demand of BOPP and CPP films.
- Growth and investments in conversion & printing sector which is the primary user of films.
- Shift from non-packaged to packaged food would spur growth for films.







# governance framework

#### **Statement of Ethics & Business Practices**

- A. Tri-Pack Films Limited shall endeavor to promote fair business practices and conduct the business with the principles of integrity, objectivity and financial prudence.
- B. It is the policy of the Company to comply with all applicable laws, rules and regulations. Violations may result in disciplinary actions.
- C. All employees are expected to adhere to all internal corporate rules and policies in the performance of their jobs.
- D. Employees must avoid conflicts of interest between their private financial activities and conduct of Company business.
- E. All managers and supervisors shall be responsible to see that there is no violation of law within their area of responsibility and take proper measures within corporate policy framework and financial ethics standards.



#### Corporate Governance Framework

Tri-Pack has been guided by a value system that emphasizes on high standards of integrity and trust at all levels of the organization. Our policies and practices are to ensure that the Company is managed with integrity in the best interest of shareholders. In addition, we are committed to upholding sound principles of corporate governance and to meeting the requirements of all statutory laws and regulations and the rules of Stock Exchange of the country. The Board of Directors has adopted Code of Corporate Governance, which along with the charters of the Board Committees, the Company's Code of Conduct for employees and operational policies and procedures, provide the framework for the governance of the Company.

#### **Internal Control Framework**

The purpose of internal control framework, whilst ensuring conduct of business in smooth, orderly and efficient manner is to:

- Protect and safeguard the Company's assets;
- Prevent and detect fraud and error;
- Ensure the completeness and accuracy of the financial records;
- Comply with management policies and procedures.

The Board of Directors through the Senior Management is responsible to ensure the adequacy of the system of internal control covering both business and financial aspects. The internal control system and compliance with the requirements are monitored through well documented Standard Operating Procedures (SOPs) and a combination of audit reviews and periodic performance

monitoring. The results of these processes are communicated to the Board of Directors through its Audit Committee which has the ultimate responsibility for the effectiveness of internal control.

While developing controls, the extent and cost of control procedures are assessed with a view to reduce risk to an acceptable and cost effective level.

#### The Board Audit Committee

The Committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call for information from management and to consult directly with the external auditors and other advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board.

#### Audit

The Company has an effective Internal Audit function which has been outsourced to Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants. The Board Audit Committee periodically reviews the appropriateness of this function. The Head of Internal Audit functionally reports to the Audit Committee. The Board Audit Committee approves the audit plan. The Internal Audit function carries out reviews on the financial, operational and compliance controls and reports on findings to the Board Audit Committee, Chief Executive and the management.

#### Risk Management

The purpose of this framework is to define and identify risks which may compromise the achievement of business objectives and to implement controls against such risks. To assess and manage credit, investment, business, operational and risks arising from change, appropriate steps are defined in their respective policies and operational SOPs.

#### Speak Up

Tri-Pack Films has a formal whistle blowing policy, which has been communicated to the entire workforce. The policy is covered under "Speak Up" section in this report.

#### **Insider Trading**

The Company has a defined policy on insider trading. The purpose of this policy is to set forth guidelines on purchase or sale of securities while in possession of inside information.

The policy requires all employees to maintain confidentiality of inside information at all times. The Company takes effective steps to maintain and update a list of employees who have access to inside information. Moreover, according to the policy no employee shall transact directly or indirectly in Company's securities while in possession of inside information.

#### **Related Party Transactions**

The Company has an approved policy on related party transactions, which states that:

All commercial transactions between the Company and related parties shall be based on arm's length basis unless otherwise approved by the Board. The record of all related party transaction shall also be placed before the Board of Directors at each Board meeting for formal approval;

The Company shall not enter into a transaction where pricing would be difficult to justify.

#### IT Governance

Tri-Pack believes that without strong IT Governance, the business value of IT is substantially impaired and the organization becomes subject to the inefficiencies of short-term, tactical IT deployments, unproductive use of human resources and IT assets, breaches of data security and regulatory requirements. IT Governance structure fully capable of meeting business and reporting challenges is in place.

#### **Directors**

The Board is comprised of one executive director, one non-executive independent director and five non-executive directors. The Board has the collective responsibility for ensuring that the affairs of the company are managed competently and with integrity. All Board members are given appropriate documentation in advance of each Board meeting. This normally includes a detailed analysis on businesses and full papers on matters where the Board requires to make a decision or give its approval.





#### **Directors' Training**

The Company arranged one orientation course for its Directors during the year. Three directors of the Company viz., Syed Babar Ali, Syed Hyder Ali and Mr. Asif Qadir are exempted from the directors training program as per clause 5.19.7 of the Code of Corporate Governance, since apart from having a minimum of 14 years of education, their experience on the board of listed companies is 15 years or more. Syed Aslam Mehdi, Mr. Kimihide Ando, Mr. Yasumasa Kondo and Mr. Khurram Raza Bakhtayari have less than 15 years' experience on the board of listed companies. Syed Aslam Mehdi and Mr. Kimihide Ando have obtained certification during the year under the directors training program which meets the criteria specified by the Securities and Exchange Commission of Pakistan. Mr. Khurram Raza Bakhtayari and Mr. Yasumasa Kondo have been earmarked to obtain certification under the directors training program during the next six months.

#### Independence, Conflict of Interest & Material Interest

As per the requirements of law the Board includes one non-executive independent director who is also the chairman of Board Audit Committee and Human Resource & Remuneration Committee.

Material interests are reviewed regularly to avoid any conflict of interest. The directors of the Company disclose their memberships / directorships in other corporate bodies as per the requirements of Companies Ordinance 1984.

#### Role of the Board

The Company has a Corporate Governance Policy in place, which provides guidelines about administration of Board of Directors.

The Board of Directors of the Company meets on quarterly basis as required by the Companies Ordinance 1984. Moreover, the Board can also be convened to approve significant matters such as approval of revenue and capital budget of the Company, to review significant changes in the operations of the Company including plans for expansion, capital and operational restructuring, approval of new policies & procedures and significant amendments to current policies & procedures etc. Due communication is made of all such meetings and their outcome as required by the Securities and Exchange Commission of Pakistan.

Principal Board Committees including Executive Committee, Board Audit Committee and Human Resource and Remuneration Committee are also in place to oversee the operations of the Company.

The Board of Directors systematically designs procedures to ensure sound, transparent and efficient corporate management. The Company makes decisions to conduct business activities as appropriate in the light of the size, industry sector and relevant laws and regulations.

The Board has authorized the Chief Executive Officer (CEO) to maximize corporate value in conformity with the law, internal corporate rules, memorandum and articles of association of the Company while considering the overall interest of shareholders.

The Board has authorized the CEO to define the Company's mission / vision statement and ensure the alignment of objectives, from grass root level to the top, with the mission / vision.

The Board regularly evaluates performance of the Company ensuring proper conduct of operations directly and indirectly through Board Committees and the CEO.

## board of directors >>>>





#### Syed Babar Ali - Chairman

Mr. Ali is the founder of various industries and social welfare institutions. He is the Chairman of Board of Directors since inception of the Company. Besides Tri-Pack, he is the Chairman of Ali Institute of Education, Babar Ali Foundation, Coca Cola Beverages Pakistan Limited, Gurmani Foundation, IGI Insurance Limited, IGI Investment Bank Limited, Industrial Technical &Educational Institute, National Management Foundation, Sanofi-Aventis Pakistan Limited, Syed Maratib Ali Religious and Charitable Trust Society and Tetra Pak Pakistan Limited. Mr. Ali is also a Director in Nestle Pakistan Limited and Pro-Chancellor of Lahore University of Management Sciences (LUMS).

### **Syed Hyder Ali**

Mr. Ali is a Non-Executive Member of the Board since inception. He has done his Masters in Sciences from Institute of Paper Chemistry. He holds Directorships in several other companies including Bulleh Shah Packaging (Private) Limited, Flexible Packages Convertors (Pty) Limited, IGI Insurance Limited, IGI Life Insurance Company Limited, International Steels Limited, KSB Pumps Company Limited, Nestle Pakistan Limited, Packages Construction (Private) Limited, Packages Lanka (Private) Limited, Packages Limited, Sanofi-Aventis Pakistan Limited and Tetra Pak Pakistan Limited. He is also serving on the Boards of certain philanthropic, educational, charitable and business support organizations including Babar Ali Foundtion, Pakistan Centre for Philanthropy, World Wide Fund for Nature, National Management Foundation, Packages Foundation, Syed Maratib Ali Religious and Charitable Trust Society, Ali Institute of Education, International Chamber of Commerce Pakistan and Lahore University of Management Sciences (LUMS).





#### Mr. Kimihide Ando

Mr. Ando is associated with the Company as Non-Executive Director. He is the General Manager for Mitsubishi Corporation of Japan's operations in Pakistan. He has a degree in liberal arts from the International Christian University, Tokyo, Japan and has been with Mitsubishi Corporation for 29 years. He has a diverse experience in chemicals. He joined the Tri-Pack Board in 2010 and is also on the Boards of Engro Polymer & Chemicals Limited. Punjab Board of Investment and Trade and Vice President of Pakistan Japan Business Forum.



#### Mr. Khurram Raza Bakhtayari

Mr. Bakhtayari, currently the Chief Financial Officer of Packages Limited, is a Non-Executive Member of the Board. He did his Bachelors in Commerce in 1997 from the Hailey College of Commerce, University of the Punjab, Lahore and thereafter qualified as a Chartered Accountant in 2002 from the Institute of Chartered Accountants of Pakistan, He became a fellow member of the Institute in January 2013. He has over 10 years of experience in Pakistan in the field of corporate finance, accountancy, treasury, auditing, corporate affairs and administration. He holds Directorships in several other companies including Anemone Holdings Limited, Bulleh Shah Packaging (Private) Limited, CalciPack (Private) Limited, DIC Pakistan Limited, Flexible Packages Convertors (Pty) Limited, IGI Investment Bank Limited, IGI Life Insurance Company Limited, Loads Limited, Maxim International (Private) Limited, MeatTech (Private) Limited. Multiple Autoparts Industries (Private) Limited, Packages Construction (Private) Limited, Packages Lanka (Private) Limited, Specialized Autoparts Industries (Private) Limited and Specialized Motorcycles (Private) Limited. Besides, Tetra Pak Pakistan Limited, Mr. Bakhtayari is the Executive Committee Member of Nagsh School of Arts.



#### Mr. Yasumasa Kondo

Mr. Kondo is a Non-Executive Member of the Board. He joined Mitsubishi Corporation of Japan in the year 1986 and has worked in different companies associated with the Group. He has served as a General Manager at PVC and Plastic Units of Mitsubishi Corporation. He graduated in 1986 from the University of Tokyo.

### Syed Aslam Mehdi

Mr. Mehdi serves on the Board of Directors of Tri-Pack Films Limited. Formerly, he was the General Manager at Packages Limited. He has been affiliated with the Packages Group since 1980 from where there was no looking back. Having a Master's Degree from IBA, Mr. Mehdi brings with him a wealth of management experience, especially in the areas of Marketing, Operational Excellence and People Management, Currently, Mr. Mehdi is also serving on the Boards of Bulleh Shah Packaging (Private) Limited, DIC Pakistan Limited, Packages Construction (Private) Limited, Packages Foundation, Packages Limited, Pakistan Japan Business Forum, Printcare Plc, Sri Eanka, Tetra Pak Pakistan Limited and Member - National Management Foundation (LUMS),



#### Mr. Asif Qadir

Mr. Qadir holds a degree in Chemical Engineering from Columbia University, New York, USA. He was elected as Non-Executive Independent Director of the Company on October 03, 2012. He serves on the Boards of Descon Oxychem Limited, Karachi Stock Exchange Limited, Thal Limited and Cherat Cement Limited. He is Chairman of the Board for Unicol Limited.



# principal board committees >>>>

#### **Executive Committee**

- Kimihide Ando (Chairman)
- Sved Hyder Ali
- Khurram Raza Bakhtyari
- Sýed Aslam Mehdi

The Executive Committee ensures effective and efficient operations of the Company. They meet periodically to assess the progress of the Company against the set targets. The committee is authorized to conduct every business except the business carried out by the Board of Directors as required by the section 196 of the Companies Ordinance 1984.

#### Audit Committee

- Asif Qadir (Chairman)
- Kimihide Ando
- Khurram Raza Bakhtyari
- Yasumasa Kondo

#### Terms of Reference of Board Audit Committee

#### Purpose

To assist the Board of Directors in fulfilling its oversight responsibilities in the following areas:

- 1. Review the adequacy and effectiveness of the system for assessment and management of risk in the Company under its management control.
- 2. Financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with SECP's Code of Corporate Governance and other laws and regulations by the Company.
- 3. Effectiveness of internal control measures, compliance with policies on Corporate Governance and Business Conduct and applicable laws and regulations.

#### Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of functional responsibilities. It is empowered to:

- Decide, through the Board of Directors, on matters regarding the selection, compensation and appointment of external auditors by the Company's shareholders.
- Consider any questions of external auditors' resignation or removal and review any provision by them of any service in addition to audit of the Company's financial statements.
- Review and resolve any disagreements between management and the external auditors regarding financial reporting.
- Employ independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
- Seek any information it requires from management, employees, auditors or external parties in the fulfillment of its functional responsibilities.

#### Composition

- The Audit Committee will be constituted by the Company's Board of Directors. It will consist of at least four members including the Chairperson who will be nominated by the Board. The Committee will be appointed for a period of three years.
- The Head of Internal Audit of the Company shall report to the Audit Committee on all functional matters.

#### Meetings

- The Audit Committee will meet at least once every quarter prior to the approval of interim results of the Company as well as before and after completion of the external audit. Special meetings may be held at the request of any member of the Committee, external auditors or Head of Internal Audit.
- The quorum for a Committee meeting shall be two members if the Chairperson is present and three members if he /she are not.

- For the quarterly review of financial statements the Chief Financial Officer must be present. Additionally the presence of a representative of the external auditors is necessary at Committee meetings where issues relating to annual accounts and / or external audit are being discussed.
- The CEOs of the Company may be consulted by the Committee when important matters concerning their organizations are to be discussed.
- At least once a year the Committee shall meet the external auditors without the Chief Financial Officer and Head of Internal Audit being present and also meet the Head of Internal Audit and other members of the Internal Audit function in the absence of the Chief Financial Officer and the external auditors.
- Meeting agendas will be prepared by the Secretary and provided to Committee members at least one week in advance along with appropriate briefing materials. He will also finalize the minutes of Committee meetings and circulate them to all members, directors and Company executives within a fortnight of the meetings.

#### **Functional Responsibilities**

The Committee shall have the following responsibilities:

#### **Financial Statements**

- Review of preliminary announcements of the Company's results prior to publication and consider whether they are complete and consistent with the information known to Committee members.
- Review of the quarterly, half-yearly and annual financial statements of the Company prior to their approval by the Board of Directors. The review should focus on:
  - Major judgmental areas
  - Complex or unusual transactions or significant adjustments resulting from the audit
  - Going concern assumption

- Changes in accounting policies and practices
- Compliance with applicable accounting / reporting standards
- Compliance with listing regulations and other statutory / regulatory requirements
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- If necessary and as determined by the Board Audit Committee, review with management, internal auditors and with Legal department, any litigation, claims or other contingency, including tax assessments that could have a material effect on the Company's financial position or operating results.

#### Compliance, Risk & Internal Control

- · Monitor compliance with best practices of corporate governance by the Company under its management control as well as identification and steps to correct significant violations thereof.
- Review reports on violations of business ethics and conflicts of interest issues at the Company under its management control and monitor compliance with the Company's relevant policies.
- Review and handle complaints according to the Company's Speak-Up Policy.
- Monitor compliance with relevant statutory requirements and review findings of any examinations by regulatory agencies
- Determine the effectiveness of measures to safeguard Company's assets.
- Review business contingency plans for managing high risk areas.
- Review management's policies and practices and ascertain the adequacy and effectiveness of the Company's system of internal control, including financial and operational controls, accounting system and reporting structure, and information technology security and control.



#### Review Company's statement on internal control systems prior to endorsement by Board of Directors, and deviations from this system which may cause material effects on its financial position and operating results.

Perform any other overseeing functions as requested by the Board of Directors.

#### Internal Audit

- Review the organizational structure, qualifications, skills set and experience of the Internal Audit function and ensure that it has adequate resources to effectively carry out its role.
- Review the overall internal audit scope and extent, the annual audit plans and all major changes thereto at the Company and monitor implementation.
- Review and concur in the appointment, remuneration and performance of Company's Flead of Internal Audit.
- Review internal auditors' findings and recommendations including major findings of internal investigations and management's responses/corrective actions. Report matters of audit significance to the Company's Board.

#### **External Audit**

- Facilitate the external audit and ensure external auditor's coordination with internal audit including review of internal audit reports by external auditors.
- Review the performance of the Company's external auditors and recommend to the Board on matters regarding their appointment, fees or discharge.
- Review and confirm the independence of the external auditors by obtaining written statements from them regarding any interests, other than auditing fees, that they may have in the Company and nature of their relationship with the Company, including non-audit services or employment of former employees of the external auditors.

Examine external auditor's internal control memorandum / management letters on internal accounting controls and other audit findings and also review management's responses thereto.

#### Reporting Responsibilities

Annually report to the Board of Directors about committee activities, issues, and related recommendations.

#### Human Resource and Remuneration (HR&R) Committee

- Mr. Asif Qadir (Chairman)
- Mr. Khurram Raza Bakhtayari
- Syed Aslam Mehdi
- Mr. Kimihide Ando

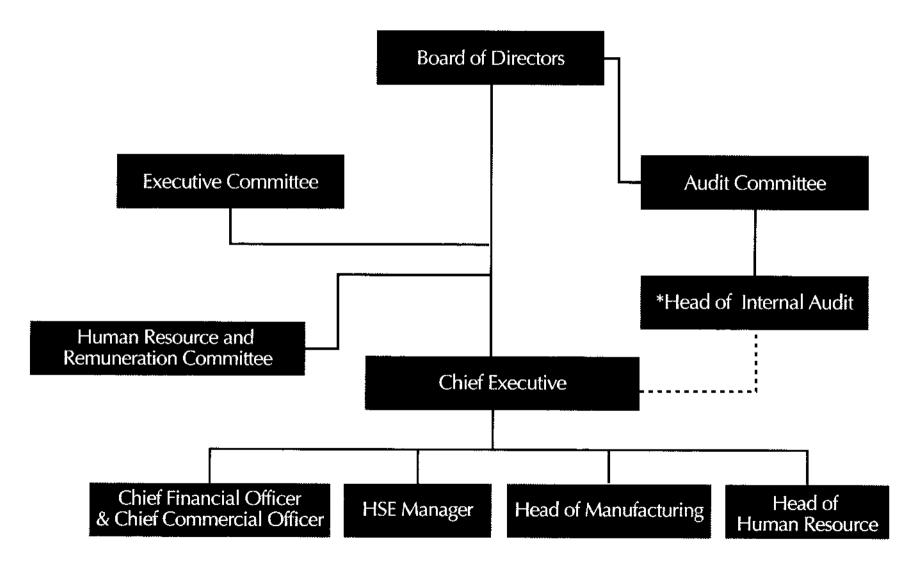
As per the requirement of the Clause (xxv) of the Code of Corporate Governance 2012 a Human Resource and Remuneration (HR&R) Committee was formulated in 2012.

#### Terms of Reference of the Human Resource and Remuneration (HR&R) Committee

- Recommending human resource management policies to the board;
- Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- Recommending to the board the selection, evaluation, compensation (including retirement benefits) of the CEO, CFO, Company Secretary and Head of Internal Audit: and
- Consideration and approval on recommendations of the CEO on such matters for key management positions who report directly to the CFO.

# organizational structure





<sup>\*</sup>Coordinator, Internal Audit is outsourced to M/s Lrnst & Young Ford Rhodes Sidat Hyder, Chartered Accountable



# statement of compliance with the code of corporate governance

for the year ended December 31, 2015

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in the Listing Regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

| Names                       |
|-----------------------------|
| Mr. Asif Qadir              |
| Syed Aslam Mehdi            |
| Syed Babar Ali              |
| Syed Hyder Ali              |
| Mr. Kimihide Ando           |
| Mr. Khurram Raza Bakhtayari |
| Mr. Yasumasa Kondo          |
|                             |

The independent director meets the criteria of independence under clause i(b) of the Code.

- 2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies).
- 3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.

- 4. No casual vacancy occurred during the year.
- 5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a Vision/Mission Statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- The Company arranged one orientation course for its Directors during the year. Three directors of the Company viz., Syed Babar Ali, Syed Hyder Ali and Mr. Asif Qadir are exempted from the directors training program as per clause 5.19.7 of the Code of Corporate Governance, since apart from having a minimum of 14 years of education, their experience on the board of listed companies is 15 years or more. Syed Aslam Mehdi, Mr. Kimihide Ando, Mr. Yasumasa Kondo and Mr. Khurram Raza Bakhtayari have less than 15 years experience on the board of listed companies. Syed Aslam Mehdi and Mr. Kimihide Ando have obtained certification during the year under the directors training program which meets the criteria specified by the Securities and Exchange Commission of Pakistan. Mr. Khurram Raza Bakhtayari and Mr. Yasumasa Kondo have been earmarked to obtain certification under the directors training program during the next six months.



#### 10. The Board had approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment as determined by the CEO. No new appointment was made during the year.

- 11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
- The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- 13. The Directors, CFO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 14. The Company has complied with all the corporate and financial reporting requirements of the Code.
- 15. The Board has formed an Audit Committee. It comprises of four members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
- 16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- 17. The Board has formed a Human Resource and Remuneration Committee. It comprises of four members, of whom three are non-executive directors, including its Chairman. One non-executive Director was included as a member of the Committee during the year.

- 18. The Board has outsourced the internal audit function to Ernst & Young, Ford Rhodes Sidat Hyder, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The Head of Internal Audit resigned during the year. Appointment of new Head of Internal Audit was approved in the meeting of Board of Directors dated February 17th, 2016.
- 19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors, employees and stock exchanges.
- 22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
- 23. We confirm that all other material principles enshrined in the Code have been complied with.

Karachi:

**Date:** February 17, 2016

Syed Aslam Mehdi
Chief Executive



# review report to the members on statement of compliance with best practices of the code of corporate governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Tri-Pack Films Limited (the Company) for the year ended December 31, 2015 to comply with the Code contained in regulation No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls

or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code required the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended December 31, 2015.

A.F. Ferguson & Co. Chartered Accountants

Audit Engagement Partner: Farrukh Rehaman

Karachi, February 25, 2016

# key financial information



|   | 2015   | 2014    |   |  | 2015   | 2014     |
|---|--------|---------|---|--|--------|----------|
| Sales Revenue<br>(Rs in Million)              | 11,954 | 13,597  | 1 | <b>Shareholders equity</b> (Rs in Million)           | 2,114  | 1,634    |
| Operating Profit<br>(Rs in Million)           | 1,228  | 487     | 1 | <b>EBITDA</b> (Rs in Million)                        | 1,891  | 1,274    |
| Profit/(Loss) before taxation (Rs in Million) | 472    | (331)   | 1 | Price Earning Ratio<br>(In Times)                    | 16.60  | *(43.84) |
| Profit/(Loss) after taxation (Rs in Million)  | 498    | (200)   | 1 | No of Employees                                      | 409    | 436      |
| Earning/(Loss) per share (EPS) (Rupees)       | 14.86  | *(5.95) | 1 | Production<br>(In Metric Tons)                       | 48,060 | 49,402   |
| Fixed Assets<br>(Rs in Million)               | 6,738  | 7,224   | 1 | Cash Generated<br>from Operations<br>(Rs in Million) | 2,957  | 493      |

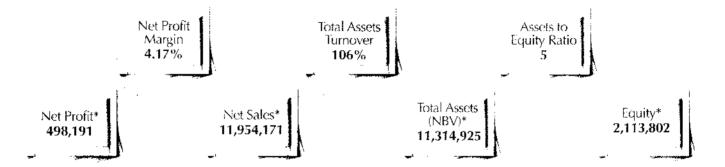
<sup>\*</sup> Restated



# dupont analysis

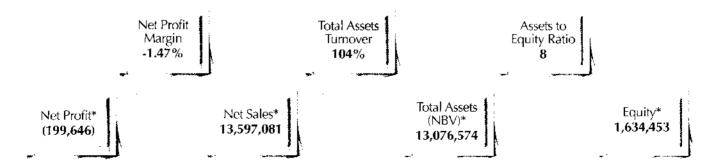
2015

ROE 23.57%



2014

ROE -12.21%

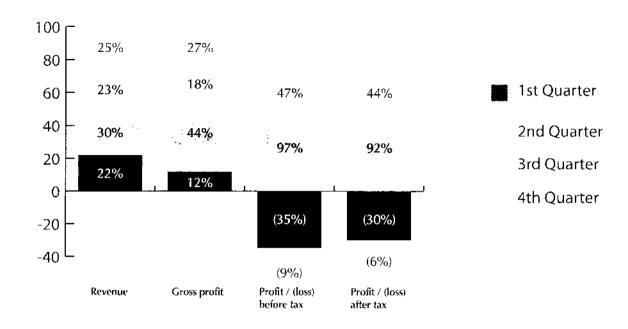


# quaterly analysis >>>

|   | 1            |
|---|--------------|
|   | - 4 <b>4</b> |
|   |              |
| ı |              |
|   |              |

|                            |             | 2015        |                |             |              |  |
|----------------------------|-------------|-------------|----------------|-------------|--------------|--|
| Particulars                | 1st Qtr     | 2nd Qtr     | 3rd Qtr        | 4th Qtr     | Total        |  |
|                            |             |             | Rupees in 1000 |             |              |  |
| Revenue                    | 2,639,155   | 3,617,809   | 2,742,803      | 2,954,404   | 11,954,171   |  |
| Cost of sales              | (2,421,500) | (2,808,676) | (2,414,060)    | (2,452,670) | (10,096,906) |  |
| Gross profit               | 217,655     | 809,133     | 328,743        | 501,734     | 1,857,265    |  |
| Distribution costs         | (74,922)    | (83,830)    | (72,367)       | (55,109)    | (286,228)    |  |
| Administrative costs       | (72,350)    | (92,512)    | (78,988)       | (98,792)    | (342,642)    |  |
| Operating profit           | 70,383      | 632,791     | 177,388        | 347,833     | 1,228,395    |  |
| Other income               | 6,741       | 21,614      | 12,931         | 19,389      | 60,675       |  |
| Finance costs              | (240,788)   | (174,390)   | (233,265)      | (133,473)   | (781,916)    |  |
| Other expenses             | -           | (22,757)    | 1,540          | (13,759)    | (34,976)     |  |
| Profit / (loss) before tax | (163,664)   | 457,258     | (41,406)       | 219,990     | 472,178      |  |
| Less: Taxation             | (15,000)    | (3,173)     | (10,000)       | 2,160       | (26,013)     |  |
| Profit / (loss) after tax  | (148,664)   | 460,431     | (31,406)       | 217,830     | 498,191      |  |





During the year Revenue fluctuated mainly on the back of volatility in prices along with volumes. In Q1 2015 the impact of lower prices carried forward from December 2014 led to cautious buying from customers. The situation improved many folds in Q2 when the revenue increased 37% compared to Q1. However, revenue decreased in Q3 by 15% compared to Q2 only to increase again in Q4.

