

A close-up photograph of a hand holding a pencil, drawing on a textured, light-colored surface. The pencil is positioned diagonally, and the hand is in the foreground, slightly out of focus. The background is a blurred, textured surface, possibly a piece of paper or fabric.

# Define Develop Enhance



**Tri-Pack Films Limited**

Annual  
Report  
2016





# Introduction

At Tri-Pack we recognize the important relationship between corporate culture, employee commitment, and commercial success.

The Company employs professionals from a spectrum of talents and educational backgrounds, some raw, some seasoned. We promote and provide equal opportunity to all the employees without any discrimination.

*At Tri-Pack our human resources are then handled like fine clay.*

As a chunk of raw clay is transformed into a work of art that is both functional and aesthetic, at Tri-Pack our team is crafted by realizing potential, enhancing, shaping, tapering and trimming till the leader emerges from within.

We focus on employee development and envision what their true form could be; we provide them with the tools and skills to mold their talents and personalities; to become leaders and thinkers, solution providers and visionaries.

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# Finding True Form

Often strength comes not from being ridged and tough, it comes from being able to adapt and then settle. At Tri-Pack we seek individuals who shape their careers with us. Those who are ready to adjust, be shaped, and in the process find their true form.



Smoothing edges

# Polishing Skills

Training, workshops and peer to peer learnings are pivotal to our team's progress and growth. We observe and we encourage. We smoothen the edges and polish our team.









# Patterned For Success

Bringing out the best means patterning the individuals personal and professional growth. Helping each of Tri-Pack's employees to showcase their individuality while augmenting the company. When our team is successful, Tri-Pack is successful.





## 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 & 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

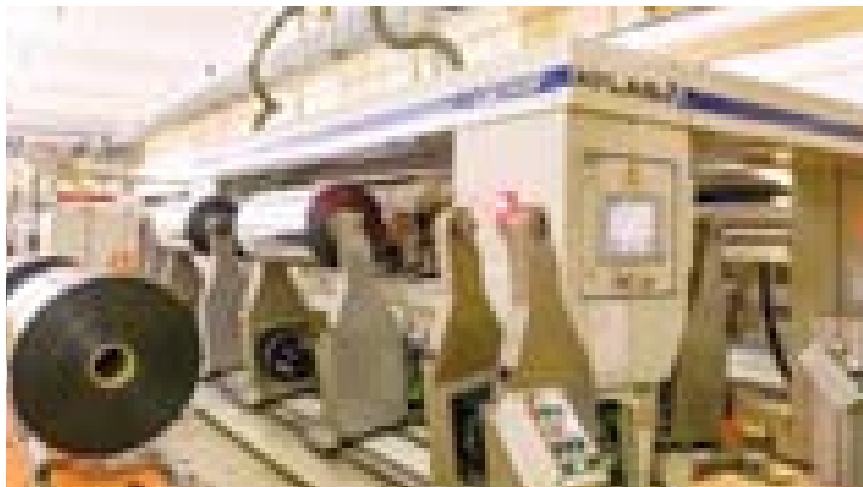
Tri-Pack has adopted a unified code as a guidance and standard for the conduct of the Company and its employees and shareholders. This code sets out the way we do business and conduct ourselves and its compliance is mandatory across the organization. All employees are required to sign a compliance certification 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.
- 3. 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.
- 4. 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.
- 5. 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.
- 6. 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.
- 7. 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.
- 9. 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 Packages Limited of Pakistan and Mitsubishi Corporation of Japan was incorporated as a Public Limited Company on April 29, 1993. It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) and Cast Polypropylene (CPP) film. Our manufacturing facilities are located at Karachi and Hattar. Company's head office is based in Karachi, regional offices located in 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.



Since inception the Company has been on a growth trajectory with an installed per annum production capacity of over 65,000 tons per annum of BOPP Films and over 15,000 tons of CPP Films.

At Tri-Pack, we ensure that the optimum advantage be provided through innovative technology, excellent customer service and enhanced product portfolio. We go a long mile to get results through our employees, operate responsibly and grab new growth opportunities.

At Tri-pack, we make sure that a congenial working environment be created and our team is given an equal opportunity to develop and enhance their skills which benefits the organization and the individuals simultaneously.