Margin a envained under pressure during GL. Effective Margin Management in G2 resulted in higher margins during the quarter Margin and naviral prices remaining volatile in G1 & G4, margins deal and in a margin deal and in the surface of the surfa

# balance sheet composition



### **Fixed and Current Assets**

### 2015

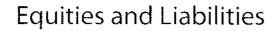


| Property, plant and equipment | 59% |
|-------------------------------|-----|
| Stores and spares             | 3%  |
| Stock in trade                | 11% |
| Trade debts - net             | 11% |
| Advances and prepayments      | 1%  |
| Other receivables             | 1%  |
| ■ Income tax - net            | 10% |
| Cash and bank balances        | 3%  |

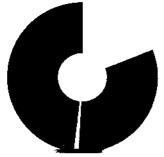


### 2014

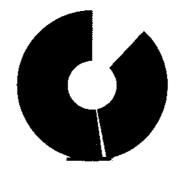
|   | Property, plant and equipment | 55%    |
|---|-------------------------------|--------|
| • | Stores and spares             | 3%     |
|   | Stock in trade                | 13%    |
|   | Trade debts - net             | 12%    |
|   | Advances and prepayments      | 1%     |
|   | Other receivables             | 2%     |
| • | Income tax - net              | 10%    |
|   | Cash and bank balances        | <br>5% |



### 2015



| Equity & Reserves              | 19% |
|--------------------------------|-----|
| ■ Long-term Financing Facility | 32% |
| Non-Current Liability          | 1%  |
| Current Liabilities            | 48% |



### 2014

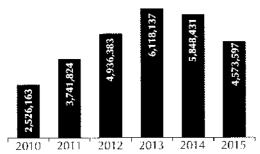
|   | Equity & Reserves            | 12% |
|---|------------------------------|-----|
| • | Long-term Financing Facility | 35% |
|   | Non-Current Liability        | 1%  |
| • | Current Liabilities          | 52% |



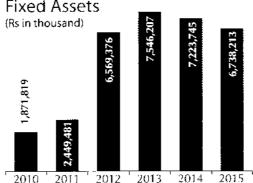
# analytical review

## **Current Assets**

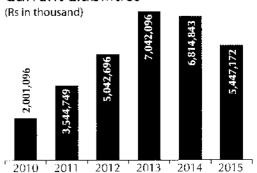
(Rs in thousand)



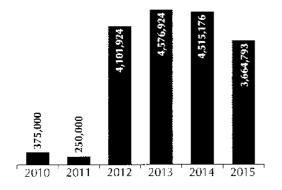
## Fixed Assets



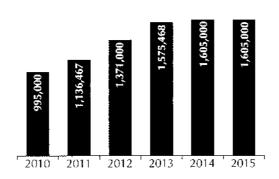
## **Current Liabilities**



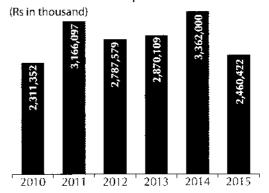
# Long Term Liabilities (Rs in thousand)



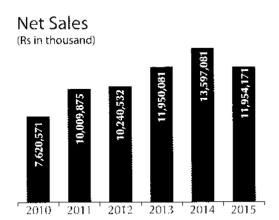
Reserve (Rs in thousand)

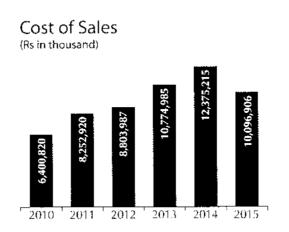


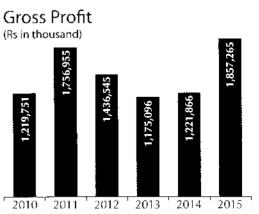
Contribution to National Exchequer

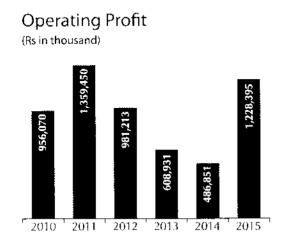


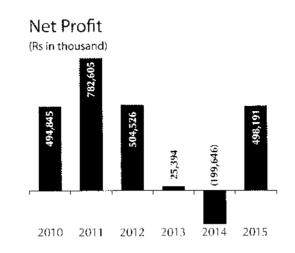


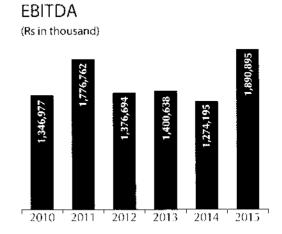








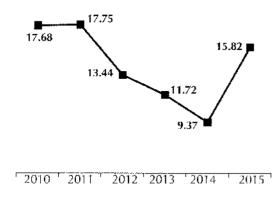




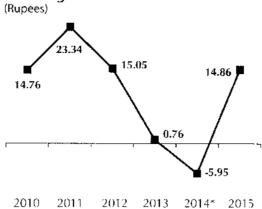


# analytical review >>>>

## EBITDA Margin to Sales

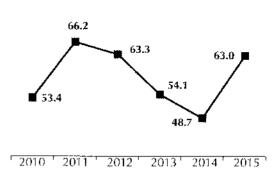


## Earning Per Share

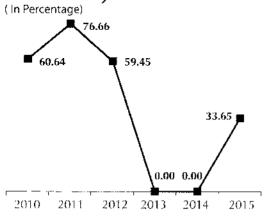


## Breakup Value

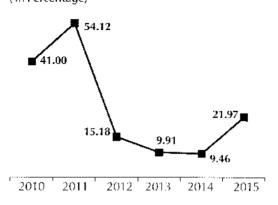




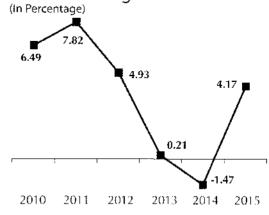
## **Dividend Payout**



# Return on Capital Employed

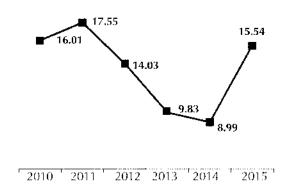


## Net Profit Margin



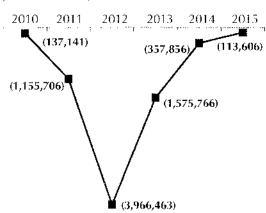
<sup>\*</sup> Restated

## Gross Profit Margin

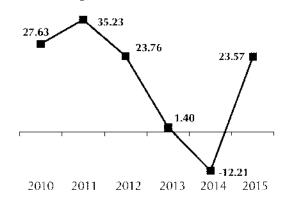


# Cash Flows from Investing Activities

(Rs in Thousands)

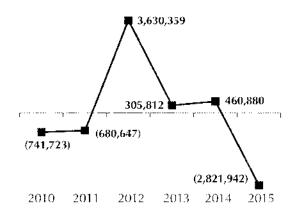


## Return on Equity (In Percentage)



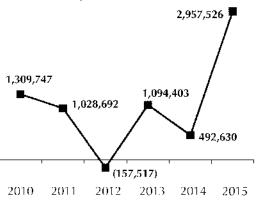
# Cash Flows from Financing Activities

(Rs in Thousands)

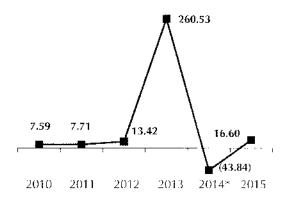


# Cash Flows from Operating Activities

(Rs in Thousands)



# Price Earning Ratio (In Times)



<sup>\*</sup> Restated



# horizontal analysis >>>>

|                                | 201                       | 5       | 2014                      |        | 2013                      | 3       | 2012                      | 2       | 2011                      | 1       | 2010                      | )       |
|--------------------------------|---------------------------|---------|---------------------------|--------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|
|                                | Increase/(De<br>from last |         | Increase/(De<br>from last |        | Increase/(De<br>from last |         | Increase/(De<br>from last |         | Increase/(De<br>from last |         | Increase/(De<br>from last |         |
|                                | Rs 1000                   | %       | Rs '000                   | %      | Rs 1000                   | %       | Rs 1000                   | %       | Rs 1000                   | %       | Rs 1000                   | %       |
| Balance Sheet                  |                           |         |                           |        |                           |         |                           |         |                           |         |                           |         |
| Equity and Reserves            | 2,113,802                 | 29.33   | 1,634,453                 | (9.86) | 1,813,217                 | (14.62) | 2,123,684                 | 4.39    | 2,221,197                 | 24.01   | 1,791,125                 | 12.21   |
| Long term financing facilities | 3,664,793                 | (18.83) | 4,515,176                 | (1.3)  | 4,576,924                 | 11.58   | 4,101,924                 | 1540.77 | 250,000                   | (33.33) | 375,000                   | (38,32) |
| Non Current Liability          | 89,158                    | (20.47) | 112,102                   | (52.3) | 235,106                   | (1.94)  | 239,758                   | 35.03   | 177,554                   | (23.64) | 232,524                   | (16.16) |
| Current Liabilities            | 5,447,172                 | (20.07) | 6,814,843                 | (3.2)  | 7,042,096                 | 39.65   | 5,042,696                 | 42.26   | 3,544,749                 | 77.14   | 2,001,096                 | (1.68)  |
|                                | 11,314,925                | (13.47) | 13,076,574                | (4.3)  | 13,667,343                | 18.8    | 11,508,062                | 85.81   | 6,193,500                 | 40.77   | 4,399,745                 | (2.59)  |
| Property Plant and Equipment   | 6,731,234                 | (6.71)  | 7,215,407                 | (4.2)  | 7,535,042                 | 14.84   | 6,561,106                 | 169.92  | 2,430,754                 | 31.11   | 1,853,983                 | (10.69) |
| Intangibles                    | 6,979                     | (16.30) | 8,338                     | (25.3) | 11,165                    | 35.01   | 8,270                     | -55.84  | 18,727                    | 5.00    | 17,836                    | (9.50)  |
| Long term deposits             | 3,115                     | (29.17) | 4,398                     | 46.6   | 2,999                     | 30.22   | 2,303                     | 4.92    | 2,195                     | 24.50   | 1,763                     | 49.66   |
| Current Assets                 |                           |         |                           |        |                           |         |                           |         |                           |         |                           |         |
| Stores and spares              | 348,894                   | (9.30)  | 384,683                   | 11.9   | 343,874                   | 13.68   | 302,490                   | -5.89   | 321,433                   | 35.56   | 237,119                   | 19.28   |
| Stock-in-trade                 | 1,293,873                 | (22.88) | 1,677,648                 | (27.3) | 2,307,567                 | 5.87    | 2,179,583                 | 41.34   | 1,542,125                 | 46.54   | 1,052,338                 | 4.96    |
| Trade debts                    | 1,227,890                 | (19.40) | 1,523,529                 | (14.4) | 1,778,982                 | 47.68   | 1,204,616                 | 21.44   | 991,922                   | 29.28   | 767,252                   | (13.56) |
| Financial assets at fair value |                           |         |                           |        |                           |         |                           |         |                           |         |                           |         |
| through profit or loss         | -                         | -       | -                         | -      | -                         | -       | -                         | -       | 262,884                   | -       | _                         | -       |
| Advances and prepayments       | 60,024                    | (39.02) | 98,440                    | (64.3) | 275,592                   | 62.01   | 170,108                   | 215.29  | 53,953                    | 37.20   | 8,522                     | 3.40    |
| Other receivables              | 114,540                   | (48.12) | 220,785                   | 79.3   | 123,150                   | (61.14) | 316,889                   | 736.76  | 37,871                    | 22.99   | 30,791                    | 5.63    |
| Taxation                       | 1,150,343                 | (7.65)  | 1,245,700                 | 100.0  | 622,937                   | 333.12  | 143,825                   | 160.54  | 55,202                    | (30.94) | 79,931                    | 25.14   |
| Cash and bank balances         | 378,033                   | (45.81) | 697,646                   | 4.7    | 666,035                   | 7.62    | 618,872                   | 29.90   | 476,434                   | 36.04   | 350,210                   | 52.42   |
|                                | 11,314,925                | (13.47) | 13,076,574                | (4.3)  | 13,667,343                | 18.76   | 11,508,062                | 85.81   | 6,193,500                 | 40.77   | 4,399,745                 | (2.59)  |
|                                |                           |         |                           |        |                           |         |                           |         |                           |         |                           |         |

commentary / analysis

Total Assets increased at CAGR of 21% during 2010 to 2015. This increase was a result of massive expansions made in the BOPP and CPP lines which were operational in the years 2013 and 2014 respectively. These expansions were financed by long term loan. Current liabilities also increased by more than 150% compared to 2010 on the back of short term loans. Trade debts and stocks, combined, increased at a CAGR of 7%.



|                                     | 201                       | 5           | 2014                      | 4          | 2013                      | 3       | 2012                      | 2       | 2011                         |         | 2010                         | )       |
|-------------------------------------|---------------------------|-------------|---------------------------|------------|---------------------------|---------|---------------------------|---------|------------------------------|---------|------------------------------|---------|
|                                     | Increase/(De<br>from last |             | Increase/(Do<br>from last |            | Increase/(De<br>from last |         | Increase/(De<br>from last |         | Increase/(Dec<br>from last y |         | Increase/(De-<br>from last y |         |
|                                     | Rs 1000                   | %           | Rs 1000                   | %          | Rs 1000                   | %       | Rs '000                   | %       | Rs 1000                      | %       | Rs 1000                      | %       |
| Profit & Loss                       |                           |             |                           |            |                           |         |                           |         |                              |         |                              |         |
| Net Sales                           | 11,954,171                | (12.08)     | 13,597,081                | 13.80      | 11,950,081                | 16.69   | 10,240,532                | 2.30    | 10,009,875                   | 31.35   | 7,620,571                    | 34.03   |
| Cost of sales                       | 10,096,906                | (18.41)     | 12,375,215                | 14.90      | 10,774,985                | 22.39   | 8,803,987                 | 6.68    | 8,252,920                    | 28.94   | 6,400,820                    | 36.33   |
| Gross profit                        | 1,857,265                 | 52.00       | 1,221,866                 | 4.00       | 1,175,096                 | (18.20) | 1,436,545                 | (18.24) | 1,756,955                    | 44.04   | 1,219,751                    | 23.13   |
| Administration and selling expenses | 628,870                   | (14.44)     | 735,015                   | 29.80      | 566,165                   | 24.34   | 455,332                   | 14.55   | 397,505                      | 50.75   | 263,681                      | 24.54   |
| Operating profit                    | 1,228,395                 | 152.31      | 486,851                   | (20.00)    | 608,931                   | (37.94) | 981,213                   | (27.82) | 1,359,450                    | 42.19   | 956,070                      | 22.74   |
| Other income                        | 60,675                    | (42.46)     | 105,446                   | 119.90     | 47,956                    | 46.14   | 32,816                    | (37.25) | 52,298                       | 91.69   | 27,282                       | (36.62) |
| Financial charges                   | 781,916                   | (15.29)     | 923,038                   | 50.30      | 614,150                   | 258.37  | 171,374                   | 39.98   | 122,429                      | (40.38) | 205,346                      | (7.39)  |
| Other charges                       | 34,976                    | 100.00      | -                         | (100.00)   | 6,836                     | (88.88) | 57,341                    | (36.49) | 90,289                       | 64.13   | 55,012                       | 32.82   |
| Profit before taxation              | 472,178                   | 242.76      | (330,741)                 | (1,021.30) | 35,901                    | (95.43) | 785,314                   | (34.50) | 1,199,030                    | 65.84   | 722,994                      | 29.38   |
| Provision for taxation              | (26,013)                  | (80.16)     | (131,095)                 | (1,347.70) | 10,507                    | (96.26) | 280,788                   | (32.57) | 416,425                      | 82.52   | 228,149                      | 140.77  |
| Profit after taxation               | 498,191                   | 349.54      | (199,646)                 | (886.20)   | 25,394                    | (94.97) | 504,526                   | (35.53) | 782,605                      | 58.15   | 494,845                      | 6.63    |
|                                     |                           | <del></del> |                           |            |                           |         |                           |         |                              |         |                              |         |

Revenue over the period of 6 years has increased at a CAGR of 9% as the business has expanded steadily. Profitability however, has not been on a similar increasing trend due to higher operating cost. Finance cost also increased in line with the increase in financing obtained to support expansions. With interest rates falling significantly in the year 2015 and aggressive working capital management finance cost fell 15% compared to last year.



# vertical analysis >>>>

|                                | 2015       |       | 2014       |               | 2013       |       | 2012       |       | 2011      |       | 2010      |       |
|--------------------------------|------------|-------|------------|---------------|------------|-------|------------|-------|-----------|-------|-----------|-------|
|                                | Rs '000    | %     | Rs '000    | %             | Rs '000    | %     | Rs 1000    | %     | Rs 1000   | %     | Rs '000   | %     |
| Balance Sheet                  |            |       |            |               |            |       |            |       |           |       |           |       |
| Equity and Reserves            | 2,113,802  | 18.7  | 1,634,453  | 12.5          | 1,813,217  | 13.3  | 2,123,684  | 18.5  | 2,221,197 | 35.9  | 1,791,125 | 40.7  |
| Long term financing facilities | 3,664,793  | 32.4  | 4,515,176  | 34.5          | 4,576,924  | 33.5  | 4,101,924  | 35.6  | 250,000   | 4.0   | 375,000   | 8.5   |
| Non Current Liability          | 89,158     | 0.8   | 112,102    | 0.9           | 235,106    | 1.7   | 239,758    | 2.1   | 177,554   | 2.9   | 232,524   | 5.3   |
| Current Liabilities            | 5,447,172  | 48.1  | 6,814,843  | 52.1          | 7,042,096  | 51.5  | 5,042,696  | 43.8  | 3,544,749 | 57.2  | 2,001,096 | 45.5  |
|                                | 11,314,925 | 100.0 | 13,076,574 | 100.0         | 13,667,343 | 100.0 | 11,508,062 | 100.0 | 6,193,500 | 100.0 | 4,399,745 | 100.0 |
| Property Plant and Equipment   | 6,731,234  | 59.50 | 7,215,407  | 55.2          | 7,535,042  | 55.1  | 6,561,106  | 57.0  | 2,430,754 | 39.2  | 1,853,983 | 42.1  |
| Intangibles                    | 6,979      | 0.1   | 8,338      | 0.1           | 11,165     | 0.1   | 8,270      | 0.1   | 18,727    | 0.3   | 17,836    | 0.4   |
| Long term deposits             | 3,115      | -     | 4,398      | -             | 2,999      | -     | 2,303      | -     | 2,195     | -     | 1,763     | -     |
| Current Assets                 |            |       |            |               |            |       |            |       |           |       |           |       |
| Stores and spares              | 348,894    | 3.1   | 384,683    | 2.9           | 343,874    | 2.5   | 302,490    | 2.6   | 321,433   | 5.2   | 237,119   | 5.4   |
| Stock-in-trade                 | 1,293,873  | 11.4  | 1,677,648  | 12.8          | 2,307,567  | 16.9  | 2,179,583  | 18.9  | 1,542,125 | 24.9  | 1,052,338 | 23.9  |
| Trade debts                    | 1,227,890  | 10.9  | 1,523,529  | 1 <b>1.</b> 7 | 1,778,982  | 13.0  | 1,204,616  | 10.5  | 991,922   | 16.0  | 767,252   | 17.4  |
| Financial assets at fair value |            |       |            |               |            |       |            |       |           |       |           |       |
| through profit or loss         | -          | -     | -          | -             | -          | -     | -          | -     | 262,884   | 4.2   | -         | -     |
| Advances and prepayments       | 60,024     | 0.5   | 98,440     | 0.8           | 275,592    | 2.0   | 170,108    | 1.5   | 53,953    | 0.9   | 8,522     | 0.2   |
| Other receivables              | 114,540    | 1.0   | 220,785    | 1.7           | 123,150    | 0.9   | 316,889    | 2.8   | 37,871    | 0.6   | 30,791    | 0.7   |
| Taxation                       | 1,150,343  | 10.2  | 1,245,700  | 9.5           | 622,937    | 4.6   | 143,825    | 1.2   | 55,202    | 0.9   | 79,931    | 1.8   |
| Cash and bank balances         | 378,033    | 3.3   | 697,646    | 5.3           | 666,035    | 4.9   | 618,872    | 5.4   | 476,434   | 7.7   | 350,210   | 8.0   |
|                                | 11,314,925 | 100.0 | 13,076,574 | 100.0         | 13,667,343 | 100.0 | 11,508,062 | 100.0 | 6,193,500 | 100.0 | 4,399,745 | 100.0 |

commentary / analysis >

## **Equity and Debt**

Increase in financing from other sources has resulted equity to become a smaller portion of the investment. This will change after the completion of recently announced Rights Issue.

#### Assets

Property, Plant and Equipment have remained a major portion of total assets. Stocks and debtors have constituted more than 20% of the total assets. Taxation recoverable now constitutes more than 10% of total assets due to advance tax paid on import of raw material.



|                                     | 201        | 5     | 2014       |       | 2013       | \$    | 2012       | 2        | 2011       |       | 2010      | )     |
|-------------------------------------|------------|-------|------------|-------|------------|-------|------------|----------|------------|-------|-----------|-------|
|                                     | Rs '000    | %     | Rs '000    | %     | Rs '000    | %     | Rs '000    | <b>%</b> | Rs '000    | %     | Rs 1000   | %     |
| Profil & Loss                       |            |       |            |       |            |       |            |          |            |       |           |       |
| Net Sales                           | 11,954,171 | 100.0 | 13,597,081 | 100.0 | 11,950,081 | 100.0 | 10,240,532 | 100.0    | 10,009,875 | 100.0 | 7,620,571 | 100.0 |
| Cost of sales                       | 10,096,906 | 84.5  | 12,375,215 | 91.0  | 10,774,985 | 90.2  | 8,803,987  | 85.0     | 8,252,920  | 82.4  | 6,400,820 | 84.0  |
| Gross profit                        | 1,857,265  | 15.5  | 1,221,866  | 9.0   | 1,175,096  | 9.8   | 1,436,545  | 14.0     | 1,756,955  | 17.6  | 1,219,751 | 16.0  |
| Administration and selling expenses | 628,870    | 5.3   | 735,015    | 5.4   | 566,165    | 4.7   | 455,332    | 4.4      | 397,505    | 4.0   | 263,681   | 3.5   |
| Operating profit                    | 1,228,395  | 10.3  | 486,851    | 3.6   | 608,931    | 5.1   | 981,213    | 9.6      | 1,359,450  | 13.6  | 956,070   | 12.5  |
| Other income                        | 60,675     | 0.5   | 105,446    | 8.0   | 47,956     | 0.4   | 32,816     | 0.3      | 52,298     | 0.5   | 27,282    | 0.4   |
| Financial charges                   | 781,916    | 6.5   | 923,038    | 6.8   | 614,150    | 5.1   | 171,374    | 1,7      | 122,429    | 1.2   | 205,346   | 2.7   |
| Other charges                       | 34,976     | 0.3   | -          | -     | 6,836      | 0.1   | 57,341     | 0.6      | 90,289     | 0.9   | 55,012    | 0.7   |
| Profit before taxation              | 472,178    | 3.9   | (330,741)  | (2.4) | 35,901     | 0.3   | 785,314    | 7.7      | 1,199,030  | 12.0  | 722,994   | 9.5   |
| Provision for taxation              | (26,013)   | (0.2) | (131,095)  | (1.0) | 10,507     | 0.1   | 280,788    | 2.7      | 416,425    | 4.2   | 228,149   | 3.0   |
| Profit after taxation               | 498,191    | 4.2   | (199,646)  | (1.5) | 25,394     | 0.2   | 504,526    | 4.9      | 782,605    | 7.8   | 494,843   | 6.5   |

## Margins

Gross profit margin has remained above 14% most of the years except for 2013 and 2014 when it fell below 10%. The situation has improved again and Gross profit margin was 15% for the year 2015.

#### Finance cost

Finance cost has increased in line with the debt financing for expansion

projects. However, in 2015 better working capital management and lower interest rates have resulted in a decline in Finance cost.

## **Profitability**

After a challenging 2014, the Company has earned a Profit after Tax of Rs. 498 million.



# financial statistical summary

| Conceral and Hedge reserve   | capital and Hedge reserve priated profit/(loss) olders' funds m financing facilities pital expenditure m deposits rrent Liability | 1,605,000<br>208,802<br>2,113,802<br>3,664,793<br>6,738,213 | 1,605,000<br>(270,547)<br>1,634,453<br>4,515,176 | 1,575,468<br>(62,251)<br>1,813,217 | 300,000<br>1,371,000<br>452,684<br>2,123,684 |
|--|---|---|--|------------------------------------|--|
| General and Hedge reserve         1,605,000         1,605,000         1,575,468         1,371, Unappropriated profit/(loss)         208,802         (270,547)         (62,251)         452, 173, 175, 175, 175, 175, 175, 175, 175, 175  | and Hedge reserve opriated profit/(loss) olders' funds m financing facilities pital expenditure m deposits rrent Liability        | 1,605,000<br>208,802<br>2,113,802<br>3,664,793<br>6,738,213 | 1,605,000<br>(270,547)<br>1,634,453<br>4,515,176 | 1,575,468<br>(62,251)<br>1,813,217 | 1,371,000<br>452,684                         |
| Unappropriated profit/(loss)   | opriated profit/(loss) olders' funds m financing facilities pital expenditure m deposits rrent Liability                          | 208,802<br>2,113,802<br>3,664,793<br>6,738,213              | (270,547)<br>1,634,453<br>4,515,176              | (62,251)<br>1,813,217              | 452,684                                      |
| Share holders funds  | olders' funds<br>m financing facilities<br>pital expenditure<br>m deposits<br>rrent Liability                                     | 2,113,802<br>3,664,793<br>6,738,213                         | 1,634,453<br>4,515,176                           | 1,813,217                          |  |
| Long term financing facilities   | m financing facilities<br>pital expenditure<br>m deposits<br>rrent Liability  | 3,664,793<br>6,738,213                                      | 4,515,176  |                                    |  |
| Fixed capital expenditure 6,738,213 7,223,745 7,546,207 6,569, Long term deposits 3,115 4,398 2,999 2, Non Current Liability (89,158) (112,102) (235,106) (239, Not current Liability (873,575) (966,412) (923,959) (106.  Profit & Loss Summary   | pital expenditure<br>m deposits<br>rent Liability   | 6,738,213   |  | 4 5/10 9/4                         |  |
| Long term deposits   3,115   4,398   2,999   2,     Non Current Liability   (89,158)   (112,102)   (235,106)   (239,     Net current assets/(liabilities)   (873,575)   (966,412)   (923,959)   (106,     Profit & Loss Summary  | m deposits<br>rent Liability  |   |  |                                    | · · · · · · · · · · · · · · · · · · ·        |
| Non Current Liability Net current assets/(liabilities) (873,575) (966,412) (923,959) (106.  Profit & Loss Summary  Sales (net of sales tax) 11,954,171 13,597,081 11,950,081 11,950,081 11,954,721 13,597,081 11,950,081 11, | rent Liability  |   |  |                                    |  |
| Net current assets/(liabilities)   |   |   |  |                                    | 2,303<br>(239,758)                           |
| Profit & Loss Summary           Sales (net of sales tax)         11,954,171         13,597,081         11,950,081         10,240, 240, 240, 240, 240, 240, 240, 240  |   |   |  |                                    |  |
| Sales (net of sales tax)       11,954,171       13,597,081       11,950,081       10,240, Cost of sales         Cost of sales       10,096,906       12,375,215       10,774,985       8,803, Gross profit         Administration and selling expenses       628,870       735,015       566,165       455, Operating profit         Operating profit       1,228,395       486,851       608,931       981, Other income         Cher income       60,675       105,446       47,956       32, Einancial charges         Other charges       781,916       923,038       614,150       171, Other charges         Profit/(loss) before taxation       472,178       (330,741)       35,901       78,001         Provision for taxation       498,191       (199,646)       25,394       504, Dividend         Dividend       150,000       -       -       300, Tansfer to reserve         Key Financial Ratios         Gross profit / sales       15,54%       8,99%       9,83%       1   | ent assets/madmines)  | (8/3,5/5)   | (966,412)  | (923,959)                          | (106,313)                                    |
| Cost of sales     10,096,906     12,375,215     10,774,985     8,803,       Gross profit     1,857,265     1,221,866     1,175,096     1,436,       Administration and selling expenses     628,870     735,015     566,165     455,       Operating profit     1,228,395     486,851     608,931     981,       Other income     60,675     105,446     47,956     32,       Financial charges     781,916     923,038     614,150     171,       Other charges     34,976     -     6,836     57,       Profit/(loss) before taxation     472,178     (330,741)     35,901     785,       Provision for taxation     (26,013)     (131,095)     10,507     280,       Profit/(loss) after taxation     498,191     (199,646)     25,394     504,       Dividend     150,000     -     -     -     300,       Transfer to reserve     -     -     182,    Key Financial Ratios  Gross profit / sales  | s Summary   |   |  |                                    | 40.040.500                                   |
| Gross profit     1,857,265     1,221,866     1,175,096     1,436, Administration and selling expenses       Administration and selling expenses     628,870     735,015     566,165     455, Administration and selling expenses       Operating profit     1,228,395     486,851     608,931     981, Other income       Financial charges     60,675     105,446     47,956     32, Administration       Other charges     781,916     923,038     614,150     171, Other charges       Profit/(loss) before taxation     472,178     (330,741)     35,901     785, Profit/(loss) before taxation       Provision for taxation for taxation     (26,013)     (131,095)     10,507     280, Profit/(loss) after taxation       Dividend Transfer to reserve     -     -     300, Transfer to reserve       Key Financial Ratios       Gross profit / sales     15.54%     8.99%     9.83%     1   | et of sales (ax)  |   |  |                                    | 10,240,532                                   |
| Administration and selling expenses       628,870       735,015       566,165       455,         Operating profit       1,228,395       486,851       608,931       981,         Other income       60,675       105,446       47,956       32,         Financial charges       781,916       923,038       614,150       171,         Other charges       34,976       -       6,836       57,         Profit/(loss) before taxation       472,178       (330,741)       35,901       785,         Provision for taxation       (26,013)       (131,095)       10,507       280,         Profit/(loss) after taxation       498,191       (199,646)       25,394       504,         Dividend       150,000       -       -       300,         Transfer to reserve       -       300,       182,         Key Financial Ratios         Gross profit / sales       15.54%       8.99%       9.83%       1  |   |   |  |                                    | 8,803,987                                    |
| Operating profit       1,228,395       486,851       608,931       981,         Other income       60,675       105,446       47,956       32,         Financial charges       781,916       923,038       614,150       171,         Other charges       34,976       -       6,836       57,         Profit/(loss) before taxation       472,178       (330,741)       35,901       785,         Provision for taxation       (26,013)       (131,095)       10,507       280,         Profit/(loss) after taxation       498,191       (199,646)       25,394       504,         Dividend       150,000       -       -       300,         Transfer to reserve       -       -       182,         Key Financial Ratios         Gross profit / sales       15.54%       8.99%       9.83%       1-   |   |   |  |                                    | 1,436,545                                    |
| Other income     60,675     105,446     47,956     32, 171, 171, 172, 172, 173, 173, 174, 174, 174, 174, 174, 174, 174, 174  |   |   |  |                                    | 455,332                                      |
| Financial charges       781,916       923,038       614,150       171, Other charges       34,976       -       6,836       57, Profit/(loss) before taxation       472,178       (330,741)       35,901       785, Profit/(loss) before taxation       (26,013)       (131,095)       10,507       280, Profit/(loss) after taxation       498,191       (199,646)       25,394       504, Dividend or conserve       -       300, Transfer to reserve       -       300, Transfer to reserve       -       182, Transfer to reserve       182, Transfer to reserve       -       189,646       9,83%       1,89%       9,83%       1,89%   | ig profit   |   |  |                                    | 981,213                                      |
| Other charges       34,976       -       6,836       57, Profit/(loss) before taxation       472,178       (330,741)       35,901       785, Profit/(loss) after taxation       (26,013)       (131,095)       10,507       280, Profit/(loss) after taxation       25,394       504, Profit/(loss) after taxation       504, Profit/(loss) after taxation       150,000       -       -       300, Profit/(loss) after taxation       -       182, Profit/(loss) after taxation       -       -       182, Profit/(loss) after taxation       -       -       182, Profit/(loss) after taxation       -       -       -       182, Profit/(loss) after taxation       - <td>come</td> <td></td> <td></td> <td></td> <td>32,816</td>   | come  |   |  |                                    | 32,816                                       |
| Profit/(loss) before taxation       472,178       (330,741)       35,901       785.         Provision for taxation       (26,013)       (131,095)       10,507       280.         Profit/(loss) after taxation       498,191       (199,646)       25,394       504.         Dividend       150,000       -       -       300.         Transfer to reserve       -       -       182.         Key Financial Ratios         Gross profit / sales       15.54%       8.99%       9.83%       1   |   |   | 923,038  |                                    | 171,374                                      |
| Provision for taxation       (26,013)       (131,095)       10,507       280, 280, 280, 280, 280, 280, 280, 280,   | narges  |   | -  |                                    | 57,341                                       |
| Profit/(loss) after taxation       498,191       (199,646)       25,394       504         Dividend       150,000       -       -       300         Transfer to reserve       -       -       182         Key Financial Ratios         Gross profit / sales       15.54%       8.99%       9.83%       1  | ss) before taxation   |   |  |                                    | 785,314                                      |
| Dividend   150,000   -   300   182   | n for taxation  |   | , , ,  |                                    | 280,788                                      |
| Transfer to reserve  | ss) after taxation  |   | (199,646)  | 25,394                             | 504,526                                      |
| Key Financial Ratios         15.54%         8.99%         9.83%         1-   | c <b>!</b>  | 150,000   | <u>.</u>   |                                    | 300,000                                      |
| Gross profit / sales 15.54% 8.99% 9.83% 1-   | to reserve  |   | -  | ~                                  | 182,000                                      |
| Gross profit / sales 15.54% 8.99% 9.83% 1-   | al Ratios   |   |  |                                    |  |
|  | ofit / sales  | 15.54%  | 8.99%  |                                    | 14.03%                                       |
| TOTAL DESCRIPTION  |   | 3.95%   | (2.43)%  | 0.30%                              | 7.67%  |
| Kettan On Capital Employed   | in capital employed   | 21.97%  |  | 9.91%                              | 15.18%                                       |
| Interest coverage (times) 1.6 0.6 1.1  |   | 1.6   |  |                                    | 5.9  |
| Inventory turnover (times) 6.15 6.00 4.06  |   |   |  |                                    | 3.48   |
| Fixed assets turnover (times) 1.77 1.88 1.58   |   | 1.77  | 1.88   |                                    | 1.56   |
| Debt : equily ratio 63:37 73:27 72:28  |   | 63:37   |  |                                    | 66:34  |
| Current ratio 0.8 0.9 0.9  |   | 8.0   | 0.9  | 0.9                                | 1.0  |
| Shares & Earning   | rning   |   |  |                                    |  |
| Break-up value (Rs per share)* 63.0 48.7 54.1  |   | 63.0  |  | 54.1                               | 63.3   |
| Price earning ratio (times)* 16.6 (43.84) 260.5 1  |   | 16.6  | (43.84)  | 260.5                              | 13.42  |
| Earnings per share (Runees)* 14.86 (5.95) 0.76 1   | per share (Rupees)*   |   |  | 0.76                               | 15.05  |
|  | 4   | 50%   |  | -                                  | 100%   |
| Market value per share (Rupees) 247 261 198  |   |   | 261  | 198                                | 202  |
| Taxes, duties and levies 2,460,422 3,362,000 2,870,000 2,787   |   |   |  | 0.000                              | 0.707.570                                    |

<sup>\*</sup> Restated for prior year to reflect Rights Issue impact



| Year to<br>December 31<br>2011 | Year to December 31 2010        | Year to<br>December 31<br>2009 | Year to<br>December 31<br>2008 | Year to<br>December 31<br>2007 | Year to<br>December 31<br>2006 |
|--------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 300,000                        | 300,000                         | 300,000                        | 300,000                        | 300,000                        | 300,000                        |
| 1,136,467                      | 995,000                         | 831,000                        | 772,000                        | 632,000                        | 614,000                        |
| 784,730                        | 496.125                         | 465,280                        | 240,205                        | 320,219                        | 168,064                        |
| 2,221,197                      | 1,791,125                       | 1,596,280                      | 1,312,205                      | 1,252,608                      | 1,082,064                      |
| 250,000                        | 375,000                         | 608,000                        | 824,000                        | 540,000                        | 756,000                        |
| 2,449,481                      | 1,871,819                       | 2,095,567                      | 2,111,285                      | 1,608,744                      | 1,703,966                      |
| 2,195                          | 1.763                           | 1,178                          | 1,218                          | 1,104                          | 858                            |
| (177,554)                      | (232,524)                       | (277,352)                      | (304,735)                      | (192,731)                      | (104,426)                      |
| 197,075                        | 525,067                         | 384,887                        | 328,437                        | 375,491                        | 237,666                        |
| . 7. ,077                      | 0.20,007                        | 301,007                        | 320,137                        | $MM_f(H)$                      | 2.57 ,000                      |
| 10,009,875                     | 7,620,571                       | 5,685,687                      | 5,865,487                      | 4,555,172                      | 3,825,643                      |
| 8,252,920                      | 6,400.820                       | 4,695,035                      | 4,855,356                      | 3,627,470                      | 3,316,875                      |
| 1,756,955                      | 1,219,751                       | 990,652                        | 1,010,131                      | 927,702                        | 508,768                        |
| 397,505                        | 263,681                         | 211,723                        | 163,890                        | 135,913                        | 127,804                        |
| 1,359,450                      | 956,070                         | 778,929                        | 846,241                        | 791,789                        | 380,964                        |
| 52,298                         | 27,282                          | 43,046                         | 29,570                         | 25,729                         | 11,989                         |
| 122,429                        | 205,346                         | 221,723                        | 108,844                        | 93,167                         | 130,595                        |
| 90,289                         | 55,012                          | 41,418                         | 43,310                         | 49,981                         | 18,103                         |
| 1,199,030                      | 722,994                         | 558,834                        | 723,657                        | 674,370                        | 244,253                        |
| 416,425                        | 228,149                         | 94,759                         | 243,671                        | 234,215                        | 76,373                         |
| 782,605                        | 494,845                         | 464,075                        | 479,986                        | 440,155                        | 167,882                        |
| 600,000                        | 300,000                         | 300,000                        | 420,000                        | 300,000                        | 150,000                        |
| 194,000                        | 164,000                         | 59,000                         | 140,000                        | 18,000                         | 9,500                          |
| 17.55%                         | 16.01%                          | 17.42%                         | 17.22%                         | 20,37%                         | 13.30%                         |
| 11.98%                         | 9,49%                           | 9.83%                          | 12.34%                         | 14.80%                         | 6,38%                          |
| 53.30%                         | 41.00%                          | 33.12%                         | 35.88%                         | 41.18%                         | 20.23%                         |
| 11.5                           | 4.8                             | 3.7                            | 8.0                            | 8.8                            | 3.0                            |
| 4,43                           | 4.96                            | 3,91                           | 4.30                           | 4.63                           | 8.18                           |
| 4.09                           | 4.1                             | 2.7                            | 2.8                            | 2.7                            | 2.2                            |
| 10:90                          | 17:83                           | 28:72                          | 39:61                          | 30:70                          | 41:59                          |
| 1.1                            | 1.3                             | 1.2                            | 1.2                            | 1.3                            | 1.3                            |
| 77.3                           | E3.4                            | # N 10                         |                                |                                |                                |
| 66.2                           | 53.4                            | 53.2                           | 43.7                           | 41,7                           | 36.1                           |
| 7.71<br>23.34                  | 7.59<br>14.76                   | 6.6                            | 7.8                            | 14.7                           | 9.7                            |
| 23,34<br>200%                  | 14.76<br>100%                   | 15.47<br>100%                  | 16.00<br>140%                  | 14.67                          | 5.60                           |
| 180                            | 112                             | 102                            | 140%<br>125                    | 100%<br>215                    | 50%<br>= 4                     |
| 3,166,097                      | 2,311,352                       | 1,715,277                      | 1,727,355                      | 1,161,337                      | 54<br>713,209                  |
| 2,100,027                      | $\angle_{j+1} \cap 1_{j+3,3,2}$ | 1,7 13,277                     | 1,727,333                      | 1,101,337                      | 7.10,209                       |

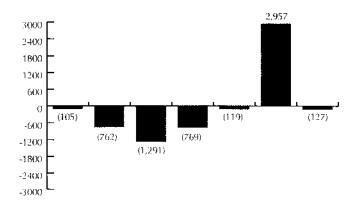


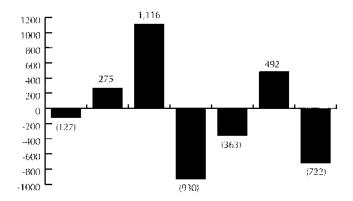
# sources and application of funds

|  | 2015        | 2014        | 2013        | 2012          | 2011        | 2010      |
|--|-------------|-------------|-------------|---------------|-------------|-----------|
|  |             |             | (Rupees in  | <b>'000</b> ) |             |           |
| CASH FLOWS FROM OPERATING ACTIVITIES                   |             |             |             |               |             |           |
| Cash generated from operations                         | 2,921,863   | 1,184,733   | 1,627,523   | 208,715       | 1,495,885   | 1,627,161 |
| Payment on account of accumulated compensated absences | (2,555)     | (17,588)    | (9,192)     | (9,244)       | (8,801)     | (3,307)   |
| Long-term deposits                                     | 1,283       | (1,399)     | (696)       | (108)         | (432)       | (585)     |
| Staff retirement benefits paid                         | (58,422)    | (50,353)    | (42,684)    | (41,519)      | (32,113)    | (21,762)  |
| Income taxes refund / (paid)                           | 95,357      | (622,763)   | (480,548)   | (315,361)     | (425,847)   | (291,760) |
| Net cash inflow from operating activities              | 2,957,526   | 492,630     | 1,094,403   | (157,517)     | 1,028,692   | 1,309,747 |
| CASH FLOWS FROM INVESTING ACTIVITIES                   |             |             |             |               |             |           |
| Fixed capital expenditure                              | (119,589)   | (363,445)   | (1,570,759) | (4,083,926)   | (903,945)   | (141,155) |
| Acquisition of intangible                              | (3,662)     | (3,017)     | (10,182)    | -             | (9,237)     | (2,433)   |
| Profit on bank balances received                       | 1,095       | 456         | 345         | 222           | 407         | 708       |
| Payment made for settlement of derivative              | -           | -           | -           | (158,925)     |             | -         |
| Purchase of held-for-trading financial assets          | -           | -           | -           | -             | (450,000)   | -         |
| Redemption of held-for-trading financial assets        | -           | -           | _           | 268,783       | 200,000     | -         |
| Sale proceeds on disposal of fixed assets              | 8,550       | 8,150       | 4,830       | 7,383         | 7,069       | 5,739     |
| Net cash outflow from investing activities             | (113,606)   | (357,856)   | (1,575,766) | (3,966,463)   | (1,155,706) | (137,141) |
| CASH FLOWS FROM FINANCING ACTIVITIES                   |             |             |             |               |             |           |
| Long-term finances paid                                | (761,747)   | (1,225,000) | (125,000)   | (125,000)     | (233,000)   | (216,000) |
| Long-term finances acquired                            | -           | 1,500,000   | 1,000,000   | 3,976,924     | -           | -         |
| Short term financing - net                             | (1,290,735) | 1,115,735   | 475,000     | 700,000       | -           | -         |
| Finance cost & bank charges paid                       | (769,460)   | (929,855)   | (744,506)   | (323,914)     | (148,676)   | (226,519) |
| Dividends paid   | -           | -           | (299,682)   | (597,651)     | (298,971)   | (299,204) |
| Net cash outflow from financing activities             | (2,821,942) | 460,880     | 305,812     | 3,630,359     | (680,647)   | (741,723) |
| Net cash inflow/ (outflow)                             | 21,978      | 595,654     | (175,551)   | (493,621)     | (807,661)   | 430,883   |



|                             | 2015    | 2014  |
|-----------------------------|---------|-------|
| Cash and Cash Equ Closing   | (105)   | (127) |
| Loan Acquired/(Paid) - net  | (762)   | 275   |
| Short term financing - net  | (1,291) | 1,116 |
| Finance Cost                | (769)   | (930) |
| Capital Expenditure         | (119)   | (363) |
| Cash inflow from Operations | 2,957   | 492   |
| Cash and Cash Equ Opening   | (127)   | (722) |





# commentary / analysis

#### **Cash Flow from operations**

The Company generated highest ever cash from operations on the back of profitability and aggressive working capital management. Over the years it has fluctuated but has remained above Rs 1 billion except for the year 2012.

## Cash Flow from investing activities

Heavy cash was invested for expansion projects in the years 2011, 2012 and 2013.

## Cash Flows from financing activities

Cash flow from financing activities has varied significantly. In the years 2010 and 2011 debts were repaid. During the years 2012 to 2014 the Company acquired financing for projects. In the year 2015 repayments of long term and short term debts were made.



# value added and its distribution >>>>

The statement below shows value added by the operations of the company and its distribution to the stakeholders.

|  | 2015         |       |              | 2014  |  |  |
|--|--------------|-------|--------------|-------|--|--|
| Wealth Generated                                   | (Rs in '000) | %     | (Rs in '000) | %     |  |  |
| Sales  | 13,929,340   |       | 15,741,870   |       |  |  |
| Other Income                                       | 60,675       |       | 105,446      |       |  |  |
| Bought-in-material & services                      | (8,949,844)  |       | (10,361,617) |       |  |  |
|  | 5,040,171    | 100.0 | 5,485,699    | 100.0 |  |  |
| Wealth Distributed                                 |              | ==    |              | inci. |  |  |
| To Employees                                       |              |       |              |       |  |  |
| Remuneration, benefits and facilities              | 817,300      | 16.2  | 696,897      | 12.7  |  |  |
| To Government                                      |              |       |              |       |  |  |
| Income Tax, Sales Tax, Custom & Excise             |              |       |              |       |  |  |
| Duties, WPPF, WWF, EOBI, Social Security,          |              |       |              |       |  |  |
| Professional & Local Taxes                         | 2,460,422    | 48.8  | 3,362,000    | 61.3  |  |  |
| To Lenders   |              |       |              |       |  |  |
| Mark up & finance cost                             | 681,075      | 13.5  | 923,038      | 16.8  |  |  |
| To Society   |              |       |              |       |  |  |
| Donations  | 200          | -     | 630          | -     |  |  |
| Retained for Reinvestment & Future Growth          |              |       |              |       |  |  |
| Unappropriated Profit, Depreciation & Amortization | 1,081,174    | 21.5  | 503,134      | 9.2   |  |  |
|  | 5,040,171    | 100.0 | 5,485,699    | 100.0 |  |  |

# wealth generated & distributed >>>



| 7 | 0 | 1 | 5 |
|---|---|---|---|
| _ | v |   | _ |

|  | Bought-in-material | & | services |
|--|--------------------|---|----------|
|--|--------------------|---|----------|

■ To Employees

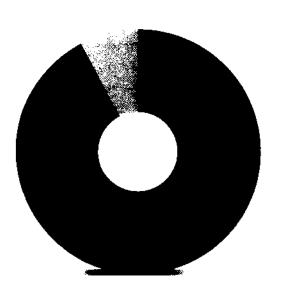
■ To Lenders

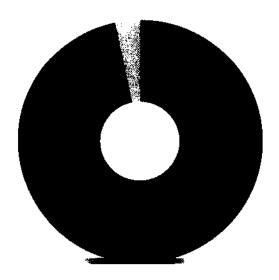
- To Government
- To Society
  Retained for Reinvestment

& Future Growth

Total

| Amount     | %      |
|------------|--------|
| 8,949,844  | 63.97  |
| 817,300    | 5.84   |
| 2,460,422  | 17.59  |
| 681,075    | 4.87   |
| 200        | 0.00   |
|            |        |
| 1,081,174  | 7.73   |
| 13,990,015 | 100.00 |





## 2014

| ■ B | iought-in-ma | iterial & | services |
|-----|--------------|-----------|----------|
|-----|--------------|-----------|----------|

- To Government
- To LendersTo Society
- Retained for Reinvestment & Future Growth

Total

| Amount     | °%     |
|------------|--------|
| 10,361,617 | 65.38  |
| 696,897    | 4.40   |
| 3,362,000  | 21.21  |
| 923,038    | 5.82   |
| 630        | 0.00   |
|            |        |
| 503,134    | 3.17   |
| 15,847,316 | 100.00 |



# directors' report to the shareholders

The Directors of the Company are pleased to submit the report and the audited financial statements for the year ended December 31, 2015.

Economic indicators remained positive during the year with better than expected GDP growth rate, low inflation and mark-up rate. Energy shortages continued to challenge the business environment throughout the year. In addition, influx of illegal imports through Afghan Transit and other means without duties and taxes remained a hindrance in gaining volumes.

Compliance with Health, Safety and Environment (HSE) remained top priority during the year. However, the year closed with one serious injury in which our staff had his arm fractured. The staff is recovering and shall resume office soon. The incident was investigated and the report of findings along with action plan shared with the Executive Management Team.





The year witnessed significant fluctuations in raw material prices triggered not only by fuel prices but also the demand and supply dynamics. With such volatility in prices of raw material, margins and product price management remained a major challenge.

Influx of illegal imports through Afghan Transit Trade and other sources, particularly of BOPP films and oversupply situation in the CPP segment, had a serious impact on our volumes. During the year, nearly 7% of total local BOPP demand was catered through illegal imports, sold without duties and taxes at uneconomical prices.

Despite strong headwinds as mentioned above our domestic sales volumes remained in line with 2014, however the overall sales volume including exports for the year at 47,004 tons was lower by 3% compared to 2014. Our sale is driven by FMCG growth and it seems that in many FMCG companies, volumetric growth was lower in 2015 compared to earlier years.

In order to meet the changing business requirements, your Company is actively working on new product development to create more value for our customers and to increase the market size.

Post submission of our Anti-dumping Duty (ADD) Sunset Review application; National Tariff Commission (NTC) initiated its investigation against dumping at uneconomical prices.

#### **Financial Highlights**

Net Sales Income for the year was lower by 12% compared to last year largely on account of lower prices driven by decline in raw material prices. Your Company, remained wary of business adversities earlier mentioned and partially countered their effects through focus on operational efficiencies and working capital management. As a result gross profit for the year was higher by 52% compared to last year.

Administrative and Selling expenses were lower by 14% mainly on account of lower transportation cost driven by reduction in fuel prices and renegotiation of transportation contract.

Finance cost was lower by 15% compared to last year. Excluding the exchange loss of Rs 101 million on account of depreciation of Pak Rupee, finance cost was lower by 26% as a result of lower markup rates and significantly higher cash inflows from operations with continued focus on working capital. Consequently the Company earned Profit after Tax of Rs 498 million (2014: Loss after tax of Rs 200 million).

Cash flows from operating activities for the year at Rs 3.0 billion were significantly higher than same period last year of Rs 493 million. Key Financial Highlights are as follows:

|                                      | 2015   | 2014    |
|--------------------------------------|--------|---------|
| Sales Volume - (M. Tons)             | 47,004 | 48,226  |
| Net Sales Value - (Rs in Million)    | 11,954 | 13,597  |
| Gross Profit - (Rs in Million)       | 1,857  | 1,222   |
| Net Profit / (loss)- (Rs in Million) | 498    | (200)   |
| EPS - (Rs per share)                 | 14.86  | *(5.95) |
| *Restated                            |        |         |

#### Dividend

The directors have recommended a cash dividend of 50% i.e. Rs 5 per share (2014: Nil)

#### Future Outlook

With positive economic indicators business activities are likely to improve in 2016. Current levels of inflation and interest rates are expected to keep a better consumption level. In current scenario we expect the growth of FMCG sector to be approximately 6-7%.

On the supply side current downward trend in raw material prices is expected to gain stability by end Q1, 2016 keeping our product prices at low level. However this will be significantly dependent on the oil price trend and the operational continuity of plants at these price levels.

Improvement in HSE management system, its awareness and compliance shall remain a priority and in this respect certain organizational changes are being made. We will continue to rely on slogan "money on the floor" to create more value both for the Company and our customers.





With excess capacity in the market along with lower prices, 2016 will be a challenging year. Being cognizant of this situation focus will remain on strong working capital management, operational cost savings and waste reduction with a particular emphasis on new product development.

Good news is that most of our large customers are upbeat about the future of packaging industry and have shown their commitment by investing in top of the line printing and converting equipment. Tri-Pack clearly sees its role to facilitate the growth of packaging industry by working very closely with customers and create opportunities for mutual benefit.

We would like to take this opportunity to highlight to the Ministry of Commerce and Finance along with Federal Board of Revenue, the increasing menace of Afghan Transit Trade and other modes of illegal imports including export zones. This in addition to damaging the local industries, which is providing employments and generating taxes and revenue for the Government, is also adversely impacting the National Exchequer in the form of loss in taxes and duties.

#### **Cash Flow Strategy**

During the period under review, Rs. 3.0 billion (2014: Rs. 493 million) was generated from operating activities of the Company, which was utilized mainly towards the payment of finance cost and repayment of long term loans.