# Our Products

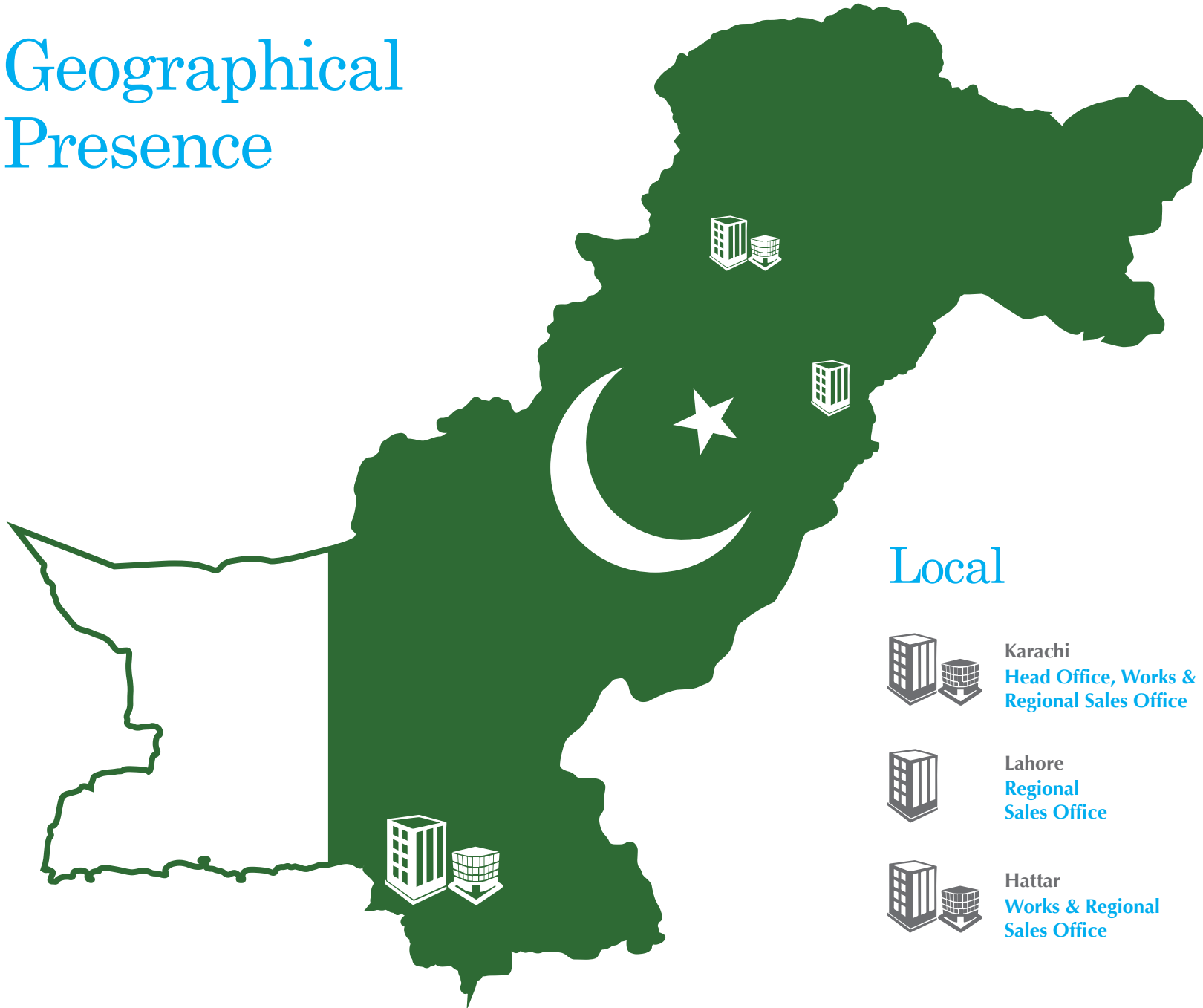


Tri-Pack offers wide range of Biaxially Oriented and Cast Polypropylene (BOPP & CPP) packaging films, which are carefully and diligently produced to not only meet the packaging needs but also outperform the expectations of the market. We have judiciously created our product brands that are best suitable 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.