The Company has announced its very first Rights Issue, which will be completed by second quarter of 2016. Cash flow from this equity injection is going to be utilized in repayment of borrowings from banks and suppliers credit to reduce the currency exchange risk. In addition this injection will have a positive impact on debt to equity ratio and the cost of borrowings. Further, aggressive working capital management to continue to improve the cash inflows.

#### **Management Information Systems**

Constant improvements are being made in the utilization of ERP to ensure better controls, improvement in the efficiency of processes and accuracy of financial information. This is in line with Company's ambitions to make the information technology structure fully capable of meeting business and reporting challenges.

#### Human Resource

Our people are behind every aspect of our strategy. We endeavor to attract, develop and retain quality people so that we can always deliver the best experience for our customers. We believe that the way to grow as a business is to grow our people, enabling personal development and ambitious business results. For our strategy to work we need our employees to believe in us and therefore we assess ourselves through employee engagement survey which measures their overall satisfaction levels of being part of the Company. This helps us in comparing ourselves with other large companies and in identifying ways to improve how we do things.

Your Company believes that its success and competitiveness depends upon its ability to embrace diversity. In an effort to create a workplace culture that provides equal opportunities for everyone and ensures that people are always treated with dignity and respect a diverse workforce is being encouraged regardless of race, nationality, gender, age, marital status, sexual orientation, disability, religion or political beliefs.

The Company has also been inducted in the panel of authorized trainers for Chartered Accountants by the Institute of Chartered Accountants in England & Wales (ICAEW).

#### Quality Management

During the year your Company complied with the requirements of all applicable quality standards.

To further improve productivity through machine efficiency and reduce process wastages, TPM fostered across the plants with six sessions conducted during the year benefitting the entire workforce.

#### **Related Parties**

All transactions with related parties are carried out on an unbiased, arm's length basis. A complete list of all related party transactions is compiled and submitted to the Audit Committee every quarter. After review by the Audit



Committee the transactions are placed before the Board for their ix) There are no doubts upon the Company's ability to continue as a going consideration and approval.

#### Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by Pakistan Stock Exchange Listing Regulations have been adopted by the Company and have been duly complied with. A Statement to this effect is annexed to the report.

#### Corporate and Financial Reporting Framework

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- ii) Proper books of account of the Company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates except for the changes as stated in Notes to the Financial Statements. The accounting policies are based on reasonable and prudent judgment.
- iv) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with an objective to further strengthen the controls.
- vi) Details of significant changes in the Company's operating results during the current year as compared to last year and significant plans and decisions for the future prospects of profits are stated in this report.
- vii) Key operating and financial data of last ten years is annexed.
- viii) Information about the taxes and levies is given in the Notes to the Financial Statements.

- concern.
- There has been no material departure from the best practices of corporate governance, as detailed in listing regulations.
- xi) The value of investments of provident and gratuity funds, as at June 30, 2015 based on their un-audited accounts is as follows:

|                | K3 000  |
|----------------|---------|
| Provident Fund | 131,396 |
| Gratuity Fund  | 57,325  |

xii) The Company arranged one orientation course for its Directors during the year. Three directors of the Company viz., Syed Babar Ali, Syed Hyder Ali and Mr. Asif Qadir are exempt from the directors training program as per clause 5.19.7 of the Code of Corporate Governance, since apart from having a minimum of 14 years of education, their experience on the board of listed companies is 15 years or more. Syed Aslam Mehdi, Mr. Kimihide Ando, Mr. Yasumasa Kondo and Mr. Khurram Raza Bakhtayari have less than 15 years of experience on the board of listed companies. Syed Aslam Mehdi and Mr. Kimihide Ando have obtained certification during the year under the directors' training program which meets the criteria specified by the Securities and Exchange Commission of Pakistan, Mr. Khurram Raza Bakhtavari and Mr. Yasumasa Kondo have been earmarked to obtain certification under the directors' training program during the next six months.

The CEO, Directors, CFO, Company Secretary and their spouses or minor children did not carry out any trade in the shares of the Company.

## Meetings of Board of Directors

During the year 2015, six (6) meetings of the Board of Directors were held. The attendance of each Director is as follows:

De (OOO



| S. No. | Name of directors                  | No. of meetings attended |
|--------|------------------------------------|--------------------------|
| 1      | Syed Babar Ali (Chairman)          | 5                        |
| 2      | Syed Aslam Mehdi (Chief Executive) | 6                        |
| 3      | Mr. Asif Qadir                     | 6                        |
| 4      | Syed Hyder Ali                     | 4                        |
| 5      | Mr. Khurram Raza Bakhtayari        | 4                        |
| 6      | Mr. Kimihide Ando                  | 4                        |
| 7      | Mr. Yasumasa Kondo                 | 2                        |
| 8      | Mr. Masahiko Takahashi *           |                          |
|        | *(Alternate to Mr. Yasumasa Kondo) | 4                        |

Leave of absence was granted to the Directors who could not attend the Board meetings.

#### Audit Committee

During the year 2015, four (4) meetings of the Audit Committee were held. The attendance of each member is given hereunder:

| Name of member                     | No. of meetings attended |  |  |
|------------------------------------|--------------------------|--|--|
| Mr. Asif Qadir (Chairman)          | 4                        |  |  |
| Mr. Khurram Raza Bakhtayari        | 3                        |  |  |
| Mr. Kimihide Ando                  | 1                        |  |  |
| Mr. Yasumasa Kondo                 | NIL                      |  |  |
| Mr. Masahiko Takahashi*            |                          |  |  |
| *(Alternate to Mr. Yasumasa Kondo) | 4                        |  |  |

Leave of absence was granted to the members who could not attend the meetings of the Audit Committee.

#### Human Resource & Remuneration (HR&R) Committee

During the year 2015, two (2) meetings of the HR&R Committee were held. The attendance of each member is given hereunder:

| Name of member              | No. of meetings attended |  |  |
|-----------------------------|--------------------------|--|--|
| Mr. Asif Qadir (Chairman)   | 2                        |  |  |
| Syed Aslam Mehdi            | 2                        |  |  |
| Mr. Khurram Raza Bakhtayari | 2                        |  |  |
| Mr. Kimihide Ando*          | 1                        |  |  |

<sup>\*</sup>During the year Mr. Kimihide Ando was included as the member of HR&R Committee.

#### Contribution to National Exchequer

Your Company's contribution to the national exchequer in the form of Sales Tax, Custom Duties and Income Taxes etc. is approximately Rs 2,460 million in the year 2015.

#### Pattern of Shareholding

A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2015, whose disclosure is required under the reporting framework, is included in the annexed shareholders' information.

#### **External Auditors**

The present auditors M/s A. F. Ferguson & Co., Chartered Accountants are retiring and being eligible, offer themselves for reappointment. The Board of directors on the recommendation of the Audit Committee proposes the appointment of M/s A. F. Ferguson & Co., Chartered Accountants as the auditors until the next annual general meeting at a fee to be mutually agreed.

#### Acknowledgement

We are thankful to our valued stakeholders including customers, banks, suppliers, contractors, and shareholders, for their excellent support and confidence. We also thank our employees for their focused dedication and hard work throughout this period.

# auditors' report to the members

We have audited the annexed balance sheet of Tri-Pack Films I imited as at December 31, 2015 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

A.F. Ferguson & Co.

A.F. Ferguson & Co. Chartered Accountants

(b) in our opinion:

- (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
- (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
- the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2015 and of the profit, its cash flows and changes in equity for the year then ended; and
- in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

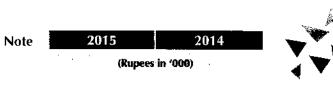
Karachi, February 25, 2016

Audit Engagement Partner: Farrukh Rehman



# As at December 31, 2015

| As at December 31, 2013       | Note | 2015             | 2014       |
|-------------------------------|------|------------------|------------|
|                               |      | (Rupees in '000) |            |
| ASSESTS                       |      |                  |            |
| NON CURRENT ASSETS            |      |                  |            |
| Property, plant and equipment | 4    | 6,731,234        | 7,215,407  |
| Intangibles                   | 5    | 6,979            | 8,338      |
| Long term deposits            |      | 3,115            | 4,398      |
|                               |      | 6,741,328        | 7,228,143  |
| CURRENT ASSETS                |      |                  |            |
| Stores and spares             | 6    | 348,894          | 384,683    |
| Stock in trade                | 7    | 1,293,873        | 1,677,648  |
| Trade debts - net             | 8    | 1,227,890        | 1,523,529  |
| Advances and prepayments      | 9    | 60,024           | 98,440     |
| Other receivables             | 10   | 114,540          | 220,785    |
| Income tax - net              | !    | 1,150,343        | 1,245,700  |
| Cash and bank balances        | 11   | 378,033          | 697,646    |
|                               |      | 4,573,597        | 5,848,431  |
| TOTAL ASSETS                  |      | 11,314,925       | 13,076,574 |



300,000

1,334,453

1,634,453

4,515,176

4,627,278

1,969,647

3,815,223

6,814,843

11,442,121

13,076,574

168,225

861,748

84,738

27,364

300,000

1,813,802

2,113,802

3,664,793

3,753,951

2,234,051

2,182,897

5,447,172

9,201,123

11,314,925

950,384

79,840

58,725

30,433

12

13

14

15

16

17

18

13

19

## **EQUITY AND LIABILITIES SHARE CAPITAL AND RESERVES**

Share Capital Reserves

#### LIABILITIES

#### **NON-CURRENT LIABILITIES**

Long term finances
Deferred tax liabilities
Accumulated compensated absences

#### **CURRENT LIABILITIES**

Trade and other payables Accrued mark-up Short term borrowings Current portion of long term finances

#### TOTAL LIABILITIES

## CONTINGENCIES AND COMMITMENTS

#### TOTAL EQUITY AND HABILITIES

The annexed notes 1 to 39 form an integral part of these financial statements.

highly

Asif Qadir
Director

**Syed Aslam Mehdi** Chief Executive

S. a. mandy



# profit and loss account

For the year ended December 31, 2015

Revenue
Cost of sales
Gross profit
Distribution costs
Administrative expenses

Operating Profit Other income

Other expenses Finance costs

Profit / (loss) before income tax

Income tax expense Profit / (loss) for the year

#### Other comprehensive loss for the year:

Items that may be reclassified subsequently to Profit or Loss

Loss arising during the year on cash flow hedge Add: Income tax relating to hedging reserve

## Items that will not be reclassified subsequently to Profit or Loss

Remeasurements of staff retirement benefits Income tax on items that will not be reclassified

#### Total comprehensive income / (loss) for the year

Earnings / (loss) per share - basic and diluted (Rupees)

The annexed notes 1 to 39 form an integral part of these financial statements.

S.a.mlud.

Syed Aslam Mehdi

Chief Executive

| Note | 2015             | 2014         |  |  |  |
|------|------------------|--------------|--|--|--|
|      | (Rupees in '000) |              |  |  |  |
| 20   | 11,954,171       | 13,597,081   |  |  |  |
| 21   | (10,096,906)     | (12,375,215) |  |  |  |
|      | 1,857,265        | 1,221,866    |  |  |  |
| 22   | (286,228)        | (400,593)    |  |  |  |
| 23   | (342,642)        | (334,422)    |  |  |  |
|      | (628,870)        | (735,015)    |  |  |  |
|      | 1,228,395        | 486,851      |  |  |  |
| 24   | 60,675           | 105,446      |  |  |  |
|      | 1,289,070        | 592,297      |  |  |  |
| 2.5  | (34,976)         | -            |  |  |  |
| 26   | (781,916)        | (923,038)    |  |  |  |
|      | (816,892)        | (923,038)    |  |  |  |
|      | 472,178          | (330,741)    |  |  |  |
|      | 06.040           | 434.005      |  |  |  |
| 27   | 26,013           | 131,095      |  |  |  |
|      | 498,191          | (199,646)    |  |  |  |
|      |                  |              |  |  |  |
|      |                  |              |  |  |  |
|      | _                |              |  |  |  |
|      |                  | (50,186)     |  |  |  |
|      | -                | 17,565       |  |  |  |
|      | -                | (32,621)     |  |  |  |
|      |                  |              |  |  |  |
| 16.6 | (18,842)         | (8,650)      |  |  |  |
|      |                  | <b>-</b>     |  |  |  |
|      | (18,842)         | (8,650)      |  |  |  |
|      | 479,349          | (240,917)    |  |  |  |
|      |                  | (Re-stated)  |  |  |  |
| 28   | 14.86            | (5.95)       |  |  |  |

Asif Qadir

Director

# Statement of changes in equity For the year ended December 31, 2015

| To the year characteristics by 2015                             | Issued,                              | RESERVES        |                 |  |                     |                     |
|---|--------------------------------------|-----------------|-----------------|--|---------------------|---------------------|
|   | subscribed and paid-up share capital | General Reserve | Hedging Reserve | Unappropriated<br>profit / (Accumulated<br>loss) | Total Reserves      | Total               |
|   |                                      |                 | (Rupees in      | · <b>'000</b> )                                  |                     |                     |
| Balance as at January 1, 2014                                   | 300,000                              | 1,605,000       | (29,532)        | (62,251)   | 1,513,217           | 1,813,217           |
| Total comprehensive loss for the year ended December 31, 2014   |                                      |                 |                 |  |                     |                     |
| Loss after taxation for the year ended<br>December 31, 2014     | -                                    | -               | _               | (199,646)  | (199,646)           | (199,646)           |
| Other comprehensive loss  | _                                    | -               | (32,621)        | ,  | (41,271)            | (41,271)            |
|   | -                                    | -               | (32,621)        | (208,296)  | (240,917)           | (240,917)           |
| Transfer to raw material - net of tax                           | -                                    | -               | 62,153          | -  | 62,153              | 62,153              |
| Balance as at December 31, 2014                                 | 300,000                              | 1,605,000       | -               | (270,547)  | 1,334,453           | 1,634,453           |
| Total comprehensive income for the year ended December 31, 2015 |                                      |                 |                 |  |                     |                     |
| Profit after taxation for the year ended<br>December 31, 2015   |                                      | -               | -               | 498,191  | 498,191             | 498,191             |
| Other comprehensive loss  | -                                    | -<br>-          |                 | (18,842)<br>479,349                              | (18,842)<br>479,349 | (18,842)<br>479,349 |
| Balance as at December 31, 2015                                 | 300,000                              | 1,605,000       | <u>.</u>        | 208,802  | 1,813,802           | 2,113,802           |

The annexed notes 1 to 39 form an integral part of these financial statements.

S.a.mend Syed Aslam Mehdi Chief Executive

Aslf Qadir Director



# cash flow statement

For the year ended December 31, 2015

#### CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations
Payment on account of accumulated compensated absences
Decrease / (Increase) in long term deposits
Staff retirement benefits paid
Income taxes refund / (paid)
Net cash generated from operating activities

#### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment Purchase of intangible assets Profit received on bank balances Sale proceeds on disposal of operating fixed assets Net cash used in investing activities

#### CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances paid Long term financing acquired Short term financing - net Finance cost paid Bank charges paid

Net cash (used in) / generated from financing activities

Net increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year Cash and cash equivalents at end of the year

The annexed notes 1 to 39 form an integral part of these financial statements.

S. a. who

Chief Executive

| 2015             | 2014   |  |  |  |
|------------------|--|--|--|--|
| (Rupees in '000) |  |  |  |  |
| 2,921,863        | 1,184,733  |  |  |  |
| (2,555)          | (17,588)   |  |  |  |
| 1,283            | (1,399)  |  |  |  |
| (58,422)         | (50,353)   |  |  |  |
| 95,357           | (622,763)  |  |  |  |
| 2,957,526        | 492,630  |  |  |  |
|                  |  |  |  |  |
| (119,589)        | (363,445)  |  |  |  |
| (3,662)          | (3,017)  |  |  |  |
| 1,095            | 456  |  |  |  |
| 8,550            | 8,150  |  |  |  |
| (113,606)        | (357,856)  |  |  |  |
|                  |  |  |  |  |
| (761,747)        | (1,225,000)  |  |  |  |
| -                | 1,500,000  |  |  |  |
| (1,290,735)      | 1,115,735  |  |  |  |
| (761,436)        | (920,277)  |  |  |  |
| (8,024)          | (9,578)  |  |  |  |
| (2,821,942)      | 460,880  |  |  |  |
| 21,978           | 595,654  |  |  |  |
| (126,842)        | (722,496)  |  |  |  |
| (104,864)        | (126,842)  |  |  |  |
|                  | (Rupees  2,921,863 (2,555) 1,283 (58,422) 95,357 2,957,526  (119,589) (3,662) 1,095 8,550 (113,606)  (761,747) - (1,290,735) (761,436) (8,024) (2,821,942)  21,978 (126,842) |  |  |  |

Aslf Qadir

Director



For the year ended December 31, 2015

#### 1. THE COMPANY AND ITS OPERATIONS

Tri-Pack Films Limited (the Company) was incorporated in Pakistan on April 29, 1993 as a public limited company under the Companies Ordinance. 1984 (the Ordinance) and is listed on Pakistan Stock Exchange (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 # 416 to 422, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.

#### 2. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

#### Accounting convention 2,1

These financial statements have been prepared under the historical cost convention, as modified by re-measurement of certain financial assets and financial liabilities at fair value and recognition of certain staff retirement and other service benefits at present value.

#### 2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan, Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

#### 2.3 Changes in accounting standards, interpretations and pronouncements

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

Following amendments to existing standard and interpretation have been published and are mandatory for accounting periods beginning on or after January 1, 2015 and are considered to be relevant to the Company's operations.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirement for use across IFRSs. The requirement do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

IFRS 10, 'Consolidated financial statement' replaces all of the guidance on control and consolidation in IAS 27, 'Consolidation and separate financial statement', and SIC-12,'Consolidation - special purpose entities'. IAS 27 is renamed 'Separate financial statement', it continue to be a standard dealing solely with separate financial statements. IERS 10 has the potential to affect all reporting entities (investors) that control one or more investees under the revised definition of control. The standard presently does not impact financial statements of the Company.



#### b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2015 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

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

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2016 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

#### 2.4 Staff retirement benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans.

#### 2.4.1 Defined contribution plan

The Company operates a recognised provident fund for all its permanent employees who have completed prescribed qualifying period of service. Equal monthly contributions are made, both by the Company and the employees, to the provident fund at the rate of ten percent of basic salary.

#### 2.4.2 Defined benefit plan

#### Gratuity plan

There is an approved funded defined benefit gratuity plan for all employees. Monthly contributions are made to this fund on the basis of actuarial recommendations at the rate of 8.33% per annum of basic salaries. The latest actuarial valuation for the gratuity scheme was carried out as at December 31, 2015. The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

The future contribution rates of these plans include allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of this scheme:

- Discount rate used for year end obligation 10% (2014: 11.25%) per annum;
- Expected rate of increase in salary levels 9% (2014: 10.25%) per annum; and
- Expected mortality rate SLIC (2001 2005) mortality table.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the profit and loss account.

#### Pension plan

The defined benefit pension fund plan is managed by Packages Limited (associated undertaking) and it currently operates two different plans for its employees:

- Defined contribution plan for all active employees; and
- Defined benefit plan for pensioners who have retired before December 31, 2012.

#### Projected unit credit method, using the following significant assumptions, is used for valuation of this scheme:

- Discount rate used for year end obligation 9% (2014: 10.5%) per annum;
- Expected rate of increase in salary levels 4% for first year and at 1% thenceforth (2014: 4% for first year and at 2% thenceforth) per annum;
- Expected mortality rate SEIC (2001 2005) mortality table.

In respect of the defined contribution plan, the Company contributes 20% of members' monthly salary to the scheme; whereas, an employee may or may not opt to contribute 6% of his monthly salary to the scheme.

The liability recognized in the balance sheet in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for the defined benefit plan are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in profit and loss account.

#### **Employee compensated absences** 2.4.3

The Company also provides for compensated absences for all eligible employees in accordance with the rules of the Company. The provision is recognised on the basis of actuarial valuation. The valuation is based on the following significant assumptions:

- Discount rate used for year end obligation 10% (2014: 11.25%) per annum; and
- Expected rate of increase in salary levels 9% (2014: 10.25%) per annum.

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. The unrecognised actuarial gains or losses at each valuation date are recognised immediately.



#### Taxation 2.5

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

#### 2.5.1 Current

The charge for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

#### 2.5.2 Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the profit and loss account.

Deferred income tax asset is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Investment tax credits are viewed as increase of the related asset's tax base. Accordingly, in such situation the deductible temporary difference that arises qualifies for the initial recognition exception as per IAS 12, 'Income taxes'. Therefore, no deferred tax asset is recognised instead the recognition of the total investment tax occurs as a reduction of current tax.

#### Trade and other payables 2.6

Liabilities for trade and other payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

#### **Provisions** 2.7

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.



#### Dividend 2.8

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders / directors, as appropriate.

#### Property, plant and equipment 2.9

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land and capital work in progress which are stated at cost. Cost of leasehold land is amortised using the straight line method over the period of lease term.

Operating fixed assets having cost exceeding the minimum threshold as determined by the management are capitalised. All other assets are charged to income in the year when acquired. Depreciation is charged to profit and loss account on straight line method at the following rates:

| Nature of property, plant and equipment |                               | Annual rate of depreciation (%) |
|---|-------------------------------|---------------------------------|
| - Leasehold land                        |                               | 1.03 to 2.22                    |
| - Buildings on leasel                   | nold land                     | 5 to 33.33                      |
| - Plant and machine                     | ry, electrical installations, | 5 to 10                         |
| - Furniture and fittin                  |                               | 10 to 20                        |
| <ul> <li>Office and other ed</li> </ul> | quipment                      | 20 to 33,33                     |
| <ul> <li>Vehicles</li> </ul>            | • •                           | 20                              |

Depreciation on additions and deletions during the year is charged from the month when asset is put into use or up to the month immediately before the month in which the asset is disposed off, respectively.

No depreciation is charged if the asset's residual value exceeds its carrying amount.

Residual values and the useful lives are reviewed at each balance sheet date and adjusted if expectations differ significantly from previous estimates.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in profit and loss account currently.



Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors. Maintenance and repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalised in accordance with IAS 16, 'Property, plant and equipment' and depreciated in a manner that represents the consumption pattern and useful lives. Minor repairs and renewals are charged to profit and loss account.

Profit or loss on disposal of operating fixed assets are included in profit and loss account in the year in which it is realised.

#### 2.10 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation including applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

#### 2.11 Intangible assets

Intangible assets are recognised when it is probable that the expected future economic benefits will flow to the Company and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining intangible assets are recognised as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rate of 33.33%.

Useful lives of intangible assets are reviewed, at each balance sheet date and adjusted if the impact of amortisation is significant.

The carrying amount of the intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the intangible asset's carrying amount exceeds its recoverable amount in profit and loss account. Reversal of impairment losses are also recognised in profit and loss account, however, is restricted to the original cost of the intangible asset.

### 2.12 Stores and spares

Stores and spares are valued at weighted average cost less allowance for obsolete and slow moving items.

Stores and spares in transit are stated at cost comprising invoice value and other related charges incurred up to the balance sheet date.

#### Stock in trade 2.13

Stock in trade is valued at the lower of cost and estimated net realisable value. Cost is determined as follows:

| Stages of stock in trade                          | Basis of valuation                      |
|---|---|
| Raw materials, work in process and finished goods | Weighted average cost                   |
| Raw materials in transit                          | Invoice value and other related charges |

Cost of work in process and finished goods comprises cost of direct materials, labour and appropriate manufacturing overheads.

Net realisable value is determined on the basis of the estimated selling price of the product in the ordinary course of business less estimated cost of completion and costs necessary to be incurred for its sale.

#### 2.14 Trade debts

Trade debts are recognised initially at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at amortised cost less an estimate made for impairment based on a review of all outstanding amounts at the year end. A provision for impairment of trade debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off when identified.

#### Cash and cash equivalents 2.15

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings that are repayable on demand or within a period of 3 months from the reporting date. Further, contractual borrowings are not part of cash and cash equivalents and are part of financing activities.

#### Revenue recognition 2.16

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities.

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company and specific criteria has been met for each of the Company's activities as described below:



- i) Sales revenue is recognised at the time the Company has transferred the significant risks and rewards of ownership of the goods; and
- ii) Returns on bank deposits are accrued on a time proportion basis by reference to the principal outstanding amount and the applicable rate of return.

#### 2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit and loss account in the period in which they are incurred.

#### 2.18 Foreign currency transactions and translation

Foreign currency transactions are recognised or accounted for into Pakistan Rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are converted into Pakistan Rupees at the rates of exchange prevailing on the balance sheet date. Exchange gain / loss on foreign currency translations are included in income / equity along with any related hedge effects.

#### 2.19 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

#### 2.20 Financial instruments

- **2.20.1** The Company classifies its financial assets in the following categories:
  - (a) Investments at 'fair value through profit or loss'
  - Held for trading

These include financial instruments acquired principally for the purpose of generating profit from short term fluctuations in prices or dealers' margins or are securities included in portfolio in which a pattern of short term profit taking exists. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current assets.

Financial assets designated at 'fair value through profit or loss' upon initial recognition

These include investments that are designated as investments at 'fair value through profit or loss' upon initial recognition.

Gains / (losses) arising on sale of investments are included in the profit and loss account currently on the date when the transaction takes place.

Unrealised gains / (losses) arising on revaluation of securities classified as financial assets at 'fair value through profit or loss' are included in the profit and loss account in the period in which they arise.

#### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. The Company's loans and receivables comprise 'long term deposits', 'trade debts', 'advances and prepayments', 'other receivables' and 'cash and bank balances' in the balance sheet.

#### (c) Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention to hold them up to maturity.

#### (d) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are included in non-current assets unless the investment matures or management intends to dispose of the financial assets within 12 months of the balance sheet date.

## 2.20.2 Recognition

Regular way purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset.

#### 2.20.3 Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a 'financial asset or financial liability other than those at fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on 'financial assets and financial liabilities at fair value through profit or loss' are charged to the profit and loss account immediately.



Subsequent to initial recognition, instruments classified as financial assets at 'fair value through profit or loss' and 'available for sale' are measured at fair value. Gains / (losses) arising from changes in the fair value of the financial assets at 'fair value through profit or loss' are recognised in the profit and loss account. Changes in the fair value of instruments classified as 'available for sale' are recognised in other comprehensive income until derecognised or impaired when the accumulated fair value adjustments recognised in other comprehensive income are transferred to the profit and loss account.

Financial assets classified as 'loans and receivables' and 'held to maturity' are carried at amortised cost using the effective yield method, less impairment losses, if any.

Financial liabilities, other than those at 'fair value through profit or loss' are measured at amortised cost using the effective yield method.

#### 2.20.4 Impairment

Impairment loss on investment other than 'available for sale' is recognised in the profit and loss account whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through the profit and loss account.

In case of investment classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account is removed from other comprehensive income and recognised in the profit and loss account. However, any decrease in impairment loss on securities classified as 'available for sale' is reversed through the profit and loss account and is recognised in other comprehensive income.

#### 2.20.5 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39, 'Financial instruments: Recognition and measurement'.

The Company uses the weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### Derivatives financial instruments and hedging activities 2.21

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss do ands on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates derivatives as either fair value hedge or cash flow hedge.



The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hodging transactions are highly effective in off-setting changes in fair values or cash flows of hedged items.

#### (a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### (b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account.

Amounts accumulated in equity are reclassified to profit and loss account in the periods when the hedged item affects profit and loss account (for example, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit and loss account.

#### Off-setting of financial assets and financial liabilities 2.22

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. 3.1 It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. There were no significant judgements involved in the application of Company's accounting policies. The management has made the following estimates which are significant to the financial statements:



### 3.2 Current and deferred income taxes

In making the estimates for income taxes payable by the Company, management considers current income tax laws and the decisions of appellate authorities on certain cases issued in the past. Where the final outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined. Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

# 3.3 Provision for retirement and other service benefit obligations

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in notes 2.4 and 16.6

## 3.4 Property, plant and equipment and intangible assets

Estimates with respect to residual values and useful lives and pattern flow of economic benefit are based on the recommendation of technical teams of the Company. Further, the Company reviews the internal and external indicators for possible impairment of assets on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment (note 4) and intangible assets (note 5) with a corresponding affect on the depreciation charge, amortisation charge and impairment.

### 3.5 Provisions

Provisions are based on management's best estimate. Any change in the estimates in future years might affect the carrying amounts of the provision with a corresponding affect on the profit and loss account of the Company.

# 4. PROPERTY, PLANT AND EQUIPMENT

| Operating fixed assets                    |
|---|
| Capital work in progress                  |
| Major spare parts and stand-by equipments |

| Note | 2015      | 2014      |
|------|-----------|-----------|
|      | (Rupees   | in '900)  |
| 4.1  | 6,690,826 | 7,166,705 |
| 4.2  | -         | 5,440     |
| 4.3  | 40,408    | 43,262    |
|      | 6,731,234 | 7,215,407 |

#### Operating fixed assets 4.1

#### The following is a statement of operating fixed assets 4,1,1

|  | Leasehold<br>land     | Buildings on<br>leasehold<br>land | Plant and<br>machinery        | Electrical<br>installations | Furniture<br>and fittings | Office<br>and other<br>equipment | Vehicles                    | Total                             |
|--|-----------------------|-----------------------------------|-------------------------------|-----------------------------|---------------------------|----------------------------------|-----------------------------|-----------------------------------|
| Year ended December 31, 2015                         |                       |                                   |                               | (Rupees                     | in '000)                  |                                  |                             |                                   |
| Opening net book value                               | 185,474               | 999,444                           | 5,697,429                     | 192,342                     | 34,038                    | 16,710                           | 41,268                      | 7,166,705                         |
| Additions Disposals - note 4.1.4 Depreciation charge | 6,561<br>-<br>(4,719) | 1,800<br>-<br>(69,651)            | 100,195<br>(221)<br>(476,091) | 3,543<br>-<br>(23,579)      | 6,429<br>(104)<br>(7,737) | 2,332<br>(67)<br>(7,669)         | 6,570<br>(6,113)<br>(7,358) | 127,430<br>(6,505)<br>(596,804)   |
| Closing net book value                               | 187,316               | 931,593                           | 5,321,312                     | 172,306                     | 32,626                    | 11,306                           | 34,367                      | 6,690,826                         |
| At December 31, 2015 Cost Accumulated depreciation   | 218,762<br>(31,446)   | 1,291,470<br>(359,877)            | 9,717,362<br>(4,396,050)      | 315,761<br>(143,455)        | 77,991<br>(45,365)        | 72,903<br>(61,597)               | 77,379<br>(43,012)          | 11,771,628<br>(5,080,802)         |
| Net book value                                       | 187,316               | 931,593                           | 5,321,312                     | 172,306                     | 32,626                    | 11,306                           | 34,367                      | 6,690,826                         |
| Year ended December 31, 2014 Opening net book value  | 180,916               | 952,622                           | 4,992,615                     | 178,988                     | 22,296                    | 9,662                            | 57,654                      | 6,394,753                         |
| Additions<br>Disposals<br>Depreciation charge        | 9,171<br>-<br>(4,613) | 118,416<br>-<br>(71,594)          | 1,263,595<br>-<br>(558,781)   | 28,430<br>-<br>(15,076)     | 18,851<br>(49)<br>(7,060) | 15,935<br>(7)<br>(8,880)         | 634<br>(6,970)<br>(10,050)  | 1,455,032<br>(7,026)<br>(676,054) |
| Closing net book value                               | 185,474               | 999,444                           | 5,697,429                     | 192,342                     | 34,038                    | 16,710                           | 41,268                      | 7,166,705                         |
| At December 31, 2014 Cost Accumulated depreciation   | 212,201<br>(26,727)   | 1,289,670<br>(290,226)            | 9,617,427<br>(3,919,998)      | 312,218<br>(119,876)        | 71,752<br>(37,714)        | 70,812<br>(54,102)               | 88,031<br>(46,763)          | 11,662,111<br>(4,495,406)         |
| Net book value                                       | 185,474               | 999,444                           | 5,697,429                     | 192,342                     | 34,038                    | 16,710                           | 41,268                      | 7,166,705                         |



# 4.1.2 Depreciation charge for the year has been allocated as follows:

|                            | Note | 2015                                  | 2014    |
|----------------------------|------|---------------------------------------|---------|
|                            |      | (Rupees i                             | n '000) |
| Cost of goods manufactured | 21.1 | 576,377                               | 651,284 |
| Distribution cost          | 22   | 2,847                                 | 3,170   |
| Administrative expenses    | 23   | 17,580                                | 21,600  |
| 1                          |      | 596,804                               | 676,054 |
|                            | =    | · · · · · · · · · · · · · · · · · · · |         |

- 4.1.3 Operating fixed assets include assets having cost of Rs 2.75 billion (2014; Rs 1.46 billion) which were fully depreciated as at the year end.
- **4.1.4** Details of operating fixed assets disposed off during the year ended December 31, 2015.

The following operating fixed assets with a net book value exceeding Rs 50,000 were disposed off during the year:

| Particulars                         | Sold to              | Cost   | Accumulated depreciation | Net book<br>value | Sale<br>proceeds | Gain /<br>(loss) |
|-------------------------------------|----------------------|--------|--------------------------|-------------------|------------------|------------------|
| Tub accell ( Durany                 |                      |        | (Ruț                     | pees in '000)     |                  |                  |
| Tuhewell & Pumps                    | Microtech            | 260    | 39                       | 221               | 249              | 28               |
| Vehicles (Employees)                |                      |        |                          |                   |                  |                  |
| • ,                                 | Muhammad Nadeem      | 826    | 556                      | 270               | 271              |                  |
|                                     | Jamil Ahmed          | 673    | 452                      | 221               | 221              | -                |
|                                     | Asifa Piracha        | 654    | 440                      | 214               | 214              | -                |
|                                     | M. Arif Qazi         | 782    | 316                      | 466               | 481              | 1.               |
|                                     | Masoom Butt          | 1,298  | 786                      | 512               | 513              |                  |
|                                     | Khurram Javaid       | 701    | 471                      | 230               | 230              | -                |
|                                     | Kamran Qayum         | 859    | 578                      | 281               | 282              |                  |
|                                     | Kamran Qayum         | 470    | 371                      | 99                | 264              | 16               |
|                                     | Kashif Abrar         | 684    | 460                      | 224               | 237              | 1                |
|                                     | Shayan Azim          | 788    | 362                      | 426               | 454              | 2                |
|                                     | Ahmed Adeel          | 782    | 368                      | 414               | 444              | 3                |
|                                     | Rizwan Quddus        | 692    | 466                      | 226               | 234              |                  |
|                                     | Omer Ayub            | 726    | 488                      | 238               | 238              | -                |
|                                     | Mobeen Asad          | 726    | 488                      | 238               | 314              | 7                |
|                                     | Imran Sadiq          | 726    | 488                      | 238               | 238              | -                |
|                                     | Nadeem Afzal         | 836    | 661                      | 175               | 675              | 50               |
|                                     | Muhammad Zubair      | 707    | 476                      | 231               | 232              |                  |
|                                     | Yasir Kamal Khan     | 702    | 472                      | 230               | 230              | -                |
|                                     | Laung Khan           | 908    | 611                      | 297               | 298              |                  |
| Vehicles (Outsiders by negotiation) |                      |        |                          |                   |                  |                  |
| Temeles (exactions by negotiation)  | Noman Ahmed Siddiqui | 1,010  | 679                      | 331               | 681              | 35               |
|                                     | Noman Ahmed Siddigui | 505    | 340                      | 165               | 394              | 22               |
|                                     | M. Saleem Alvi       | 517    | 348                      | 169               | 389              | 22               |
|                                     | A. Samad Khan        | 646    | 434                      | 212               | 545              | 33               |
|                                     |                      | 17,478 | 11,150                   | 6,328             | 8,328            | 2,00             |



#### All disposals were made according to the policy of the Company. 4.1.5

|     |  | 2015         | 2014        |
|-----|--|--------------|-------------|
| 4.2 | Capital work in progress                 | (Rupees in   | 1000)       |
|     | Plant and machinery                      | -            | 3,188       |
|     | Building and civil works                 | · • <u>-</u> | 2,252       |
|     |  |              | 5,440       |
| 4.3 | Major spare parts and stand-by equipment |              |             |
|     | Balance at the beginning of the year     | 43,262       | 39,350      |
|     | Additions during the year                | 8,483        | 55,471      |
|     | Transfers made during the year           | (11,337)     | (51,559)    |
|     | Balance at the end of the year           | 40,408       | 43,262      |
| 5.  | INTANGIBLE ASSETS                        |              |             |
|     | Computer software                        |              |             |
|     | At January 1                             |              |             |
|     | Cost                                     | 44,577       | 41,560      |
|     | Accumulated amortisation                 | (36,239)     | (30,395)    |
|     | Net book value                           | 8,338        | 11,165      |
|     | Additions during the year                | 3,662        | 3,017       |
|     | Amortisation for the year                | (5,021)      | (5,844)     |
|     | Net book value as at December 31         | 6,979        | 8,338       |
|     | At December 31                           | ·······      |             |
|     | Cost                                     | 48,239       | 44,577      |
|     | Accumulated amortisation                 | (41,260)     | (36,239)    |
|     | Net book value                           | 6,979        | 8,338       |
|     |  | ·            | <del></del> |

Amortisation charge for the year has been allocated to administrative expenses. 5.1



#### STORES AND SPARES 6.

| 0. | STORES AND SPAKES                  |              |            |                    |
|----|------------------------------------|--------------|------------|--------------------|
|    |                                    | Note         | 2015       | 2014               |
|    |                                    |              | (Rupees in | 1 <sup>(000)</sup> |
|    | Stores                             |              | 40,773     | 72,357             |
|    | Spares                             |              | 298,953    | 296,798            |
|    | Stores and spares in transit       |              | 9,168      | 15,528             |
|    |                                    | _            | 348,894    | 384,683            |
| 7. | STOCK IN TRADE                     | =            |            |                    |
|    | Raw materials                      |              |            |                    |
|    | In hand                            |              | 744,726    | 908,470            |
|    | In transit                         | -            | 122,773    | 274,802            |
|    |                                    |              | 867,499    | 1,183,272          |
|    | Packing materials                  |              | 29,472     | 37,002             |
|    | Work in process                    |              | 232,886    | 366,517            |
|    | Finished goods                     | _            | 164,016    | 90,857             |
| 8. | TRADE DEBTS - NET                  | =            | 1,293,873  | 1,677,648          |
|    | Unsecured                          |              |            |                    |
|    | Considered good                    |              |            |                    |
|    | Due from related parties           | 8.1 & 8.2    | 65,402     | 84,076             |
|    | Others                             |              | 1,149,889  | 1,381,386          |
|    |                                    |              | 1,215,291  | 1,465,462          |
|    | Considered doubtful - others       |              | 96,666     | 79,425             |
|    | Secured                            |              |            |                    |
|    | Considered good                    | _            |            |                    |
|    | Due from related parties           | 8.1 & 8.2    | 1,663      | 4,059              |
|    | Others                             |              | 10,936     | 54,008             |
|    |                                    | _            | 12,599     | 58,067             |
|    |                                    |              | 1,324,556  | 1,602,954          |
|    | Less: Provision for doubtful debts | 8.3          | (96,666)   | (79,425)           |
|    |                                    | _            | 1,227,890  | 1,523,529          |
|    |                                    | <del>.</del> |            |                    |



#### Trade debts include the following amounts due from related parties: 8.1

|     |   | Note | 2015             | 2014   |  |
|-----|---|------|------------------|--------|--|
|     |   |      | (Rupees in '000) |        |  |
|     | Packages Limited  |      | 65,402           | 84,076 |  |
|     | Packages Lanka (Private) Limited                                  |      | 1,663            | 4,059  |  |
| 0.0 | When and in the mount on the first of the second                  |      | 67,065           | 88,135 |  |
| 8.2 | These are in the normal course of business and are interest free. |      | · _              |        |  |
| 8.3 | Provision for doubtful debts                                      |      |                  |        |  |
|     | Balance at beginning of the year                                  |      | 79,425           | 4,675  |  |
|     | Provision for the year - net                                      | 23   | 17,241           | 74,750 |  |
|     | Balance at end of the year  |      | 96,666           | 79,425 |  |

- The maximum amount receivable from any related party during the year is Rs 249.64 million (2014; Rs 240.52 million). 8.4
- As at December 31, 2015, trade debts of Rs 406.83 million (2014: Rs 306.06 million) were past due but not impaired. These relate to a number of 8.5 independent customers for whom there is no recent history of default.

The ageing analysis of these trade debts is as follows:

|                    | 2013    | 2014       |
|--------------------|---------|------------|
|                    | (Rupee: | s în '000) |
| Upto 1 - 2 months  | 309,309 | 106,012    |
| Upto 3 - 4 months  | 48,965  | 138,629    |
| Upto 5 - 6 months  | 18,125  | 11,148     |
| More than 6 months | 30,431  | 50,273     |
|                    | 406,830 | 306,062    |
|                    |         |            |

As at December 31, 2015, trade receivables of Rs 96.67 million (2014: Rs 79.43 million) were impaired and provided for. The ageing of these 8.6 receivables is as follows:

|                    | 2015                                   | 2014        |
|--------------------|--|-------------|
|                    | (Rupe                                  | es in '000) |
| Upto 91 - 180 days | -                                      | 20,372      |
| More than 180 days | 96,666                                 | 59,053      |
|                    | 96,666                                 | 79,425      |
|                    | ······································ |             |



#### ADVANCES AND PREPAYMENTS 9.

|  | Note | 2015                               | 2014                               |
|--|------|------------------------------------|------------------------------------|
|  |      | (Rupees in                         | n '000)                            |
| Advances, considered good - due from employees Advances to suppliers - considered good Advances to clearing agents Prepayments | 9.1  | 3,911<br>27,827<br>20,479<br>7,807 | 1,511<br>39,879<br>48,056<br>8,994 |
|  | :    | 60,024                             | 98,440                             |

These advances primarily include advance against travelling and house rent given to executives as per terms of employment. The maximum amounts 9.1 due at the end of any month during the year from the Chief Executive and other executives were Nil (2014; Rs 0.86 million) and Rs 4.50 million (2014: Rs 3.09 million) respectively.

#### OTHER RECEIVABLES 10.

| Note <b>"</b> | 2015    | 2014  |
|---------------|---------|---|
|               | (000)   |   |
|               |         | 112,219   |
|               | 61,129  | 53,709  |
|               | 3,757   | 3,757   |
|               | -       | 3,700   |
| 16.5          | -       | 16,071  |
|               | 21,736  | 30,714  |
| 10.1          | 26,493  | -   |
|               | 1,425   | 615   |
|               | 114,540 | 220,785   |
|               | 16.5    | (Rupees in 61,129 3,757 16.5 - 21,736 10.1 26,493 1,425 |

This represents car financing facility according to which an employee is provided with the car advance for a period of five years. During this tenure, 10.1 the salvage value of the vehicle is recovered from an employee in equal monthly installments. In case an employee leaves earlier, outstanding amount is recoverable. Farlier the cars were capitalised and only the amount of salvage values were recovered from employees.

#### 11. CASH AND BANK BALANCES

| Cash with banks in |
|--------------------|
| Current accounts   |
| Local currency     |
| Foreign currency   |
| Cash in hand       |

| 2015    | 2014     |
|---------|----------|
| (Rupees | in (000) |
| 365,981 | 686,523  |
| 11,687  | 10,743   |
| 365     | 380      |
| 378,033 | 697,646  |
|         |          |



#### SHARE CAPITAL 12.

|                  |  | 2015       | 2014      |
|------------------|--|------------|-----------|
| NUMBER OF SHARES |  | (Rupees in | n '000)   |
| Authorised       |  |            |           |
| 100,000,000      | Ordinary shares of Rs 10 each                    | 1,000,000  | 1,000,000 |
| Issued, subscr   | ibed and paid-up                                 |            |           |
| 30,000,000       | Ordinary shares of Rs 10 each fully paid in cash | 300,000    | 300,000   |

Packages Limited, Mitsubishi Corporation - Japan and IGH Insurance Limited held 10,000,000 (2014: 10,000,000), 7,499,000 (2014: 7,499,000) and 12.1 1,353,416 (2014: 1,700,349) ordinary shares of the Company respectively, as at December 31, 2015.

#### Issue of rights shares 12.2

The Board of Directors in a meeting held on December 4, 2015 announced a rights issue at premium to the existing shareholders at a proportion of 29.33 ordinary shares for every 100 shares held. Total amount expected from the issue is Rs. 1.1 billion divided into 8,800,000 shares of Rs. 125 per share includes premium per share of Rs. 115. The right issues shall rank pari-passu with the existing ordinary shares of the Company in all respects, but shall not be entitled to dividend, if declared, for the year ended December 31, 2015. The right offers were registered in the name of the shareholders on January 15, 2016 and became available for trading from February 1, 2016. The right offer must be accepted and paid for in full to the extent of subscription on or before March 14, 2016. The rights issue is being made to improve capital structure of the Company.

Mitsubishi Corporation of Japan has declined to take up its proportion of the rights issue, which IGI Insurance Limited and Syed Hyder Ali (Director) have undertaken to subscribe, under an agreement between Mitsubishi Corporation of Japan, IGI Insurance Limited and Syed Hyder Ali (Director), subject to approval by the Competition Commission of Pakistan.

#### 13. LONG TERM FINANCES

|   | Note     | 2015             | 2014      |
|---|----------|------------------|-----------|
| Secured                                     |          | (Rupees in '000) |           |
| Finance - 1                                 | 13.1     | 700,000          | 900,000   |
| Finance - 2                                 | 13.2     | 1,000,000        | 1,000,000 |
| Finance - 3                                 | 13.3     | 1,477,677        | 1,976,924 |
| Finance - 4                                 | 13.3     | 437,500          | 500,000   |
| Finance - 5                                 | 13.4     | 1,000,000        | 1,000,000 |
|   |          | 4,615,177        | 5,376,924 |
| Less: Current portion of long term finances |          | (950,384)        | (861,748) |
|   | <u>-</u> | 3,664,793        | 4,515,176 |



- The Company had obtained a long term finance facility of Rs 1 billion (2014: Rs 1 billion) from a commercial bank under mark-up arrangements with 13.1 its first draw down on June 1, 2012. Mark-up was payable on a semi-annual basis at the rate of six months Karachi Inter Bank Offer Rate (KIBOR) plus 0.75% (2014: 0.75%) per annum. The effective rate of mark-up during the year was 8.80% (2014: 10.83%) per annum. The principal amount was repayable semi annually in 10 equal installments commencing after six months with a grace period of two years from the date of first draw down. The last installment of the repayment of loan will be due in the month of June 2016. This facility was secured by first pari passu hypothecation / mortgage charges on all the Company's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures, etc.
- The Company had obtained long term finance facility of Rs 1 billion (2014: Rs. 1 billion) from a commercial bank under mark-up arrangements 13.2 with Rs. 700 million under long term financing facility (LTFF) scheme provided by State Bank of Pakistan and Rs. 300 million under term loan arrangement. The first draw down from the facility was made on 8 November 2013. Mark-up payable on LTFF facility is on a semi-annual basis at the rate of 9.5% per annum (2014: 9.5% per annum) whereas markup payable on term loan is on the rate of three months KIBOR plus 0.80% (2014: three months KIBOR plus 0.80%). The effective weighted average rate of mark-up during the year ended is 9.19% (2014: 10.83%). The principal amount is repayable in 10 equal installments commencing after six months with a grace period of two years from the date of first draw down. The last installment of the repayment of loan will be due in the month of March 2020. This facility is secured by first pari passu hypothecation / mortgage charges on all the Company's present and future fixed assets including land and buildings, plant and machinery, equipment, furniture and fixtures etc.
- The Company had obtained long term finance facility of Rs 2.5 billion (2014: Rs. 2.5 billion) from a commercial bank under mark-up arrangement 13.3 with Rs. 1,500 million under long term financing facility (LTFF) scheme provided by State Bank of Pakistan and Rs. 1 billion under term loan arrangement. The first draw down from the facility was made on 7 December 2010. Mark-up payable on LTFF facility is on a quarterly basis from 9.2% per annum to 10.7% per annum (2014; 9.2% per annum to 10.7% per annum) whereas markup payable on term loan is from three months KIBOR plus 0.75% to six months KIBOR plus 0.75% (2014: three months KIBOR plus 0.75% to six months KIBOR plus 0.75%). The effective weighted average rate of mark-up during the year ended for the two facilities is 9.61% and 8.47% respectively (2014: 10.05% and 10.73%). The principal amount is repayable in 10 equal installments commencing after six months with a grace period of two years from the date of first draw down. The last installment of the repayment of loan will be due in the month of October 2019. This facility is secured by first pari passu hypothecation / mortgage charges on all the Company's present and future fixed assets including land and buildings, plant and machinery, equipment, furniture and fixtures etc.
- The Company had obtained a long term finance facility of Rs 1 billion (2014: Rs 1 billion) from a commercial bank under mark-up arrangements 13.4 with its first draw down on April 1, 2014. Mark-up was payable on a semi-annual basis at the rate of three months Karachi Inter Bank Offer Rate (KIBOR) plus 0.75% (2014: 0.75%) per annum. The effective rate of mark-up during the year was 8.55% (December 31, 2014: 10.93%) per annum. The principal amount was repayable semi annually in 10 equal installments commencing after six months with a grace period of two years from the date of first draw down. The last installment of the repayment of loan will be due in the month of March 2021. This facility was secured by first pari passu hypothecation / mortgage charges on all the Company's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures, etc.

#### **DEFERRED TAX LIABILITIES** 14.

|     |  | Note | 2015             | 2014      |
|-----|--|------|------------------|-----------|
|     | (Debit) / credit balances arising from:        |      | (Rupees in '000) |           |
|     | Accelerated tax depreciation allowance         |      | 740,280          | 859,213   |
|     | Amortisation allowance                         |      | (6,264)          | (7,008)   |
|     | Tax loss                                       |      | (524,273)        | (730,783) |
|     | Provision for accumulated compensated absences |      | (8,619)          | (8,885)   |
|     | Provision for doubtful debts                   |      | (29,000)         | (27,799)  |
|     | Minimum Tax                                    |      | (113,399)        | -         |
|     |  |      | 58,725           | 84,738    |
| 15. | ACCUMULATED COMPENSATED ABSENCES               |      |                  |           |
|     | Opening balance                                |      | 27,364           | 33,612    |
|     | Expense recognised                             |      | 5,624            | 11,340    |
|     | Payments made during the year                  |      | (2,555)          | (17,588)  |
|     | Closing balance                                |      | 30,433           | 27,364    |
| 16. | TRADE AND OTHER PAYABLES                       |      |                  | ***       |
|     | Creditors                                      | 16.1 | 33,471           | 106,635   |
|     | Accrued liabilities                            | 16.3 | 520,445          | 305,284   |
|     | Liability for imported goods                   | 16.4 | 1,461,747        | 1,427,610 |
|     | Advances from customers                        |      | 76,992           | 76,964    |
|     | Retention money                                |      | 853              | 853       |
|     | Unclaimed dividend                             |      | 10,380           | 10,389    |
|     | Sales Tax Payable                              |      | 55,168           | ·<br>-    |
|     | Workers' profits participation fund            | 16.5 | 8,675            | -         |
|     | Staff Retirement Benefits                      | 16.6 |                  |           |
|     | - Payable to gratuity fund                     |      | 50,174           | 40,203    |
|     | - Payable to pension fund                      |      | 4,444            | -         |
|     | Workers' welfare fund                          |      | 11,702           | 1,709     |
|     |  |      | 2,234,051        | 1,969,647 |

- 16.1 Creditors include Rs 2.86 million (2014: Rs 27.44 million) payable to associated undertakings.
- 16.2 The maximum amount due to any related party during the year is Rs 153.82 million (2014; Rs 292.64 million).
- This includes amount in respect of Gas Infrastructure Development Cess (GIDC) amounting to Rs. 290.08 million (2014: Rs. 133.08 million) which 16.3 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.



#### The amount includes Rs. 418.96 million in relation to letter of credits under supplier financing arrangement. 16.4

#### Workers' profits participation fund 16.5

|   | 2015               | 2014    |
|---|--------------------|---------|
|   | (Rupees in         | (000)   |
| Asset / (liability) at the beginning of the year<br>Allocation for the year | 16,071<br>(24,983) | (1,189) |
|   | (8,912)            | (1,189) |
| Payments during the year  | 2.37               | 17,260  |
| (Liability) / asset at the end of the year                                  | (8,675)            | 16,071  |

#### Staff retirement benefits 16.6

As stated in note 2.4.2 the company operates approved funded defined benefit gratuity plan for all employees, defined contribution plan for all active employees and defined benefit plan for pensioners who have retired before December 31, 2012 subject to minimum service of prescribed period in the respective trust deed. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at December 31, 2015.

Plan assets held in trust are governed by local regulations which mainly include Trust. Act, 1882; the Companies Ordinance, 1984; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The company appoints the trustees and all trustees are employees of the company.