# Geographical Presence



## Local



Karachi  
Head Office, Works &  
Regional Sales Office



Lahore  
Regional  
Sales Office



Hattar  
Works & Regional  
Sales Office

# International

## Europe



Bulgaria



Macedonia

## North America



Canada

## Asia



Afghanistan



Oman



Sri Lanka



UAE

## Africa



Ethiopia



Kenya



Nigeria



Tanzania



# Company Information

## BOARD OF DIRECTORS

Syed Babar Ali (Chairman)  
Syed Hyder Ali\*  
Kimihide Ando  
Khurram Raza Bakhtayari  
Syed Aslam Mehdi  
Asif Qadir  
Shinya Sugioka

## CHIEF EXECUTIVE OFFICER

Nasir Jamal

## AUDIT COMMITTEE

Asif Qadir (Chairman)  
Kimihide Ando\*  
Khurram Raza Bakhtayari  
Shinya Sugioka

## 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

## HEAD OF FINANCE

Shafiq Afzal Khan

## COMPANY SECRETARY

Adi J. 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](http://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

\* In alphabetical order of last name



#### **BANKERS**

Al-Baraka Bank (Pakistan) Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank AL Habib Limited  
BankIslami Pakistan Limited  
Deutsche Bank AG  
Dubai Islamic Bank (Pakistan) Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
NIB Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
The Bank of Tokyo - Mitsubishi UFJ, Ltd  
United Bank Limited

#### **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.F.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

# Key Milestones







2006  
Commissioning  
of Metalizer 2



Commissioning  
of Metalizer 2



2008  
Commissioning of  
CPP Line 1 B.E.S.T  
Certification  
from BAT



Commissioning of  
CPP Line 1 B.E.S.T  
Certification  
from BAT



2013  
Commissioning  
of BOPP  
Line 4

Commissioning  
of BOPP  
Line 4



2007  
OHSAS 18001  
Certification



OHSAS 18001  
Certification



2009  
Commissioning  
of Metalizer 3



Commissioning  
of Metalizer 3



2014  
Commissioning  
of CPP Line 2 &  
Metalizer 4



Commissioning  
of CPP Line 2 &  
Metalizer 4

# 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

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](http://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

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, Annual Dinners 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, visiting them on a regular basis to ensure provision of unmatched goods and services that are aimed at improving their productivity and profitability.



As a responsible marketing unit, our focus is "Customer First"

## 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.

# Share Price Sensitivity Analysis

## Market value per share



Share price of the Company is based on various internal and external factors considering the industry, products and markets in which the company is operating.

Tri-Pack Films Limited share price increased by 19% at the year-end as compared to the beginning of the year.

## External Factors

- Low inflation and interest rates
- Energy crisis
- Fragile law and order situation
- Volatility in raw material prices

## Internal Factors

- Operational efficiency
- Efficient margin 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

## Listing on stock exchange

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

## Listing fees

The annual listing fee for the financial year 2016-17 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 Limited at the Stock Exchange is TRIPF.

## 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

They serve about 2,211 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:

	<b>For requests received through post</b>	<b>Over the counter</b>
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 42.85% 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 100% (Rs.10 per share of Rs.10) for the financial year ended December 31, 2016 (2015: 50% cash dividend (Rs.5 per share of Rs.10). The aforesaid final cash dividend is subject to approval by the shareholders of the company at the Annual General Meeting.

### Book closure dates

The Register of Members and Share Transfer Books of the company will remain closed from April 13, 2017 to April 20, 2017 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 20.0% 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 shares, 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](http://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, 2016 is as follows:

Shareholding		Number of shareholders	Total shares held
From	To		
1	100	517	19,806
101	500	750	304,491
501	1,000	253	212,065
1,001	5,000	423	1,043,021
5,001	10,000	117	882,769
10,001	15,000	44	547,575
15,001	20,000	23	425,995
20,001	25,000	14	328,801
25,001	30,000	10	273,588
30,001	35,000	6	195,208
35,001	40,000	2	75,400
40,001	45,000	1	42,033
45,001	50,000	11	526,753
50,001	55,000	2	107,020

Shareholding		Number of shareholders	Total shares held
From	To		
55,001	60,000	2	117,086
60,001	65,000	3	191,632
65,001	70,000	1	65,959
70,001	75,000	3	217,756
75,001	80,000	3	238,375
80,001	85,000	1	82,385
115,001	120,000	2	233,892
140,001	145,000	2	284,467
150,000	155,000	1	150,000
165,001	170,000	1	168,697
175,001	180,000	1	177,186
205,001	210,000	1	205,463
220,001	225,000	1	222,600
235,001	240,000	1	235,386
250,001	255,000	1	250,100
270,001	275,000	1	273,927
295,001	300,000	1	298,928
300,001	305,000	1	303,000
320,001	325,000	1	320,924
350,001	355,000	1	353,500
610,001	615,000	1	613,686
645,001	650,000	1	648,516
680,001	685,000	1	682,260
700,001	705,000	1	700,500
1,205,001	1,210,000	1	1,208,500
1,385,001	1,390,000	1	1,388,000
3,750,001	3,755,000	1	3,750,417
7,495,001	7,500,000	1	7,499,000
12,930,001	12,935,000	1	12,933,333
		<b>2,211</b>	<b>38,800,000</b>