The latest actuarial valuations of the Plans as at December 31, 2015 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

|        | ·   | Note   | 2015       | 2014           | 2015       | 2014     |
|--------|---|--------|------------|----------------|------------|----------|
|        |   |        | Pension Fu | and            | Gratuity F | und      |
|        |   |        |            | (Rupees in '00 | 00)        |          |
| 16.6.1 | The amounts recognised in the balance sheet are as follows: |        |            |                |            |          |
|        | Present value of defined benefit obligation                 | 16.6.3 | 58,586     | 56,903         | 116,134    | 94,850   |
|        | Fair value of plan assets                                   | 16.6.4 | (54,142)   | (60,603)       | (65,960)   | (54,647) |
|        | Net (asset) / liability as at December 31                   |        | 4,444      | (3,700)        | 50,174     | 40,203   |
| 16.6.2 | Net (asset) / liability as at January 1                     |        | (3,700)    | 1,368          | 40,203     | 27,875   |
|        | Charge to profit and loss account                           |        | (388)      | 171            | 15,274     | 12,463   |
|        | Loss / (Gain) charged to other comprehensive income         |        | 8,532      | (5,239)        | 10,310     | 13,889   |
|        | Contribution by the Company                                 |        |            | -              | (15,613)   | (14,024) |
|        | Net (asset) / liability as at December 31                   |        | 4,444      | (3,700)        | 50,174     | 40,203   |

| .4 | 4   |
|----|-----|
|    | . 4 |
| -  | A   |
| •  |     |
| À  | V   |

|        |  | <b>2015</b><br>Pension F | <b>2014</b> und | 2015<br>Gratuity   | <b>2014</b><br>Fund |
|--------|--|--------------------------|-----------------|--------------------|---------------------|
| 16.6.3 | The movement in the present value of defined benefit obligation is as follows: |                          | (Rupees in '0   | 00)                |                     |
|        | Present value of defined benefit obligation as at January 1                    | 56,903                   | 50,495          | 94,850             | 81,474              |
|        | Current service cost   | -                        | -               | 11,630             | 9,751               |
|        | Interest cost on defined benefit obligation                                    | 5,660                    | 5,956           | 10,131             | 9,380               |
|        | Benefits paid  | (6,001)                  | (5,697)         | (9,586)            | (18,637)            |
|        | Experience loss  | 2,024                    | 6,149           | 9,109              | 12,882              |
|        | Present value of defined benefit obligation as at December 31                  | 58,586 <u></u>           | 56,903          | $\frac{116,134}{}$ | 94,850              |
| 16.6.4 | The movement in fair value of plan assets is as follows:                       |                          |                 |                    |                     |
|        | Fair value as at January 1   | 60,603                   | 49,127          | 54,647             | 53,599              |
|        | Contributions made by employer   | =                        | =               | 15,613             | 14,024              |
|        | Income on plan assets  | 6,048                    | 5,785           | 6,487              | 6,668               |
|        | Return on plan assets excluding interest income                                | (6,508)                  | 11,388          | (1,201)            | (1,007)             |
|        | Benefits paid  | (6,001)                  | (5,697)         | (9,586)            | (18,637)            |
|        | Tair value of as at December 31  | 54,142                   | 60,603          | 65,960             | 54,647              |
| 16.6.5 | The amounts recognized in the profit and loss account are as follows:          |                          |                 |                    |                     |
|        | Current service cost   |                          | -               | 11,630             | 9,751               |
|        | Interest cost on defined benefit obligation                                    | 5,660                    | 5,956           | 10,131             | 9,380               |
|        | Interest income on plan assets   | (6,048)                  | (5,785)         | (6,487)            | (6,668)             |
|        |  | (388)                    | 171             | 15,274             | 12,463              |
| 16.6.6 | The amounts recognized in the other comprehensive income are as follows:       |                          |                 |                    |                     |
|        | Experience loss  | 2,024                    | 6,149           | 9,109              | 12,882              |
|        | Return on plan assets excluding interest income                                | 6,508                    | (11,388)        | 1,201              | 1,002               |
|        | t V'   | 8,532                    | (5,239)         | 10,310             | 13,889              |
| 16.6.7 | Plan assets are comprised as follows:  | ·                        | <u> </u>        | ===                | <u></u>             |
|        | Debi   | 25,008                   | 21,646          | 27,378             | 34,408              |
|        | Equity   | 28,771                   | 34,090          | 37,153             | 12,681              |
|        | Cash   | 363                      | 4,867           | 1,429              | 7,558               |
|        |  | 54,142                   | 60,603          | 65,960             | 54,647              |



- The Company ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to 16.6.8 manage its risk.
- The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the 16.6.9 current investment policy.
- 16.6.10 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

|  | 20           | (10)                 |  |
|--|--------------|----------------------|--|
| Year end sensitivity analysis on defined benefit obligation: | Pension Fund | <b>Gratuity Fund</b> |  |
|  | (Rupees      | in '000)             |  |
| Discount rate + 100 bps                                      | 59,489       | 105,106              |  |
| Discount rate - 100 bps                                      | 69,806       | 129,022              |  |
| Salary increase + 100 bps                                    | 70,533       | 129,199              |  |
| Salary increase - 100 bps                                    | 58,818       | 104,760              |  |

- Average expected remaining working life time of gratuity management employees is 10 years.
- Average expected remaining working life time of pension management employees is 9 years.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

| 17. | ACCRUED MARK-UP               | Note | 2015        | 2014      |
|-----|-------------------------------|------|-------------|-----------|
|     |                               |      | (Rupees ir  | (000)     |
|     | On long term finances         |      | 65,691      | 84,165    |
|     | On short term finances        |      | 14,149      | 84,060    |
|     |                               |      | 79,840      | 168,225   |
| 18. | SHORT TERM BORROWINGS         | ·    | <del></del> |           |
|     | Secured                       |      |             |           |
|     | Short term money market loans | 18.1 | 1,700,000   | 1,975,000 |
|     | Short term running finance    | 18.2 | 482,897     | 824,488   |
|     | Export re-financing loan      |      | -           | 280,000   |
|     |                               |      | 2,182,897   | 3,079,488 |
|     | Short term loan               | 18.3 | -           | 735,735   |
|     |                               |      | 2,182,897   | 3,815,223 |

- Short term money market loans have been arranged from commercial banks as a sub-limit of the running finance facility. These facilities are secured 18.1 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 10.16% (2014; 9.92% to 10.61%) per annum. The facilities are available for the maximum period of one year from the date of agreement with the latest facility expiring on 30 Scotember 2016.
- Short term running finances have been obtained under mark-up arrangement with banks payable on various maturity dates up to September 30, 18.2 2016. 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 7.0% to 10.81% (2014; 10.06% to 11.49%) per annum.
- During the year the Company repaid short term loan of Rs 735.74 million, which was obtained from a commercial bank under murababa financing 18.3 arrangement.
- 18.4 Total facilities available under mark-up arrangements aggregated Rs 8.75 billion (2014; Rs 8.45 billion) out of which the amount unavailed at the year end was Rs 6.57 billion (2014: Rs 4.64 billion).

| 19. | CONTINGENCIES AND COMMITMENTS  | 2015       | 2014        |
|-----|--|------------|-------------|
|     |  | (Rupees in | ı '000)     |
|     | Contingencies  Guarantees issued by banks on behalf of the Company   | 277 424    | 244 707     |
|     | • • •  | 277,436    | 244,786<br> |
|     | Commitments  Letters of credit for purchase of raw materials and spares  | 299,507    | E07.407     |
|     | The state of the s | 299,307    | 587,486     |

- The facilities for opening of letter of credits and for guarantees as at December 31, 2015 amount to Rs 12.15 billion (2014: Rs 12.15 billion) and 19.1 Rs 395 million (2014; Rs 395 million) respectively, of which the amount remaining unutilised was of Rs 10.39 billion (2014; Rs 10.14 billion) and Rs 117.56 million (2014: Rs 150.21 million) respectively.
- In respect of tax year 2013, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 221 of the Ordinance for levy of WWF 19.2 assessed as Rs. 16.30 million viz-a-viz the returned amount of Rs. 13.65 million. An application for rectification was filed against the said order with the DCIR. The Commissioner Inland Revenue (Appeals) (CIR(A)) through appellate order upheld the action of DCIR of levying WWF as per amended provisions of WWFO and direction was given to DCIR to allow proper credit of taxes paid / deducted after verification. An appeal against the said order was filed with Appellate Tribunal Inland Revenue (ATIR) on February 12, 2015. The management of the Company, based on the advice of its tax consultant, is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.
- In respect of tax year 2008 and 2011, the Commissioner Inland Revenue (Appeals) through appellate order dated April 30, 2015 and May 19, 19.3 2015 has disposed off the appeals of the company maintaining the disallowances on account of the taxation of tenderable gains, amounting to Rs. 5.66 million and provisions for post retirement benefit funds amounting to Rs. 6.34 million. Further adjustment of minimum tax liability carried forward amounting to Rs. 42.93 million was disallowed. The Company has filed an appeal before the ATIR in respect of the matters maintained. The management of the Company, based on the advice of its tax consultant, is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.



In respect of tax year 2009, the Commissioner Inland Revenue (Appeals) through appellate order dated May 19, 2015 has disposed off the appeal in 19.4 favor of the company except on maintaining the action of taxation officer on disallowance of finance cost capitalized as part of the cost of Plant and Machinery amounting to Rs. 8.47 million and interest on advance to executives and employees as loan amounting to Rs. 0.27 million. Company has filed an appeal before ATIR in respect of the issue maintained by the Commissioner (Appeals) and the management of the Company, based on the advise of its consultant, is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.

#### REVENUE 20.

|      |  | Note  | 2015        | 2014          |
|------|--|-------|-------------|---------------|
|      | Sala of goods                          |       | (Rupees i   | n '000)       |
|      | Sale of goods:<br>- Local              |       | 13,264,008  | 14,763,714    |
|      | Less: Sales tax                        |       | (1,975,169) | (2,144,789)   |
|      |  |       | 11,288,839  | 12,618,925    |
|      | - Export                               |       | 665,332     | 978,156       |
|      |  |       | 11,954,171  | 13,597,081    |
| 21.  | COST OF SALES                          |       |             |               |
|      | Opening stock of finished goods        |       | 90,857      | 109,798       |
|      | Cost of goods manufactured             | 21.1  | 10,170,065  | 12,356,274    |
|      | Less: Closing stock of finished goods  |       | (164,016)   | (90,857)      |
|      |  |       | 10,096,906  | 12,375,215    |
| 21.1 | Cost of goods manufactured             |       |             | ··            |
|      | Opening stock of work in process       |       | 366,517     | 466,456       |
|      | Raw materials consumed                 | 21.2  | 7,631,617   | 9,864,505     |
|      | Salaries, wages and other benefits     |       | 518,312     | 443,993       |
|      | Fuel, power and water                  |       | 686,826     | 645,066       |
|      | Packing materials consumed             | 21.3  | 311,575     | 321,280       |
|      | Repairs and maintenance                | 21.4  | 175,625     | 175,564       |
|      | Insurance                              |       | 47,406      | 67,509        |
|      | Vehicle running and maintenance        |       | 31,242      | 29,680        |
|      | Travelling                             |       | 8,719       | <i>7,</i> 715 |
|      | Staff retirement benefits              | 21.5  | 37,678      | 35,678        |
|      | Depreciation                           | 4.1.2 | 576,377     | 651,284       |
|      | Lease rentals                          |       | 1,998       | 1,184         |
|      | Others                                 |       | 9,059       | 12,877        |
|      |  |       | 10,402,951  | 12,722,791    |
|      | Less: Closing stock of work in process |       | (232,886)   | (366,517)     |
|      | *                                      |       | 10,170,065  | 12,356,274    |
|      |  |       |             |               |



#### Raw materials consumed 21.2

|      |                            | Note | 2015        | 2014        |
|------|----------------------------|------|-------------|-------------|
|      |                            |      | (Rupees in  | n (000)     |
|      | Opening stock              |      | 1,183,272   | 1,710,069   |
|      | Purchases                  |      | 7,315,844   | 9,337,708   |
|      | Less: Closing stock        |      | (867,499)   | (1,183,272) |
|      |                            |      | 7,631,617   | 9,864,505   |
| 21.3 | Packing materials consumed |      | <del></del> |             |
|      | Opening stock              |      | 37,002      | 21,244      |
|      | Purchases                  |      | 304,045     | 337,038     |
|      | Less: Closing stock        |      | (29,472)    | (37,002)    |
|      |                            |      | 311,575     | 321,280     |

- 21.4 This includes stores and spares consumed amounting to Rs 85.74 million (2014; Rs 64.83 million).
- This includes Rs 9.48 million (2014: Rs 8.14 million) in respect of contribution to provident fund, Rs 9.69 million (2014: Rs 7.96 million) in respect 21.5 of gratuity fund, Rs 14.77 million (2014: Rs 13.23 million) in respect of pension fund and Rs 3.74 million (2014: Rs 6.35 million) in respect of compensated absences.

#### 22. DISTRIBUTION COSTS

|                                    | 2015       | 2014    |
|------------------------------------|------------|---------|
|                                    | (Rupees in | '000)   |
| Salaries, wages and other benefits | 67,571     | 65,005  |
| Outward freight                    | 182,532    | 297,078 |
| Travelling                         | 6,952      | 8,973   |
| Rent, rates and taxes              | 5,872      | 5,411   |
| Repairs and maintenance            | 1,464      | 2,200   |
| Vehicle running and maintenance    | 2,567      | 4,111   |
| Insurance                          | 1,967      | 2,013   |
| Staff retirement benefits 22.1     | 8,626      | 8,703   |
| Depreciation 4.1.2                 | 2,847      | 3,170   |
| Lease rentals                      | 917        | 699     |
| Other expenses                     | 4,913      | 3,230   |
|                                    | 286,228    | 400,593 |

This includes Rs 2.01 million (2014: Rs 1.82 million) in respect of contribution to provident fund, Rs 2.06 million (2014: Rs 1.42 million) in 22.1 respect of gratuity fund, Rs 3.87 million (2014: Rs 3.57 million) in respect of pension fund and Rs 0.68 million (2014: Rs 1.89 million) in respect of compensated absences.

# 23. ADMINISTRATIVE EXPENSES

|                                      | Note  | 2015       | 2014          |
|--------------------------------------|-------|------------|---------------|
|                                      |       | (Rupees in | <b>'000</b> ) |
| Salaries, wages and other benefits   |       | 168,098    | 127,596       |
| Rent, rates and taxes                |       | 8,669      | 7,412         |
| Printing, stationery and periodicals |       | 8,491      | 7,068         |
| Postage and telephone                |       | 9,130      | 11,065        |
| Repairs and maintenance              |       | 11,633     | 12,479        |
| Vehicle running and maintenance      |       | 5,229      | 5,334         |
| Travelling                           |       | 15,920     | 7,629         |
| Insurance                            |       | 3,333      | 4,559         |
| Staff training and development       |       | 4,848      | 4,385         |
| Provision for doubtful debts         | 8.3   | 17,241     | 74,750        |
| Staff retirement benefits            | 23.1  | 17,015     | 15,922        |
| Auditors' remuneration               | 23.2  | 8,591      | 3,880         |
| Legal and professional expenses      |       | 25,470     | 11,573        |
| Depreciation                         | 4.1.2 | 17,580     | 21,600        |
| Amortization                         | 5.1   | 5,021      | 5,844         |
| Electricity, gas and water           |       | 2,948      | 3,758         |
| Advertisement                        |       | 1,330      | 722           |
| Donations                            | 23.3  | 200        | 630           |
| Lease rentals                        |       | 6,109      | 2,687         |
| Other expenses                       |       | 5,786      | 5,529         |
| · · · · · · · · · · · · · · · · · ·  | ·<br> | 342,642    | 334,422       |

23.1 Staff retirement benefits include Rs 3.41 million (2014: Rs 2.67 million) in respect of contribution to provident fund, Rs 3.52 million (2014: Rs 3.08 million) in respect of gratuity fund, Rs 8.89 million (2014: Rs 7.07 million) in respect of pension fund and Rs 1.2 million (2014: Rs 3.09 million) in respect of compensated absences.

|      |   | 2015  | 2014        |
|------|---|-------|-------------|
| 23.2 | Auditors' remuneration  | (Rupe | es in '000) |
|      | Audit fee Review of half yearly accounts, review of statement of compliance on best corporate | 1,400 | 1,210       |
|      | practices, audit of employees' retirement funds and other special reviews                     | 2,131 | 1,056       |
|      | Tax services  | 4,633 | 1,218       |
|      | Out of pocket expenses  | 427   | 396         |
|      |   | 8,591 | 3,880       |

23.3 During the current year, donations were not made to any donee in which the Company or a director or his spouse had any interest.

#### 24. OTHER INCOME

Income from financial assets Profit on bank balances Income from assets other than financial assets Profit on disposal of operating fixed assets Sale of scrap materials

### Others

Commission earned on insurance premium from a related party Exchange gain

#### 25. OTHER EXPENSES

Workers' profits participation fund Workers' welfare fund

#### 26. **FINANCE COST**

Mark-up on long term finances Mark-up on short term finances Bank and other charges Exchange loss

#### 27. **INCOME TAX EXPENSE**

Current For the year For prior year

Deferred

| 2015             | 2014    |  |  |
|------------------|---------|--|--|
| (Rupees in '000) |         |  |  |
| 1,095            | 456     |  |  |
| 2,045            | 1,124   |  |  |
| 51,060           | 31,916  |  |  |
| 53,105           | 33,040  |  |  |
| 6,475            | 6,851   |  |  |
|                  | 65,099  |  |  |
| 6,475            | 71,950  |  |  |
| 60,675           | 105,446 |  |  |
|                  |         |  |  |
| 24,983           | -       |  |  |
| 9,993            | ~       |  |  |
| 34,976           |         |  |  |
|                  |         |  |  |
| 465,463          | 545,987 |  |  |
| 207,588          | 367,473 |  |  |
| 8,024            | 9,578   |  |  |
| 100,841          | -       |  |  |
| 781,916          | 923,038 |  |  |

27.2

Note

|        | -         |
|--------|-----------|
| -      |           |
| 26,013 | (131,095) |
| 26,013 | (131,095) |
|        |           |

#### Tax reconciliation 27.1

|                                     | 2015             | 2014      |
|-------------------------------------|------------------|-----------|
|                                     | (Rupees in '000) |           |
| Profit / (loss) before income tax   | 472,178          | (330,741) |
| Tax @ 32% (2014: 33%)               | 151,097          | (109,145) |
| Effect of                           | _                | 126,508   |
| - Minimum tax<br>- Final tax regime | 192              | (7,063)   |
| - Tax rebate                        | (120,700)        | (136,975) |
| - Income not subject to tax         | (7,867)          | (12,492)  |
| - Inadmissible expenses             | 1,574            | 1,732     |
| - Others                            | (50,309)         | 6,340     |
|                                     | (26,013)         | (131,095) |
| Effective tax rate                  | (5.51)%          | 39.64%    |

The investment tax credit amounting to Rs 120.7 million available to the Company by virtue of investment in plant and machinery in accordance 27.2 with Section 65B of the Income Tax Ordinance, 2001 has been netted off against the current tax charge for the year.

#### **EARNINGS** / (LOSS) PER SHARE - basic and diluted 28.

| EARNINGS / (LOSS) FER SHARE - Dasic and unuted                                     | 2015 2014                    |
|--|------------------------------|
|  | (Rupees in '000)             |
| Profit / (loss) after taxation attributable to ordinary shareholders               | 498,191 (199,646)            |
|  | 2015 2014                    |
|  | Number of shares in '000     |
| Weighted average number of ordinary shares outstanding during the year - note 28.1 | (Re-stated)<br>33,528 33,528 |
|  | 2015 2014                    |
|  | (Rupees)                     |
| Basic earnings / (loss) per share  | (Re-stated)<br>14.86 (5.95)  |

The weighted average number of outstanding shares as at December 31, 2015 have increased due to the bonus element in the right issue. 28.1 There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2015 and 2014.



#### 29. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

|                               |      | 201             | 5          | 201             | 4          |
|-------------------------------|------|-----------------|------------|-----------------|------------|
|                               | Note | Chief Executive | Executives | Chief Executive | Executives |
|                               |      |                 | (Rupees in | <b>'000</b> )   |            |
| Managerial remuneration       |      | 12,913          | 75,206     | 9,814           | 59,968     |
| Bonus                         |      | 11,014          | 35,930     | 6,039           | 11,250     |
| Staff retirement benefits     | 29.1 | 2,583           | 27,955     | 1,961           | 22,351     |
| Housing                       |      | 5,811           | 50,705     | 5,294           | 40,642     |
| Utilities                     |      | 1,291           | 7,487      | 981             | 5,960      |
| Leave passage                 |      | 1,076           | 6,224      | 1,552           | 11,025     |
| Medical expenses              |      | 87              | 3,506      | 177             | 2,319      |
| Other allowances and benefits |      | 10,919          | 45,840     | 1,828           | 22,441     |
|                               |      | 45,694          | 252,853    | 27,646          | 175,956    |
| Number of persons             |      | . "iii          | 66         | 2               | 47         |

- 29.1 Staff retirement benefits includes amount contributed towards various retirement benefit plans.
- 29.2 The Chief Executive and other executives are also provided with free use of Company's maintained cars, residential telephone reimbursement and other benefits.
- Remuneration to non-executive director 29,3

Aggregate amount charged in these financial statements for meetings fee to One (2014: One) non-executive director was Rs 0.3 million (2014: Rs 0.34 million).

| 30. | CASH GENERATED FROM OPERATIONS                    | 2015    | 2014      |
|-----|---|---------|-----------|
|     |   | (Rupees | in '000)  |
|     | Profit / (loss) before taxation                   | 472,178 | (330,741) |
|     | Adjustments for non-cash charges and other items: |         |           |
|     | Depreciation                                      | 596,804 | 676,054   |
|     | Amortization expense                              | 5,021   | 5,844     |
|     | Finance cost                                      | 681,075 | 923,038   |
|     | Exchange loss / (gain) - unrealised               | 29,276  | (22,072)  |

| ,▼       |    |             |
|----------|----|-------------|
| <b>A</b> | ÷. |             |
| V        |    | ,<br>-      |
| 4        | •  | <b>&gt;</b> |

|            |  | Note | 2015  | 2014  |
|------------|--|------|---|---|
|            |  |      | (Rupees in  | 1000)   |
|            | Profit on bank balances Provision for accumulated compensated absences Provision for staff retirement benefits Gain on disposal of operating fixed assets Working capital changes  | 30.1 | (1,095)<br>5,624<br>57,695<br>(2,045)<br>1,077,330<br>2,449,685   | (456)<br>11,340<br>48,963<br>(1,124)<br>(126,113)<br>1,515,474  |
| 30.1       | Working capital changes  |      | 2,921,863   | 1,184,733   |
|            | Decrease in current assets:  |      |   |   |
| 31.<br>32. | Stores and spares Stock in trade Trade debts Advances and prepayments Other receivables Increase / (decrease) in current liabilities: Trade and other payables  CASH AND CASH EQUIVALENTS Short term running finance Cash and bank balances  FINANCIAL INSTRUMENTS BY CATEGORY |      | 35,789<br>383,775<br>295,639<br>38,416<br>106,245<br>859,864<br>217,466<br>1,077,330<br>(482,897)<br>378,033<br>(104,864) | (40,809)<br>629,919<br>255,453<br>177,152<br>(93,935)<br>927,780<br>(1,053,893)<br>(126,113)<br>(824,488)<br>697,646<br>(126,842) |
| .32.       | Financial assets   |      |   |   |
|            | a) Loans and receivables  Long term deposits  Trade debts - net  Advances and prepayments  Other receivables  Cash and bank balances   |      | 3,115<br>1,227,890<br>24,390<br>49,654<br>378,033<br>1,683,082  | 4,398<br>1,523,529<br>49,567<br>31,329<br>697,646<br>2,306,469  |



| Financial Liabilities |  | <b>201</b> 5 2014                                       |            |
|-----------------------|--|---|------------|
| a)                    | Financial liabilities at amortised cost        | (Rupees in '000)  |            |
|                       | Long term finances<br>Trade and other payables | 4,615,177 5,376,9<br>2,016,516 1,840,1                  |            |
|                       | Accrued mark-up<br>Short term borrowings       | 79,840 168,2<br>2,182,897 3,815,2<br>8,894,430 11,200,7 | 225<br>223 |

#### 33. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risks managed and measured by the Company are explained below:

#### Market risk 33.1

### 33.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk arises from borrowings which include long term finances (note 13), short term borrowings (note 18) and cash at bank in current accounts (note 11).

At December 31, 2015, if interest rates on borrowings had been 50 basis points higher / lower with all other variables held constant, profit after taxation for the year would have been as follows:

| 15  | 20                      |
|---|-------------------------|
| At lower interest rate                        | At higher interest rate |
| (Rupees in                                    |                         |
| 33,991  | (33,991)                |
| (10,877)                                      | 10,877                  |
| 23,114  | (23,114)                |
| ower interest rate (Rupees in 33,991 (10,877) | At l                    |



# 33.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in USD and Euros, cash and cash equivalents, deposits with banks (note 11), trade debts (note 8) in respect of export sales and account payables (note 16) in respect of import of raw materials, stores and spares and plant and machinery. Since the Company's pricing mechanism is mainly linked to cost of raw materials, therefore, the affects, if any, of any adverse movement in exchange rates in USD can be passed on to the customers to some extent through increase in prices of its finished goods.

As per the Company's risk management policy, the Company hedges its exposure on firm commitment to purchase property, plant and equipment and stocks.

At December 31, 2015, if the Company's functional currency had weakened / strengthened by 5% against the USD with all other variables held constant, profit after taxation for the year would have been higher / lower by Rs 72.31 million (2014: Rs 55.89 million), mainly as a result of foreign exchange losses / gains on translation of financial assets and liabilities denominated in USD.

### 33.1.3 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

# 33.2 Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash and cash equivalents, deposits with banks as well as credit exposures to customers and other counterparties which include long term deposits, trade debts, advance to employees, rebate on export sales and other receivables. Out of the total financial assets, those that are subject to credit risk amounted to Rs 1.68 billion (2014: Rs 2.31 billion). The management of the Company believes that it is not exposed to major concentration of credit risk.

Total bank balance of Rs 377.67 million (2014; Rs 697.27 million) has been placed with banks which have a short term credit rating of at least A-1.

A significant component of the receivable balances of the Company relates to amounts due from the local customers. Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by those counter parties on their obligations to the Company. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

The Company does not hold any collateral against these assets other than receivable from foreign customers which are secured by way of letter of credits.



#### 33.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

Financial liabilities in accordance with their contractual maturities are presented below:

|                          | Contractual cash flows | Less than 1<br>year | Between 1 to<br>2 years | Between 2 to 5<br>years | Between 5 to 10<br>years |
|--------------------------|------------------------|---------------------|-------------------------|-------------------------|--------------------------|
|                          |                        |                     | (Rupees in '000)        |                         | \$60-20 Carlotter (1997) |
| Long term finances       | 6,676,109              | 1,263,102           | 1,433,123               | 3,497,059               | 482,825                  |
| Accrued mark-up          | 79,840                 | 79,840              | -                       | -                       | -                        |
| Short term borrowings    | 2,182,897              | 2,182,897           | -                       | _                       | _                        |
| Trade and other payables | 2,016,516              | 2,016,516           |                         | -                       | -                        |
|                          | 10,955,362             | 5,542,355           | 1,433,123               | 3,497,059               | 482,825                  |

#### Capital risk management 33.4

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay long term financing from / to financial institutions.

Consistent with others in the industry, the Company monitors capital on the basis of the debt equity ratio. This ratio is calculated as under:

Debt equity ratio = Long term portion of debt divided by long term portion of debt plus total equity.