Information as required under the Code of Corporate Governance

Shareholders' category	Number of shareholders	Total shares held
<b>i. Associated companies, undertakings and related parties (name wise details)</b>		
Babar Ali Foundation	1	177,186
IGI Insurance Limited	1	3,750,417
Mitsubishi Corporation - Japan	1	7,499,000
Packages Limited	1	12,933,333
Total:	4	24,359,936
<b>ii. Mutual funds (name wise details)</b>		
CDC - Trustee AKD Opportunity Fund	1	80,000
CDC - Trustee HBL Mustahekum Sarmaya Fund 1	1	23,500
CDC - Trustee NAFA Stock Fund	1	27
CDC - Trustee National Investment (Unit) Trust	1	648,516
CDC - Trustee PICIC Stock Fund	1	18,600
Total :	5	770,643
<b>iii. Directors and their spouse(s) and minor children (name wise details)</b>		
Mr. Asif Qadir	1	100
Syed Aslam Mehdi	1	1,293
Mr. Kimihide Ando	1	500
Mr. Shinya Sugioka	1	500
Syed Babar Ali	1	613,686
Syed Hyder Ali	1	320,924
Total:	6	937,003
<b>iv. Executives</b>	NIL	NIL
<b>v. Public sector companies and corporations</b>	1	682,260
<b>vi. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds</b>	6	79,720
<b>vii. Shareholders holding 5% or more voting rights in the Company</b>		
IGI Insurance Limited	1	3,750,417
Mitsubishi Corporation - Japan	1	7,499,000
Packages Limited	1	12,933,333
Total:	3	24,182,750

Information as required under the Code of Corporate Governance

S.No.	Shareholders' category	Number of shareholders	Total shares held	%
1	Directors, Chief Executive Officer, and their spouses and minor children	6	937,003	2.41
2	Associated Companies, undertakings and related parties	4	24,359,936	62.78
3	Banks Development Financial Institutions, Non Banking Financial Institutions	3	4,063	0.01
4	Insurance Companies	2	685,577	1.77
5	Modarabas and Mutual Funds	5	770,643	1.99
6	Shareholders holding 10% or more	2	20,432,333	52.66
7	General Public:			
	a. Local	2,136	9,123,375	23.51
	b. Foreign	3	231,323	0.60
8	Others	52	2,688,080	6.93
Total (excluding: shareholders holding 10% or more)		2,211	38,800,000	100.00

## Share Price / Volume

The monthly high and low prices and the volume of shares traded on the Pakistan Stock Exchange during the financial year 2016 are as under:

Month	Share price on the KSE (Rs.)		
	Highest	Lowest	Volume of shares traded
January	260.00	178.00	684,200
February	211.75	169.00	624,500
March	199.90	172.30	481,200
April	206.00	174.00	878,400
May	183.90	172.00	903,200
June	192.75	170.00	743,600
July	246.00	180.00	1,716,400
August	292.00	224.10	5,865,100
September	309.00	263.00	3,276,600
October	319.87	243.00	2,199,300
November	293.50	260.00	2,532,500
December	293.64	265.00	1,883,700

# Safety, Health & Environment (SHE) & Quality Policy

## 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 SHEQ 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.

## SHE Strategy & Developments

Safety, Health and Environment (SHE) is one of our core values. The year closed without any serious incident and overall systems has been strengthened during the year. At Tri-Pack, we believe in promoting a culture of safety, where employees conduct self-audits to minimize the distress and disruption caused by an injury or work related illness. Occupational Safety & Health Administration (OSHA) and Safety Health Executive (SHE), necessitates 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 SHE 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 team to elevate quality standards of products and to develop new products. In this regard, 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. Research & Development (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 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 (CSR)

### Commitment towards sustainability & corporate social responsibility

Tri-Pack believes in sustainable development as it's the masterful balance of meeting our own needs without jeopardizing future generation's ability to do the same. We are actively seeking to infuse sustainability into our operations and processes. While we are making progress, we do not assume that we are winning; continuous improvement is a fundamental goal of our sustainability efforts.