The debt equity ratios as at December 31 were as follows:

|                           | Note | 2015      | 2014             |
|---------------------------|------|-----------|------------------|
|                           |      | (Rupees   | in <b>(808</b> ) |
| Long term portion of debt | 13   | 3,664,793 | 4,515,176        |
| Total equity              |      | 2,113,802 | 1,634,453        |
| Total                     |      | 5,778,595 | 6,149,629        |
| Debt equity ratio         |      | 63:37     | 73:27            |

The decrease in the debt equity ratio is mainly due to the profit after tax during the current year.



# 33.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between the carrying value and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced.

### 34. TRANSACTIONS WITH RELATED PARTIES

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

Transactions with related parties are as follows:

| Nature of transaction                           | Nature of relationship   | 2015       | 2014      |
|---|--------------------------|------------|-----------|
|   |                          | (Rupees in | 1 '000)   |
| Purchase of goods and services                  | Associated undertaking   | 433,327    | 1,498,204 |
| Sale of goods and services                      | Associated undertaking   | 969,612    | 1,244,895 |
| Contributions to staff retirement benefit funds | Retirement benefit funds | 57,696     | 50,353    |
| Commission earned                               | Associated undertaking   | 6,475      | 6,851     |
| Salaries and other employee benefits            | Key management personnel | 100,481    | 82,254    |

The amounts payable to and receivable from related parties have been disclosed in the relevant notes to these financial statements.



#### 35. PLANT CAPACITY AND ACTUAL PRODUCTION

|                      | 2015      | 2014   |
|----------------------|-----------|--------|
|                      | (Metric t | ons)   |
| Operational capacity | 83,800    | 82,300 |
| Production           | 48,060    | 49,402 |

Production of films during the year is based on market demand. 35.1

#### 36. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31 are as follows:

|   | 2013 | 2014 |
|---|------|------|
| Average number of employees during the year | 420  | 449  |
| Number of employees as at December 31       | 409  | 436  |

#### 37. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on un-audited financial statements of the Provident Fund (the Fund) as at December 31, 2015:

|                                 | Note     | 2015      | 2014     |
|---------------------------------|----------|-----------|----------|
|                                 |          | (Rupees i | in (000) |
| Size of the Fund - total assets | <u>-</u> | 142,456   | 129,588  |
| Cost of investment made         | =        | 111,190   | 91,819   |
| Fair value of investments       | 37.1     | 134,408   | 127,945  |
| Percentage of investment made   | <u>.</u> | 78%       | 71%      |



# 37.1 The break up of fair value of investment is as follows:

| 2015             | 2015       |                  | ·          |
|------------------|------------|------------------|------------|
| (Rupees in '000) | Percentage | (Rupees in '000) | Percentage |
| 629              | 0.5%       | 1,107            | 1%         |
| 640              | 0.5%       | 9,309            | 7%         |
| 54,017           | 40%        | 32,655           | 26%        |
| 79,122           | 59%        | 84,874           | 66%        |
| 134,408          | 100%       | 127,945          | 100%       |
|                  |            |                  |            |

37.2 The investment out of the Fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

### 38. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on 17 February, 2016 proposed a final cash dividend for the year ended December 31, 2015 of Rs. 5 per share amounting to Rs. 150 million (2014: Nil) subject to the approval of the Company in the forthcoming annual general meeting.

The Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the company are in excess of its paid up capital and the company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

### 39. DATE OF AUTHORISATION

39.1 These financial statements were authorised for issue on 17 February, 2016 by the Board of Directors of the Company.

S. a. why.

Chief Executive

Asif Qadir

Director

# notice of annual general meeting >>>

Notice is hereby given that the 24th Annual General Meeting of Tri-Pack Films Limited will be held on Thursday, March 31, 2016 at 10.30 a.m. at the Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi to transact the following ordinary business:-

- To confirm the minutes of the Extraordinary General Meeting of the Company held on October 1, 2015.
- To receive and adopt the Audited Accounts of the Company for the year ended December 31, 2015 together with the Directors' and Auditors' Reports thereon.
- To consider and approve payment of cash dividend at the rate of Rs. 5.00 per ordinary share of Rs. 10.00 (50%) for the year ended December 31, 2015 as recommended by the Board of Directors.
- To appoint Auditors for the year 2016 and to fix their remuneration.

Karachi February 17, 2016 By Order of the Board Adi J. Cawasji Company Secretary

### Notes:

### Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from March 24, 2016 to March 31, 2016 (both days inclusive). Transfers received in order at the office of the Company's Registrars, Messrs FAMCO ASSOCIATES (PVT.) LIMITED, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrahe-Faisal, Karachi-75400 by close of business on March 22, 2016 will be treated in time to attend and vote at the meeting.

#### 2. Participation in the Annual General Meeting

All members entitled to attend and vote at the Meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy need not be a member of the Company. A corporate entity, being a member, may appoint any person, regardless whether they are a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors/Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted to the Company along with a completed proxy form. The proxy holders are requested to produce their national CNICs or original passports at the time of the Meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at 4th Floor, The Forum, Suite # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600 at least 48 hours before the time of the Meeting.

### Notice to Shareholders who have not Provided Their CNICs

As directed by the SECP through its Circular No.EMD/D-II/Misc/2009-1342 dated April 4, 2013, dividend warrants cannot be issued without valid CNICs. All shareholders holding physical shares who have not submitted their valid CNICs are requested to send attested copies of their valid CNICs along with their folio numbers to the Company's Shares Registrar. In the absence of a shareholder's valid CNIC, the Company will be constrained to withhold dispatch of dividend to such shareholders.



#### Deduction of Income Tax From Dividend 4.

The Government of Pakistan through Finance Act, 2015 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

(a) For filers of income tax returns:

12.5%

(b) For non-filers of income tax returns:

17.5%

To enable the Company to make tax deduction on the amount of cash dividend @12.5% instead of 17.5%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATE, otherwise tax on their cash dividend will be deducted @17.5% instead @12.5%.

For any query/problem/information, the investors may contact the company and/or the Share Registrar at the following phone numbers or email addresses:-

### Contact persons:

Mr. S.M. Munawar Moosvi

Tel. # 92 21 35831618 / 35831664 / 35833011

Email: munawar.moosvi@packages.com.pk

Mr. Ovais Khan

Tel. # 92 21 34380101-2

Email: ceo@famco.com.pk

(iii) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or its Share Registrar i.e. Messrs FAMCO ASSOCIATES (PVT.) LIMITED. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

# Payment of Dividend Electronically (E-mandate)

In order to enable a more efficient method of cash dividend (if declared), through its Circular No.8(4) SM/CDC 2008 of April 5, 2013, the SECP has announced an e-dividend mechanism where shareholders can get their dividend credited directly into their respective bank accounts electronically by authorizing the Company to do so. Accordingly, all non-CDC shareholders are requested to send their bank account details to the Company's Registrar. Shareholders who hold shares with CDC or Participants/Stock Brokers, are advised to provide the mandate to CDC or their Participants/Stock Brokers.

## Rights Shares Not Eligible to Dividend

The Company is making an issue of 8,800,000 rights shares. These rights shares shall be allotted subsequent to the date of this Meeting and will not be eligible to dividend declared in this Meeting.

# Audited Financial Statements Through E-mail

SECP through its Notification SRO 787(I)/2014 dated September 8, 2014, has allowed the circulation of Audited Financial Statements along with the Notice of Annual General Meeting to the members of the Company through email. Therefore, all members who wish to receive the soft copy of Annual Report are requested to send their email addresses. The consent form for electronic transmission can be downloaded from the Company's website: www.tripack.com.pk.

The Company shall, however, provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request.

The Company shall place the financial statements and reports on the Company's website: www.tripack.com.pk at least twenty one (21) days prior to the date of the Annual General Meeting in terms of SRO 634(I)/2014 dated July 10, 2014 issued by the SECP.

# Change of Address and Non-deduction of Zakat Declaration Form

Physical shareholders are requested to notify any change in their addresses immediately and if applicable provide their non-deduction of Zakat Declaration Form to the Company's Shares Registrar, Messrs FAMCO ASSOCIATES (PVT.) LIMITED. Furthermore, if not provided earlier, members holding shares in CDC/Participants accounts are also requested to update their addresses and if applicable, to provide their non-deduction of Zakat Declaration Form to CDC or their Participants/Stock Brokers.

### Video Conference Facility

In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Annual General Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

| I/We, of                                 | being a member of Tri-Pack Films Limited, holder of |
|--|---|
| Ordinary shares as per Register Folio No | hereby opt for video conference facility at         |
|  |   |
|  | Signature of member                                 |

## Guidelines for CDC Account Holders

CDC account holders will have to follow the guidelines with respect to attending the Meeting and appointing of Proxies as issued by the Securities and Exchange Commission of Pakistan through its Circular 1 of January 26, 2000.

11. Form of proxy in English and Urdu is attached in the Annual Report and should be witnessed by two persons whose names, addresses and CNIC Numbers are mentioned on the forms.





| AASHA  | Alliance Against Sexual Harrassment                             | ISO    | International Standards Organization                    |
|--------|---|--------|---|
| ADD    | Antidumping Duties  | Τi     | Information Technology                                  |
| AGM    | Annual General Meeting  | ITO    | Income Tax Ordinance                                    |
| ATL    | Active Taxpayers List   | KIBOR  | Karachi Inter Bank Offer Rate                           |
| BCP    | Business Continuity Planning                                    | 1 C    | Letter of Credit  |
| BOD    | Board of Directors  | MMSCFD | Million Standard Cubic Feet Per Day                     |
| BOPP   | Biaxially Oriented Polypropylene                                | NBV    | Net Book Value  |
| BSC    | British Safety Council  | NEQS   | National Environment & Quality Standard                 |
| CCG    | Code of Corporate Governance                                    | NGO    | Non-governmental Organization                           |
| CCP    | Competition Commission of Pakistan                              | NSI    | Net Sales Income  |
| CDC    | Central Depository Company of Pakistan                          | NTC    | National Tarriff Commission                             |
| CEO    | Chief Executive Officer   | NTN    | National Tax Number                                     |
| CFO    | Chief Financial Officer   | OHS    | Occupational Health and Safety                          |
| CPP    | Cast Polypropylene  | OHSAS  | Occupational Health and Safety Assessment Specification |
| CSR    | Corporate Social Responsibility                                 | PAT    | Profit After Tax  |
| FBIT   | Earnings Before Interest and Tax                                | PBT    | Profit Before Tax                                       |
| EBITOA | Earnings Before Interest, Taxes, Depreciation and Ammortization | PET    | Polyethylene Terephthalate                              |
| EET    | Employee Engagement Index                                       | PKR    | Pakistani Rupee   |
| FOBL   | Employee Old Age Benefit Institution                            | PSX    | Pakistan Stock Exchange                                 |
| FPS    | Earning Per Share   | R&D    | Research and Development                                |
| ERP    | Enterprise Resource Planning                                    | Rs.    | Rupees  |
| ESSI   | Employee Social Security Institution                            | SAP    | System Application and Products                         |
| LBR    | Federal Board of Revenue  | SBP    | State Bank of Pakistan                                  |
| GIDC   | Gas Infrastructure Development Cess                             | SECP   | Security Exchange Commission of Pakistan                |
| HR     | Human Resources   | SOP    | Standard Operating Procedures                           |
| HR&R   | Human Resources and Remuneration Committee                      | SPLY   | Same Period Last Year                                   |
| EISE   | Health, Safety & Environment                                    | TPM    | Total Productive Maintenance                            |
| HSEQ   | Health, Safety, Environment & Quality                           | TRIR   | Total Recordable Injury Rate                            |
| IAS    | International Accounting Standards                              | USD    | United States Dollar                                    |
| ICAEW  | Institute of Chartered Accountants in England and Whales        | WPPF   | Workers' Profit Participation Fund                      |
| ICAP   | Institute of Chartered Accountants of Pakistan                  | WWF    | Workers Welfare Fund                                    |
| IFAC   | International Federation of accountants                         |        |   |
| TERIC  | International Financial Reporting Interpretitions Committee     |        |   |
| IFRS   | International Financial Reporting Standards                     |        |   |
| IAAS   | Integrated Management System                                    |        |   |
|        |   |        |   |





ر بورة الخوال مان بريك تي يك فولين 246 من راا يا واجازي مدم بروز جعرات مودي 21 ماري 2016 كوكي 30 (10 مينية المحتمل ومودي تقريل مودي تميز الدين خاص وفول مودي ال ا تواد وای کے لئے م<sup>ا</sup>ندہ ہوگا۔

- 11 أيماً تؤر 2015 كوبولية ما ما يُحكِي كَ تَعَرَّ مُولُ جِمَانِ عَامِنَ كامِرَا لُو كَامَ أَتَّلَ
- 2 131-2015 كي أخر وسال مندين كل سنة إلى شدة من المادين إلى كان أين أي في كان الموقي الودوني الاستطاري -
- ا تورداش اراع منزل ملارى كروت و 10 رايع كرو ما ميتر را دوي كنش سيع في 50 فيد نقط منافع معمد كيادة يكي كالعلالا
  - منال 2016 كي ليخ آل جزا كالقرباه دان كيمشار ب كالمعين -

17 أردان 2016

- شيئر فرانسفو يحمدا كي بقال: کھی ٹیٹرز آغریکس 241، خ2016 ہے 13 دری 120 شمول افران ان )بلد جانگ ہے درست زائغز جو بھرے کئی کے معزاد مصر زلمکوال معی ایش (برایت المعیند 4-8 از د میل فران بزری بیاک 8 باباری انگری کاری شهر و قبل کریں 2016 کروں کا دور کی اور میں کا کہ کا اور میں کا ہور کا اور میں کا ا
- 2. سالاندا بالاربعام تكريز كنت تر نور داهان من ترک رئے اورون دیے کا فق رکتے ہیں اوا بی جگہ کی اوم سے فردگا اورون ویے کے لیکھ کی کام کو کا کا کو کا کو اور میدار فروی آری کے دعتا ہے اور میں شرکت اوروپ کے لئے : حوکیا آپ ہے انکو کامل پراکی فاوم کے ساتھ جن کا کی جولارز سے کئر رقب ہے اوروپ کے لئے : حوکیا آپ ہے انکو کامل کے انکامل

ياتي كي والربوية كالتاري بي كربوناء يه محيل شدويا كل قارم كيل كروجز ( أش ج في منز بريد في مويد ليد 42 ، 410 - 90 والأند 9، نياب وي ممثل أمري في 1500 من ويد ليد 142 من المواقع بالأند 9، نياب وي ممثل أمري في 1500 من المواقع بالمواقع بالمو یں اجلاس کے انتقاد نے مزار کم 48 تھے آل کھٹی ٹیکر یتری کے باس مح کرادی۔ ا

3. ابنا شاخی کارو نبر قرایم ندکرنے والے شیئر بولڈوز کے التے وقعی:

سنگور بین این کا 201 میں برید کا بین کا این این کا این کا بین کا بین کا میں کا این کا این کا 134 وEMO/D-II/Misc جب تنسان رئيبية والاقالى عالى كالدون يدال عناب قام يتمام الدوان كريان الأيكل شيز والاعالى المساوات المساحك بيعام وكبيروا والاقالى عام وكبيروا والاقالى عام وكبيروا والاقالى عام وكبيروا والاقالى عام وكبيروا والاقالى المساوات المسا رائی ہے وہ ان ہے وہ است ہے کہ ہے مرد کمیود انزوقی شاخی کارد کی تقریح کا ٹی باز کھی گھڑ کر جو ارکار ماں کردیں فیم بولارے موز کہو زائزہ فی شاخی کارا کمری عدم مردد دک فر کسورے ہیں۔ كمني من امر رجم وربوكي كدوها بين ثيئر جولة ركوبا يوقيغر وارثت كي تربيل ووك و ہے۔

4 ۔ اوا دِمْرے آگرتیس کی کوتی -

ر) - علات برئان نے بار بوفائل کے 2015، اگریکن ویشن 2061 کیکٹن 150 میں گور ایمرکی جیں جس کے تھے کہنا رہا کیا جات سے ادا کینا جانے انسان واقع کی تقدیم کرٹ ے احتیار کے وہونڈ نگ لیکس کی کو آج ویز کی گئے ہے۔ پینکس دیلس مندرصا میں ہیں:

الف ﴾ أَنَّمَ تُعِمَّ مُوثُوارِ عِنْ كُرائِ والولِ كَ لَخْ الْمُ 2.5%

175% & CUND 1080 100 175 175 1

س مراج فی بائے کے بے کر کم فی آپ کے نقر من فو (کھی زوز فر) میں ہے % 75 ) کی بھاے % 12.5 کیکس کی کان کی کر ہے۔ کی ویب باعث رنگل کی والے انداز فرد (ATL) کے طور پر جو جو ایس باد جوانات کے کہ دولئل کا انگی کرتے ہیں، ان سے کنوارش ہے کہ دوائی امر کو نگی ہو نے کہ النا کے کا مم کیس ک اور نگل کرنے والے تعال فرو ( ویکٹونکس اسٹ ) کی فیرسٹ میں ٹا ٹی ہوں۔ ویکروں کے قتار سائع ( کیٹر امیوفر کا ) پر 12.5% کی جائے گاڑ 17 کے صاب سے توفی کی جائے گا۔

من) - تمنی مجی بوال استے امعلوں نے کے لئے مرہ یا کا مکٹن ان ایا قیمتر دیسترارے درج نا ٹیما نے نامبرا یا این مراح کر شکتہ تا ۔

جناً بالين اليم منورموسوكما

غراب 92 21 35831618 / 35831664 / 35839011 ياري munawar mousvi@packages com pk ஆஜ்

<u>تِنَى قُون نُبِر 2-34380101 92 92</u> ceo@famoo.com.pk 💥 (i

ir) کار بوریت ٹیٹر ہوندر جوی وی کا کا نٹس کے مال ہوں ان کے لئے اوری ہے کہ دواہیے متعلقہ شراکت داروں سے اینا پھٹن ٹیکس ٹیمر (این ٹیانی) اب ویک کرالیں ، بجبہ کار بوریت ٹویکل ٹیٹر ہولڈ ذکے لیے شروری ہے کرووا ہے این آراین مرتفکیت کی قبل کوئی واس کے دہتر ارتفاقی مکم انہوی ایشی (برائیت ) مینڈ کوارسال کریں۔ اسے این فی این فیرز یا بی کور این مرتفظیت (جوامی صورت ہ علی اطلاق ہو) مصبحے والے تن مشیر : ویڈرڈ کے لئے نازی ہے کہ وواقی کمٹن کا تا موادر مصد تو لیفیمرز مفرد دردے کریں۔

5\_ (اي ميشون) الكنرانكي ادائكي (اي ميشون)

نقه ؤیوزند کی ادائی (اگراس کواطان کرا ما ہے ) کے مل کومز مدستند بنانہ کے لئے سکی رشیز اینڈ انجیج کیشن سند یا کنتان (SECP) نے اپنے مرکز نم (SECP) مور قد 15 میل 2013 میں مدایت کی ہے کرشیئر مونڈ رز لیفیز کی تا فیر کے منافع کیے ایسیۃ اکا وشش شرا اینٹر الکی عاصل کر کھتے تین۔ مخدار المستان الميان كالانت كالنصيات بيني كرد جزاركوار رل كرمي والمنطقين بورد زجن كي فيترز مينول المؤزى كبيني آف ياكستان لينيفر ياشراكت دارون المساكب ووكرز كم ساته جي ال كو مشوره و یا جاتا ہے کدیدا فقیاری ای یا معلقہ شراکت دارون الاشاک برد کرز و فقویت کریں۔

6۔ رائش ٹیٹرزؤ ہوؤیڈ کی المیت کے مال ٹیٹر ہیں:

ئیٹی 8,800,000 رائٹس ٹیٹرز میاری کرری ہے۔ بدا کریٹ ٹیٹرز اس اجاس کے لئے مقر کروہ دائٹ کے بعد تھی کئے یا تھی اس کے اس کے ان سائے بدائے تھی ہوں گے۔

7. آۇپ شەرەنلاقل ئىيت مىن بۇرىداى تىل:

SECP کے نے فیکیش 2014/)2014 مورد 8 متر 2019 کے تحت ای ایم کی اجازات دی ہے کہ آؤٹ شدہ صالات ایوان بنام کے فوٹس شیخ الاندو کی بذریعالی سک ارسال سکت جائنتة بين البداره فالمعبران جرران ويورد كي مات كاني عاص كرنا جاسج تيه الل سي كرات كاني حائز الي كلماني ولي فراهم مري سانكفرا كلية تشريل كالمواقع والمسترين سرت www.tripack.com.pk ہے اور اور اکا ما مکتاہے۔

ا بایم کوئی سے شیئر بولد روان کی ورفواست یا آف شدو حسایات کی ورفواست مرصول ہوئے کے سامت دان کے اندوم الکل مفت فراہم کرے گیا۔

SECP کے جاری کردو مرکز کیم SRO 634(1)2014 مرود 10 جوائی 2014 کے تھے کئی کے سات اور اور کا ان کا ایسان کا Secp معیلمنتس اور دیورش ل**گاو** سه فی پ

8. يين عراته لي اورمدم كوني كرك الترزكة والتشاكا فارم:

از الل شيتر بودور ندرونواست بيك وهاسية بيون عن بورت وال كن تبر في مسيكي كواري طور يرسطني تري ادراكرتا الى اطلاق وتوزكوتاكي مدم كوفي كاستثنا لحافز دم كلفي حشيز ورسزار النمي مسروفيمتو البوي بیش ( با تیرے ) نبیش کو ایم کریں میں میں میں میں اور وی کا کی کا شراک دارا کا بنس کے مال ہیں اوراکر پہلے فراہم ٹیل کی قوالاں سے کشارش ہے کہ مینے بھر اور اگر او کو مو قوائلا استثنائ فارم ي ذي ي ياسية شراكت دارون استاك بروكر ذوفرا بم كرين-

9 - وزير كانزلس كاسجوت

اس مناع میں مروم پائی مندورہ الی فارم مرکزات مجنی کے وجز واقعل میں سالاندا جائی مام سک نقد دے 10 دن گل مجنی کا اجاب سے 10 دن گل کی جغراف کو مجنوب کا کہا جاتا ہے۔ المان المراس المراس كالمراس كالمراس كالمراس كالمراس المراس كالمراس كال شہریں نے کور بہورے کی دستیال پر بروگا ۔ کہنی سال نے اجہاں مام سے افغادے 5 ون قبل مجمران کووڈ کا نظرتی مہرات کے مقام سے مطلع کردے کی مبعد ان آنام بھمل معلومات کے جوانیش نے کور اسمار کہنے ہے۔ مسال ک

. زانی سک فلزلینهٔ کالوی ایک ممبر . لين كالشخاب كرتا اكرتي بول. ..... بذرید بذاه ایجانزنس کی مبوت، بمقام عامشيترزكا وكاحال بحواليه جيز فوليفسر

10 - ئۇرى اكاۋىك بولۇرۇك كے لئے رضاجاۋت

ں ہے۔ میں کا کا دن بولڈورز کے نے اجلاس میں شرکت اور یا کسی کے تقر رکے سلیلے میں اینکی دیلیا ایک کھی کھی آنے یا کستان کے مرکز نبر 1 ، مورد 26 جو دی 2000 کو جاری کروومرکز شرم موروقان رہنما ہدایات محمل درآ عدلازی ہے۔

11۔ یہ انکی فارم انگریز کی اور اور دی بی میان نے دیورٹ کے ساتھ مسلک ہے اور اس پر دو گھایان کے استحداد ذکی ہیں۔ جن کے نام سینڈ اور کی بیچا تھی کا دو ٹیر ز فارم پر دورٹ کے اور ان پر سے کا انسان میں انسان کے اور کی بیچا تھی کا دو ٹیر ز فارم پر دورٹ کی جن کا تھی



# پیْرِن آ فشیرَ ہولڈنگ Pattern of Shareholding

کمپنی میں 31 دیمبر 2015ء تک مخصوص افراد کی شیئر ہولڈنگ کی تفصیلات جور پورٹنگ فریم ورک کا تقاضا ہے رپورٹ میں شامل ہیں۔ یتفصیلات حصص یافتگان کے بارے میں معلومات پرمبنی صفحے میں دی گئی ہیں۔

# ا يكسٹرنل آ ڈيٹرز

# (External Auditors)

موجودہ آ ڈیٹرزمیسرز اے ایف فرگون اینڈ کمپنی، چارٹرڈ اکاؤنٹٹس ریٹائز ہورہے ہیں اور انہوں نے اپنی اہلیت کی بنیاد پرخودکودوبارہ تقرری کے لیے پیش کیا ہے۔ آ ڈٹ کمپٹی کی سفارش پر بورڈ آ ف ڈائز یکٹرزمیسرز اے ایف فرگون اینڈ کمپنی، چارٹرڈ اکاؤنٹٹس کوآئندہ سالانہ اجلاس عام تک باہمی رضامندی ہے طے پانے والے مشاہرے (فیس) کے عض تقرری کی تجویز پیش کرتا ہے۔

# اعتراف تعاون/اظهارتشكر (Acknowledgement)

ہم اپنے قابل قدر اسٹیک ہولڈرزبشمول گا ہوں، پیکس، سپلائزز، کنٹر یکٹرز اور حصص یافتگان کی بھرپور مدد اور کیے جانے والے اعتماد پران کے شکرگزار ہیں۔ اس پورے عرصے میں انتقک محنت اور لگن کے ساتھ فرائض کی ادائیگ کے لیے ہم اپنے ملاز مین کے بھی انتہائی مشکور ہیں۔

| ا جلاسول میں حاضری | رکن کا نام                      |
|--------------------|---------------------------------|
| 4                  | جناب آصف قادر (چيئر مين )       |
| 3                  | جناب خرم <u>ر</u> ضا بختیاری    |
| 1                  | جناب کی ہا کڈ آ ندو             |
| صفر                | ج <b>ناب</b> ياسوماسا كوندو     |
| 4                  | جناب ماسام یکو تا کا ہاشی       |
|                    | (جناب یاسوماسا کوندو کے متباول) |

آ ڈٹ سمیٹی کے اجلاس میں شرکت نہ کرسکنے والے ارکان کی رخصت کی منظوری دی گئی۔

هیومن ریسورس ایندری میوزیش مینی

Human Resource & Remuneration (HR&R) Committee

سال 2015ء میں ایک آراینڈ آر (HR&R) کمیٹی کے 2اجلاس ہوئے۔ ہررکن کی اجلاس میں حاضری ورج ذیل ہے۔

| اجلاسوں میں حاضری | ر کن کا نام               |
|-------------------|---------------------------|
| 2                 | جناب آصف قادر (چیئر مین ) |
| 2                 | سيداسكم مهدى              |
| 2                 | جناب خرم رضا بختیاری      |
| 1                 | جناب کی ہائڈ آندو         |

دوران سال جناب کی ہائد آندوکوائے آرایند آر (HR&R) کمیٹی کارکن مقرر کیا گیا۔

قوی خزانے میں ادائیگی (Contribution to National Exchequer)

سال 2015ء میں آپ کی سمپنی نے قومی خزانے میں سیزنیکس مسٹمز ڈیوٹی اور اٹکم ٹیکس وغیرہ کی مدمیس تقریباً 2,460 ملین روپے جمع کرائے۔