We strive to do our business integrated with safety and sustainable development, gaining and maintaining license to operate and grow.

In 2016, we have updated the Safety, Health and Environment (SHE) procedures and have taken measures to enhance focus on healthy and secure environment. Also, we are committed to be more responsible stewards of the planet and for the people we work with.

### Sustainability

Sustainability is an integral part of our business and operations. Tri-Pack is committed to reduce its impact on the environment 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.

### Energy saving measures

We strive to achieve the operational excellence not only to save costs but, also, to emphasis on optimization of energy resources available to us in particular and to Community at large. We endeavor to conserve natural resources & energy by continuously improving our process and measuring performance. We remain cautious and play our role by reducing our energy consumption through better maintenance of our equipment to enhance fuel efficiency, frequent audits of our machinery and critically reviewing frequency of maintenance intervals.



### **Environmental protection measures**

At Tri-Pack, we guarantee the well-being and safety of our employees and our planet. We ensure utilizing of efficient natural resources. Our engines, oil heaters & vehicles comply with the National Environment & Quality Standards (NEQS). Our business strategies take full account of potential environmental impact of our operating decision to ensure environment protection.

### **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. We realize our responsibility to ensure safe handling of the chemicals and waste water and are further striving to reduce the level of TDS (Total Dissolved Solid).

### **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.

### **Business ethics and anti-corruption measures**

Business ethics is our fundamental value and lies at the heart of everything that we do at Tri-Pack films Limited. The Board of Directors of the Company has univocally set down the acceptable business practices and code of conduct which is based on values and clarifies the ethics and compliance expectations for everyone who works at Tri-Pack Films Limited. In addition thereto, multiple channels are available to our Stakeholders to speak-up and identify

practices and behaviors that are unacceptable to our fundamental and core values.

### **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 2,588 million in 2016.

### **Employment of special persons**

Tri-Pack - a strong advocate of diversity is also committed towards developing individuals with special needs. We have employed few special persons whose contribution to our system is no less than rest of our staff.



### **Business continuity plan**

Tri-Pack Films Limited recognizes its responsibility to operate and ascertain protection of Business operations from any sort of disruption. We have a comprehensive Business Continuity Plan in place. Formal trainings and drills are being conducted to impart and educate the people throughout the organization.

### Corporate social responsibility

Tri-Pack Films Limited has grown remarkably over the years, but we would not take pride on that unless we do our bit for the development of the social society.

Tri-Pack Films Limited, in the recent past, has indulged in various activities to uplift the social environment and improve everyday lives of individuals in our circle.

In collaboration with Indus Hospital, Blood Donation Drive was conducted. This initiative was geared towards helping all patients whose lives depend on blood transfusions where each Donation had an impact on 3 lives.



### 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.





# 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

Our product development & innovation activity is based on to deliver practical solution that meets customer's requirement in today's dynamic 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.

## Research and development

Tri-Pack is fully equipped with an in house R&D department which is tirelessly working to understand consumer needs and providing innovations on both design and structure based on global trends.

We believe that the introduction of new and improved products is the utmost requirement of current market, for which new and improved films are being developed in different grades to replace older versions or tap new markets to enhance safety, hygiene and convenience of the end consumer.

In 2016, we have developed various special films to cater our customer's special needs.

## Human resource development

We believe that the Company's growth is dependent on the growth of our employees. Keeping in mind the ever enhancing desirable skills, the emphasize is on employee development and therefore various training and development activities are planned to overcome any skill gap and foster multi-skilling across the organization.

We at Tri-Pack aim to nurture an open culture by enhancing organizational communication at all levels from top to bottom and across different departmental levels. The Company concentrates on developing an environment that engages and motivates workforce and provide a workplace that ensures employee safety.

To become one of the best places to work and an employer of choice we ensure transparency at all levels. We validate policy awareness by providing the relevant policies for our employees over the intranet portal. Moreover, through our “Speak Out” program we aim to provide a platform to our workforce to report any sort of wrong doing within the organization. The project enables the employees to blow whistle against misconduct, bias, harassment or bullying at workplace and provides whistle blowing platform to highlight any obscure activities practiced in Tri-Pack. The Company has taken the initiative to adopt AASHA's Code of Conduct as part of its 'Anti-Harassment Policy'.

In addition we aim to empower our employees by trusting them with challenging level of autonomy and decision making powers and encourage cultivating accountability at individual levels as well. This form of enrichment does not only form basis for employee motivation, but also monitors his/ her appetite for dealing with perplex scenarios. Closely related to this point is the effort undertaken by the current leaders of the organization that is helping in the development of future leaders.

We make sure merit and fair-play is upheld when it comes to, reward management, salary & compensation and Training & development programs directed towards our internal customers. Tri-Pack's reward management is aligned to employee's performance and his/her effectiveness in achieving the goals set out for him/ her at the individual level and set out for his/her department. We offer salary & compensation packages that are in line with the market practice. Training & Development programs are focused towards cultivating team building, technological enhancement & skill development/enhancement.

Tri-Pack's recruitment processes help in acquiring the most relevant skills and out of the talented pool of individuals from top institutions of Pakistan and abroad. Tri-Pack seeks to provide and create equal opportunities by selecting applicants strictly on merit bases. We are an equal opportunity employer and welcome diversity.

We strive to maintain diversified set of workforce, with the Company providing equal opportunities to females and people with special needs. We are labor law compliant and conduct fair practices, offer competitive and just wages.

### **Operational efficiency**

We are aggressively working on maintaining and improving our operational efficiency through Total Productive Maintenance (TPM). Benchmarking was done by foreign experts to ensure that we meet the international standards and strive to become the best in the industry. Further, several training sessions were conducted on TPM which has given us the opportunity to compare our machine operations with international standards.



### Supply management

At Tri-pack, our constant engagement with both international and local suppliers has enabled us an uninterrupted supply of high quality materials. We ensure that our relationship with our vendors add value to the entire chain.

Our fully automated warehouse management system enables us in delivering on time and in full. The same is monitored on constant

basis as the heart of our services is full customer satisfaction.

### Internal controls and compliance

Tri-Pack has established standard operating procedures for processes that act as a guiding principles for our activities. The Company has 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

## Strategic HR

The Human Resource philosophy at Tri-Pack aims to align its operations with the strategic plans of the Company. In addition to this, the HR department also monitors the individual departmental and divisional roles to ensure integration with the overall strategic intent of the Company.

Our focus on diversity and inclusion; talent acquisition and development; compensation and benefits; and collaboration with

our social partners has increased many folds. All our efforts are towards working tirelessly to maintain optimum level of flexibility in the organization.

## Training and developing future leaders

Investment in skills and accelerating employees' professional and personal development are essential components of the Tri-Pack's people agenda. We are committed to strengthening the capability of



managers and holding them accountable to enable employees to thrive and meet their full potential. Our development agenda include recalibrated offering that helps to develop and nurture future leaders who are accountable, who champion our values and who inspire the best in their colleagues.

We also empower our people to contribute to our business success by tailoring their training & development to their individual capabilities and ambitions through training needs identification. We provide a combination of formal training (in-house and external), on the job experiences, and incorporate regular feedback from managers where required. This year saw a much greater focus on TPM Techniques, SHE compliance and training on machine SOPs, Leadership Grid etc.

194 participants were trained on functional skills, 2,297 on machine SOPs, 3,957 on SHE, and 373 on TPM and soft skills.

Tri-Pack has successfully concluded 678 internal and external trainings this year. We consider training not as a cost but an investment for the future and want our employees to grow with the Company.

### **Diversity & inclusion**

Tri-Pack fosters workforce diversity at its premises and does not tolerate any kind of partiality towards any employee. All employees are treated fairly and are given equivalent opportunities at all levels from recruitment and development to compensation and reward.

We strive to create a working environment that where people are known for their skills and accomplishment in their respective careers and not judged or treated with prejudice because of their background or gender.



### **Recognizing performance**

We reward people based on their performance, potential and contribution to our success. It is highly important for us to continuously benchmark roles regularly to ensure competitive and fair remuneration. Our short-term incentive plans are offered to all our employees, which is subject to company performance and individual performance measures.



### Increasing employee engagement

It is vital for us to engage with our employees, identify their needs and motivations and renovate them into productive resources for the Company.

Every year all our employees are invited to participate in our Employee Engagement survey which allows us to measure engagement levels, identify ways to improve how we do things, and compare ourselves with previous years. The results from the survey are communicated to the relevant departments and an action plan is cropped out to build upon the areas that need to be strengthened further. The purpose of these surveys is to maintain and augment employee satisfaction and motivational levels.