کی در میں کا میں کا میں کا میں ہوئی سیدا تکم مہدی چیف ایگزیکٹو کراچی۔17فروری، 2016ء

# بوردْ آف دْائر يَكْتُرز كِيَاجِلَاس (Meetings of Board of Directors)

سال2015ء کے دوران بورڈ آف ڈائر بکٹرز کے 6 اجلاس منعقد ہوئے۔اجلاس میں ہر ڈائر بکٹر کی حاضری کی تفصیل پچھاس طرح ہے۔

| اجلاسول میں شرکت | ۋائز يكثركانام                   | نمبرثنار |
|------------------|----------------------------------|----------|
| 5                | سید بابرعلی(چیئر مین)            | 1        |
| 6_               | سیداسکم مهدی (چیف ایگزیکٹو)      | 2        |
| 6                | جنابآ صف قادر                    | 3        |
| 4                | سید حیدرعلی                      | 4        |
| 4                | جناب خرم رضا بختیاری             | 5        |
| 4                | جناب کمی ہائڈ آندو               | 6        |
| 2                | جناب پاسوماسا کوندو              | 7        |
| 4                | جناب ماسامیکو تا کاماشی          | 8        |
|                  | (جناب یاسوماسا کوندو کے متباول ) |          |

جو ڈائر کیٹرز بورڈ کے اجلاسول میں شرکت نہیں کر سکے ان کی رخصت کی منظوری دی گئی۔

# آ ڈٹ کمیٹی آ

(Audit Committee)

سال 2015ء میں آ ڈٹ میٹی کے 14 جلاس منعقد ہوئے۔ان اجلاسوں میں ہررکن کی حاضری اس طرح رہی۔

vii) سنمینی کے گذشته در سال کے آپریکنگ اور مالیاتی اعدِ ادوشار رپورٹ میں شامل ہیں۔

' Viii مسکسزاور محصولات کے بارے میں معلومات فنانشل سٹیٹمنٹس کے نوٹس میں دی گئی ہیں۔

ix) ایک بزتی کرتے ہوئے ادارے کی حیثیت ہے مینی کی المیت پرشبنہیں کیا جاسکتا۔

x) لسٹنگ ریگولیشنز میں ویے گئے کارپوریٹ گورنٹس کے بہترین طریقوں اوراصولوں سے انحراف نہیں کیا گیا۔

xi) پراویڈنٹ اورگریجو یکی فنڈ زکی سر ماہیکاری کی مالیت کی قدر 30 جون 2015 پر (غیر آ ڈٹشدہ) حسب ذیل ہے

(000'روپيس) (000'روپيس) يراويلانٽ فنڌ (131,396 روپي ٿان پر 57,325 روپي شي فنڌ (135 روپي فنڌ (135 روپي شي فنڙ (135 روپي شي فنڌ (135 روپي شي فنڙ (135 روپي (135

(Xii) کمپنی نے دوران سال اپنے ڈائر کیٹرز کے لیے ایک آگائی کورس کا اہتمام کیا۔ تین ڈائر کیٹرز جن میں سید بابرعلی سید حیدرعلی اور جناب آصف قادر کوڈ آف کارپوریٹ گورنس کی شق 5.19.7 کے تحت وَائر کیٹرزٹر نینگ پروگرام ہے مشقی ہیں کیول کہ انہیں 14 سال کی تعلیم کے ساتھ ساتھ لیو کیکپنیز کے بورڈ زپر 15 سال یااس سے زیادہ عرصہ رہنے کا تجربہ ہے۔ سیداسلم مہدی 'جناب کی ہائڈ آندو جناب یاسو ماسا کوندو اور جناب خرم رضا بختیاری کا تجربہ لیوٹ کمپنیول کے بورڈ پر 15 سال سے کم جناب یاسو ماسا کوندو اور جناب کی ہائڈ آندو نے ڈائر کیٹرزٹر نینگ پروگرام کے تحت سیکورٹیز اینڈ آئیو ٹیٹر کیٹرنٹر نینگ پروگرام کے تحت سیکورٹیز اینڈ آئیو ٹیٹر کیٹرنٹر نینگ پروگرام کے تحت سیکورٹیز اینڈ آئیو ٹیٹر کیٹرنٹر نینگ پروگرام کے تحت سیکورٹیز اینڈ آئیو ٹیٹر کیٹرنٹر نینگ پروگرام کے تحت سیکورٹیز اینڈ آئیو ٹیٹر کیٹرنٹر نینگ پروگرام کی ہے۔

کمپنی کے چیف ایگزیکٹوآ فیسر (CEO)، ڈائریکٹرز کمپنی سیرتری اوران کی از واج بیان کے بچول نے کمپنی کے شیئرز میں کوئی لین وین (سودا) نہیں کیا۔



# کارپوریٹ گورننس کا ضابطہ اخلاق (Code of Corporate Governance)

پاکستان اسٹاک ایجیجی کسٹنگ ریگولیشنز میں شامل کوژ آف کار پوریٹ گورننس اختیار کیا گیاہے اوراس کی تقمیل كى جاتى ہے۔اس حوالے سے ايك بيان رپورٹ ميں شامل كيا كيا ہے۔

# کار پوریٹ اینڈ فنانشل رپورٹنگ فریم ورک (Corporate and Financial Reporting Framework)

- سمینی کی جانب سے تیار کی گئی مالیاتی تفصیلات (Financial Statements) کمپنی کی صورت حال کاروباری نتائج نقذ قوم کی آیداورا یکویٹی میں رد و بدل کی صحیح تصوریپیش کرتی میں۔
  - ii) کمینی کے حساب تناب اور کھا توں کو مناسب طریقے سے رکھا جارہاہے۔
- مالیاتی اسیمنش اورا کا و نتنگ کے خمینوں کی تیاری میں درست اکا و نتنگ یالیسیز برعمل کیا جارہا ہے سوائے ان تبدیلیوں کے جن کا ذکر مالیاتی الیکمنٹس کے نوٹس میں کیا گیا ہے۔ اکاؤ مثنگ یائیسیز ک بنياد معقوليت اور دانا في ريني فيصله بير\_
  - فنانش الميشنش كى تيارى مين ياكتان مين موثر اور نا فذا نفر ميشنل فنانشل رپور ثنگ كے معيارات اختیار کے گئے ہیں۔
- ۔ داخلی کنٹرول کا نظام ڈیزائن کے امتہار ہے محفوظ ہے جسے موثر طریقے سے مافذ کیا گیا ہے اوراس کی نگرانی ۔ کی جاتی ہے۔انٹرنل آ ڈٹ اور مانیٹرنگ کے دوسر ےطریقوں سے اس نظام کی مسلسل ٹمرانی کی جاتی ہے۔ واخلی تنثرولزی نگرانی ایک مسلسل عمل ہے جس کا مقصد کنٹرولز کومزید مضبوط اور موثر بنانا ہے۔
  - گزشته برس کے مقابلے میں اس سال کے ممینی کے کاروباری نتائج میں آنے والی نمایاں تبدیلیاں مستقبل کے اہم منصوبے فیصلے اور منفعت کے امکانات کی تفصیلات رپورٹ میں شامل کی گئی ہیں۔

تحمت عملی بیہ ہے کہ ہمارا ملازم ہم پراعثاد کرے۔ ہم اپنا جائز ولینے اور بیرجاننے کے لیے ملاز مین ہے سروے کرتے ہیں کہ ممپنی میں رہتے ہوئے اس کے اطمینان اور ہم پراعتاد کی سطح کیا ہے۔ اس طرح ہمیں دوسری بری کمپنیوں سے اپناموازنہ کرنے اورخود کو بہتر بنانے کے طریقے تلاش اوراختیار کرنے میں مدد ملتی ہے۔

آ بے کی سمپنی بیلیقین رکھتی ہے کہاس کی کامیابی اور مسابقتی اہلیت کا انحصار تنوع اپنانے کی صلاحیت میں ہے۔ كام كى جگه پرايسا ماحول پيدا كرنا، جهال لوگول سے عزت واحترام سے پیش آيا جائے اور بلاتفريق رنگ و نسل بشهریت، قومیت ،صنف،عمر، از دواجی حیثیت ،جنسی رجحان ،معذوری ، مذہب یاسیاسی نظریات وعقائد سب کے لیے مکسال مواقع ہوں اور حوصلہ افزائی کی جائے۔

سمینی نے حیارٹرڈ ا کا دمٹنٹس کی تربیت کے لیےانسٹی ٹیوٹ آف حیارٹرڈ ا کا دَمٹنٹس ان انگلینڈ اینڈ ویلز (ICAEW) کے مجاز نریز ز کے پینل کی خدمات حاصل کی ہیں۔

(Quality Management)

دوران سال آپ کی مینی نے نافذ العمل معیارات پر پوری طرح عمل کیا۔

مزیدید کمشینوں کی کارکردگی بہتر بنا کر پیداوار میں اضافہ کیا گیا اور دوران پیداواری عمل ضیاع کو کم کرنے کے لیے ٹوئل پروڈ کٹیسیٹنینیس (TPM) کوفروغ دیا گیااورسال کے دوران تمام پلانٹس میں چیسیشنز منعقد كيے گئے جن سے سارے كاركنوں نے استفادہ كيا۔

# متعلقه کاروباری فریق ا کاروباری شریک (Related Parties)

کاروباری شریکوں سے تمام لین دین غیر جانبداری ہے کیا جاتا ہے۔ایسے تمام لین دین کی مکمل فہرست ہرسہ ماہی آ ڈٹ ممیٹی کوفراہم کردی جاتی ہے۔ ممیٹی کی نظر ثانی کے بعدلین دین کی فہرست غوراورمنظوری کے لیے بورڈ کے سامنے پیش کی جاتی ہے۔



(Dividend)

وَارْ يَكْرُرْ نِهِ 50 فِصِدِ يَعِنْ 5 رويِ فَي شَيْرُ نَقَدَمَنا فَعْ تَجُويرَ كَيَا ہِد (صفر: 2014 ء )

# (Future Outlook)

مثبت اقتصادی اشاریوں کے ساتھ تو قع ہے کہ 2016ء میں کاروباری سرگرمیاں بہتر جوں گی۔افراط زراورسود کی موجودہ شرح کے نتیج میں تو قع ہے کھیت کی سطح بہتر رہے گی۔موجودہ تناظر میں ہم تو قع کررہے ہیں کہ ایف ایم می جی (FMCG)سکٹر میں شرح نموہ تا 7 فیصدر ہے گی۔

رسد کے اعتبار سے خام مال کی قیمتوں میں کمی ہے موجود ور ججان کود کیھتے ہوئے تو تع ہے کہ سال 2016 وکی پہلی سہ ما ہی کے اختیام تک قبینتیں متحکم ہوجا کیں گی۔ تب تک ہماری قبینتیں کچلی سطح پر رہیں گی۔ تاہم اس کا ہڑی حد تک انھصار تیل کی قیتوں کے رجحان اور قیتوں کی موجودہ سطح پر پلانٹس کے بیداواری شکسل پر ہے۔

صحت ، حفاظت اور ہا حولیات (HSE) کے انتظامی نظام میں بہتری ، آگا ہی اولقیمال کمپنی کی ترجیح رہے گی۔اس مقصد کے لیے بعض تنظیمی تبدیذیاں کی جارہی ہیں۔ہم''منی آن دی فلور'' کے اپنے نعرے پر ممینی اور صارفین کے لیے مسمیم قدر کی خاطرانحصار جاری رھیں گے۔

ہ رئیت میں طلب سے زیادہ رسداور کم قیمتوں کی دبیہ ہے 2016 وائیگ چیکجنگ (Challenging) سال ہوگا۔ اس آگاہی کے ساتھ ہماری توجہ کاروباری سرمانے (ورکنگ کیپٹل) کے مضبوط انتظام، لاگت کاروبار میں کمی اور ضیاع میں کی (Waste Reduction) پر ہوگ ۔ اس مرحظ پرنٹی مصنوعات کی تیاری پرخاص توجہ دی جائے گ ۔

ا چھی خبریہ ہے کہ ہمارے بڑے صارفین پیکیجنگ کی صنعت کے ستقبل کے بارے میں بہت پُرامید ہیں اورانہوں نے پر نتنگ اور کنورننگ کی جدید مشینوں و آلات میں سرمایہ کاری کے عِزم کا اظہار کیا ہے۔ ٹرائی پیک پیکھینگ کی صنعت کے صارفین سے قریبی تعاون کے ذریعے ترقی میں اپناہ بم کردارد میمتی ہے۔

اس موقع ہے فائدہ اٹھاتے ہوئے ہم وزارت تجارت ، وزارت خزانداور فیڈرل پورڈ آ ف ریونیو (FBR) کی توجہ افغان ٹرانزٹ ٹریڈ اور دیگر ذرائع بشمول ایکسپورٹ پروسینگ زون سے ہونے والی غیر قانونی درآ مدات پر دلانا

عائية ميں۔ بين صرف روز گاردين اور نيكسول كے ذريع حكومت كى آيدنى براهانے والى مقامى صنعت كونتصان پہنچانے کا سبب ہیں بلکہ ٹیکسوں اور ڈیوٹیز کی مدمین سرکاری خزانے کو بھی نقصان پہنچارہے ہیں۔

# كيش فلوكي تحمت عملي (Cash Flow Strategy)

زېرچائزەمەت مىل 3 بلىن روپى مىلىنى كى كاروبارى سرگرميول سے حاصل جوئے۔ 490 ن 493 ملين روپ ) بيرقم بنيادي طور پر مالياتي لاگت (Financial Cost) اورطويل الميعا د قرضوں کی اوا ئيگي پرخرچ کی گئے۔

تمپنی نے حصص یافتگان کے لیے اپنے پہلے رائٹ شیئرز کے اجرا کا اعلان کیا جو 2016ء کی دوسری سہ ماہی میں مکمل ہو جائے گا۔ اس طرح حاصل ہونے والی رقم مینکوں کے قرضوں اور سیلائزز کریڈٹ کی ا دائیکی پرخرج کی جائے گی تا کہ ایکھینج رسک تم کیا جا سکے۔اس کے علاوہ حاصل ہونے والی رقم ہے قرض اورا یکوئی کے تناسب پرمثبت اثر ہوگا اور قرضوں کی لاگت میں کی آئے گی۔اس کے ساتھ ہی کاروباری سرمائے کا موثر انتظام جاری رہے گا تا کہ نقدر قوم کی آمد (Cash Inflows) بہترینائی جاسکے۔

# انتظامي اطلاعاتي نظام

# (Management Information System)

ای آریی (ERP) نظام کے موثر استعال کے لیے مسلسل بہتری لائی جار ہی ہے تا کہ کنٹرولز کو بہتر بنا کر کار کردگی اور مالیاتی اطلاعات کی در شکی کویقینی بنایا جائے۔ یہ ( کوشش ) کمپنی کے اس عزم کی آئینید دارہے جس کا مقصدا نفارمیشن ئیکنالو جی کے ڈھانچے کو کارو باراورر اپورٹنگ کے چیلنج کا سامنا کرنے کے قابل بنانا ہے۔

# افرادی قوت/انسانی وسائل (Human Resource)

ادارے سے دابسة افراد ہاری حکمت عملی کے ہر پہلو کا اہم حصہ بیں۔ ہماری کوشش ہے کہ معیاری افراد کواپی طرف متوجه کریں ،ان کی صلاحیتوں کوجلا بحثین اورانہیں اپنے ساتھ رکھیں تا کہ ہم اپنے صارفین کو بہتر خد مات فراہم کر تئیں۔ہم اس بات پر یقین رکھتے ہیں کدا یک کاروبار کی حیثیتِ سے ترقی کرتے ہوئے ہمارے لوگ بھی ترتی کریں۔افرادکوقابل اور کام کے لاگق بنا کرا چھے کاروباری نتائج حاصل کریں۔ ہماری کام کرنے کی



# بازاراورکاروبارکاچائزہ (Market and Business Overview)

دوران سال خام مال کی قیمتوں میں نمایاں اتار چڑھاؤ دیکھا گیا۔اس اتار چڑھاؤ کی وجہ صرف تیل کی قیمتیں نہیں بلکہ طلب اوررسد بھی اس کی وجہ رہی۔ خام مال کی قیمتوں میں عدم استحکام کے نتیجے میں مارجن برقر اراور قیمتوں کومتواز ن رکھنا بڑا چینج تھا۔

افغان ٹرانزٹٹریڈاور دوسرے ذرائع سے ہونے والی درآ مدات خصوصاً بی اوپی پی (BOPP) فلمز اوری پی پی (CPP) کی رسدزیادہ ہونے سے ہمارے کاروبار کے جم پریر سے اثرات مرتب ہوئے۔ دوران سال بی او پی پی (CPP) کی متامی طلب کا تقریباً 7 فیصد غیر قانونی درآ مدات سے پورا کیا گیا جوڈ پوٹیز اور ٹیکسز ادا کیے بغیر سست داموں بیچی گئیں۔

درج بالاشديد منفى حالات كے باوجود سال كے دوران جارى مقامى فروخت كا جم 2014ء كى سطح پر برقر ارر ہاتا ہم جموعى فروخت يشمول برآ مدات 47004 شن رہيں جو 2014ء كے مقابلے ميں 3 فيصد كم جيں۔ جارى فروخت كے جم كا تعلق ايف ايم سى جى (FMCG) كى نموسے ہے اوراييا لگتا ہے كہ كى ايف ايم سى جى (FMCG) كمپنيوں كے كاروبارى جم ميں اضافہ گرشتہ برسوں سے كم رہاہے۔

کاروبار کے بدلتے ہوئے تقاضوں کو پورا کرنے کی خاطر آپ کی تمپنی ٹی مصنوعات کی تیاری پرسرگری سے کام کررہی ہےتا کہ صارفین کے لیے قدر میں اضافداور مارکیٹ میں اپنا حصہ بردھایا جاسکے۔

ہماری طرف سے اینٹی ڈمینگ ڈایوٹی (ADD) کے لیے نظر دانی کی درخواست پر بیشنل ٹیرف کمیشن (NTC) نے کم قیمت پر ڈمینگ کے خلاف تحقیقات شروع کردی ہیں۔

# مالياتی جملکياں (Financial Highlights)

گذشتہ برس کے مقابلے میں زیر نظر سال میں فروخت کاری ہے ہونے والی خالص آید نی 12 فیصد کم رہی۔جس کی بڑی وجہ خام مال کی قیمتیں گرنے کے متیج میں قیمتوں میں آنے والی کی ہے۔

آپ کی مینی اوپر بیان کی گئی مشکلات سے آگاہ ہے اور استعداد کارپر خصوصی توجد دے کراس کے اٹر ات کو جزوی طور پر کم کیا گیا ہے۔ اس کے لیے بروقت موٹر اقدام کیے گئے ہیں۔ خریداری کی بہتر حکمت عملی اختیار کی گئی ، بہتر موٹر اقدام کیے گئے ہیں گزشتہ برس کے مقابلے میں بہتر نتا کج حاصل ہوئے اور مجموعی منافع گذشتہ برس کے مقابلے میں بہتر نتا کج حاصل ہوئے اور مجموعی منافع گذشتہ برس کے مقابلے میں بہتر نتا کج حاصل ہوئے اور مجموعی منافع گذشتہ برس کے مقابلے میں بہتر نتا کے حاصل ہوئے اور مجموعی منافع گذشتہ برس کے مقابلے میں 52 فیصد زیادہ رہا۔

اس مدت میں انتظامی اور فروخت کاری کے اخراجات میں 14 فیصد کی ہوئی جس کی بڑی وجہ زیبل کے اخراجات میں کی ہے جوتیل کی قیمتوں میں کی اور ٹرانسپورٹیشن کے ٹیکوں پرنظر عانی کے منتیج میں ممکن ہوئے۔

زىرچائزەسال مىں كاروبار سےنفذرتوم كى آمد 3 بلىن روپے رہى جوگزشتە برى كى 493 ملين روپ سے نمايان طور برزيادہ رہى \_

|                                      | 2015   | 2014    |
|--------------------------------------|--------|---------|
| فروخت کا مجم (میٹرکٹن میں )          | 47,004 | 48,226  |
| فروخت کی خالص مالیت ( روپیملین میں ) | 11,954 | 13,597  |
| مجموعی منافع ( روپےملین میں )        | 1,857  | 1,222   |
| خالص منافغ/نقصان ( روپ ملین میں )    | 498    | (200)   |
| آ مدن فی خصص (EPS)                   | 14.86  | (5.95)* |

<sup>\*</sup> Re-stated

# ڈائر یکٹرزر بورٹ برائے صص یافتگان (ڈائر یکٹرزر بورٹ برائے شیئر ہولڈرز) ﷺ

سمینی کے ڈائر کیٹرز 31 دسمبر 2015ء کو ختم ہونے والے سال کی ربورٹ ادر کمپنی کے آڈٹ شدہ حسابات پیش کرتے ہوئے خوشی محسوں کررہے ہیں۔

دوران سال اقتصادی اشار بے مثبت رہے۔ جموی تو می پیدادار (GDP) میں تو قع سے بڑھ کر بہتر کی رہی۔ افراط زر کی شرح اور شرح سود (مارک اپ) میں کی واقع ہوئی۔ توانائی کی قلت بورے سال کاروباری ماحول کے لیے چیننج بنی رہی۔ اس سے بڑھ کرافغان ٹرانزٹ اور دیگر غیر قانونی ذرائع سے بغیر ڈیوٹی اور ٹیکس درآ مدات کاروباری جم بڑھانے میں رکاوٹ بنی رہیں۔

اس سال بھی ملاز مین اور کار کنوں کی صحت، کام کے دوران تحفظ اور ماحولیات (HSE) کے معیار برقر اررکھنا
کمپنی کی اہم ترجیجات میں شامل رہے ہیں۔ تاہم سال کے آخر میں کام کے دوران ایک عادث میں ایک
ملازم کا بازوٹوٹ گیا۔ متاثرہ کارکن تیزی سے صحت یاب ہور ہا ہے اورامید ہے کہ وہ جلد ہی اپنی دفتری ذہب واریاں سنجال لے گا۔ اس حاوث کی تحقیقات کی گئی اور حادث کی وجو بات پرٹی رپورٹ ایگزیکٹو پنجمنٹ کیم کوفر اہم کردی گئی ہے۔













Learn about investing at www.jamapunji.pk

# Key features:

- □ Licensed Entities Verification
- → Scam meter\*
- 🙉 Jemapunji gemes\*
- Tax credit calculator\*
- Company Vertification
- Insurance & Investment Checklist
- nt FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- **BB** Knowledge center
- Risk profiler\*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes



"Mobile appe ere also swellsbis for download for android and los devices





| I/We          | <u>.</u>                              |  |  |  |  |
|---------------|---------------------------------------|--|--|--|--|
| of            |                                       |  |  | being a memb   | per of Tri-Pack Films Limited            |
| and holde     | er ofOrdinary S<br>(Number of Shares) | hares as per <b>Share Regis</b>                    | ter Folio Noand/o  | r CDC Participant I.D. No  | and Sub Account                          |
| No            | hereby appoint                        | of   | or failing him/her _   | of   | or failing him/her                       |
| March 31,     | of as , 2016 at 10.30 a.m. at the Bea | my proxy to vote for me<br>ch Luxury Hotel, Moulvi | and on my behalf at the Ann<br>Tamizuddin Khan Road, Kar                   | ual General Meeting of the Com<br>achi and at any adjournment        | pany to be held on Thursday,<br>thereof. |
| Signed this   | sday of                               | 2016   |  |  |  |
| WITNESSE      | ES:                                   |  |  |  |  |
| Signature     |                                       |  |  |  |  |
| 1. Signat     |                                       |  |  | Please   |  |
| Name<br>Addre |                                       |  |  | affix Rupees five revenue stamp                                      |  |
| Addic         | •                                     | <del></del> _                                      | Signature  | Tevenue stamp  |  |
| CNIC          | or                                    | · <u>·</u>   |  |  |  |
| Passpo        | ort No:                               |  |  | (Signature should agree<br>with the specimen<br>signature registered |  |
| 2. Signat     | ture:                                 |  |  | with the Company)  |  |
| Name          |                                       | <del></del>  |  |  | <del>-</del>                             |
| Addre         |                                       |  | Note:<br>Proxies in order to be effective,<br>A proxy need not be a member | must be received by the Company not le<br>of the Company.            | ss than 48 hours before the meeting.     |
| CNIC          |                                       | <del>-</del>                                       | CDC Shareholders and their P.  | roxies are requested to attach an atteste                            | d photocopy of their Computerized        |
| rasspo        | ort No:                               |  | inational identity Card or Passpi  | ort with this proxy form before submissio                            | n to the Company.                        |







| ابم<br>نن                       | بطور ثرا اَی بیک فلمزلمیثا           |   |
|---------------------------------|--------------------------------------|---|
| ن وحامل                         | عام حصص برطابق شيئر رجىز د فوليونمبر | اور لیای ڈی کی کے شراکیؒ آئی ڈی نمبر  |
| ا<br>ایلی کھا تەنبىر            | باکن                                 | يابصورت و گير   |
|                                 | يالهورت و ديگر                       | ماكن  |
|                                 |                                      | یا ملتوی ہونے والے سالاندا جلاس عام میں رائے وہندگی کے لیے اپنانمائندہ مقرر کرتا ہوں۔   |
|                                 | 2016                                 |   |
| וין:                            |                                      |   |
| وخخل:                           | <u></u>                              | براهِ كرم يا في روپ   |
| نام:                            | <del>-</del>                         | مالیت کے ربو نیونکٹ<br>دستخط: چیاں کریں۔  |
| ;z <sub>ţ</sub>                 |                                      | -0.10,4   |
| ى اين آئى ى ياياسپورٹ نمبر:     |                                      | روستخط تمینی میں درج نمو نہ<br>کے مطابق ہونے چاہیے )  |
| وستخط:                          | <u> </u>                             |   |
| نام:                            |                                      |   |
|                                 |                                      | ۔<br>پاکسیز کے موثر ہونے کے لیےلازم ہے کہ وواجلاس ہے 48 گھنٹہ قبل کمبنی کوموصول ہو۔ نیابت وارکا کمپنی کارکن ہونا ضروری گئیں ہے<br>۔                         |
|                                 | <del></del>                          | ی وی می مے حصص داران اوران کے نمائندول سے التماس ہے کہ وواسپیے کمپیوٹرائز ڈقو می شناختی کارڈیا پاسپورٹ کی تصدیق شدوکا فی ہ<br>کے ساتھ کمونی میں جھ کروائیں۔ |
| سى اين آ ئى ئى يا پاسپورے نمبر: | <del></del>                          | -U, 17 (V-0+B1/2  |

AFFIX CORRECT POSTAGE

The Company Secretary:
Tri-Pack Films Limited
4th Floor, The Forum, Suite No. 416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi-75600, Pakistan.



# Tri-Pack Films Limited

# **Registered Office:**

4th Floor, The Forum, Suite No. 416-422 G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi-75600, Pakistan.

Tel: 92 21-3587 4047-49, 3583 1618

Fax: 92 21-3586 0251

www.tripack.com.pk