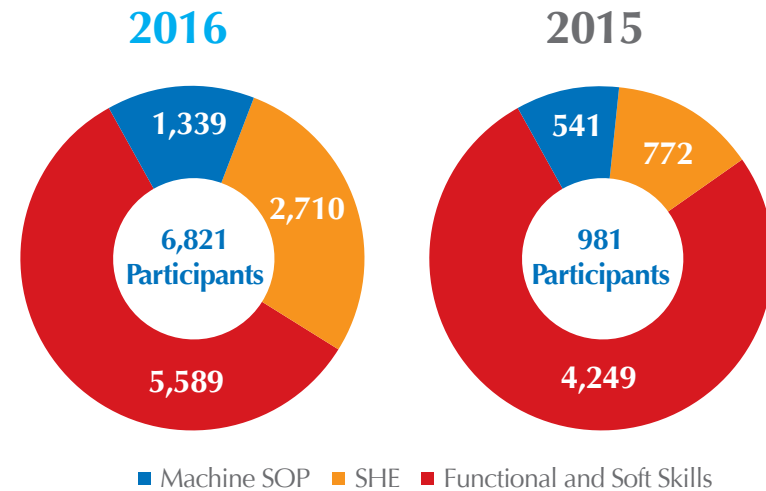
This year our engagement score showed further improvement and the index reached 3.80 Grand mean score as compared to 3.51 last year.

Furthermore, we have adopted a structured mechanism for objective setting, where employees are communicated what they should aim at, what is expected of them, and the importance of teamwork to achieve these objectives.

### Employee well-being

Tri-Pack highly values its human capital and is always striving to ensure wellbeing of its employees. Keeping this in view, for the first time our Medical Team in collaboration with Dow University of Health Sciences organized the annual medical examination of all employees. The main objective of these tests is to keep abreast with the health condition of our employees and to advice and counsel them in case of any abnormalities. The records were maintained individually and kept strictly confidential by the Medical team.

## TRAINING ANALYSIS (Man Hours)



# Whistle Blowing 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, and other employees, the Company or the public interest.

This policy is intended to provide guidelines to establish an objective and impartial process for prevention, detection and remedial measures of unethical behavior, corruption and fraudulent activities that may cause damage to the company's assets or reputation. This would ensure a safe, ethical and productive working environment free from any prejudice, harassment, fraud or other malpractices.

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 a Complaints Committee as they become aware of any suspected wrongdoing. The committee has been established to handle all Complaints under this policy.



# Calendar of Events

## January 2016

17th - 20th: Annual Sales Conference 2015

## February 2016

2nd & 3rd: 1st TPM Session of 2016

Location: PQ

16th and 17th: Audit Committee and Board Meeting

Location: Lahore

## March 2016

31st: Annual General Meeting

Location: Beach Luxury Hotel

## April 2016

11th & 12th: 2nd TPM Session of 2016

Location: PQ

19th and 20th: Audit Committee and Board Meeting

Location: HO

## July 2016

18th & 19th: 3rd TPM Session of 2016

Location: PQ

## August 2016

16th and 17th: Audit Committee and Board Meeting

Location Lahore

## September 2016

22nd & 23rd: 4th TPM Session of 2016

Location: PQ

## October 2016

1st : 4th Annual Gala Event

Location: PQ

17th and 18th : Audit Committee and Board Meeting

Location: HO

## November 2016

21st & 22nd: 5th TPM Session of 2016

Location: PQ

## December 2016

6th: Board Meeting for Budget

Location: HO

14th - 17th: Annual Sales Conference 2016

Location: Gwadar



# Analysis of Resources

## **Liquidity, cash flow & debt management**

During the year the Company managed to generate Rs. 2 billion through operations. Further strict cost controls, efficient resource management and smart margin management contributed towards a strong financial performance which resulted in higher cash flows generation as compared to prior periods.

The management being cautious about the working capital movement, monitors the cash position through a dedicated reporting mechanism on daily basis as it heavily affects the liquidity position and hence the cost to the Company.

Tri-Pack 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**

Improved liquidity from last year and proceeds from rights issue positively affected the debt to equity ratio which closed at 49: 51.

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

The Company posted the highest ever EBITDA despite of the various fluctuations in business environment. All other performance indicators including liquidity, gearing and profitability ratios improved significantly compared to the prior year.

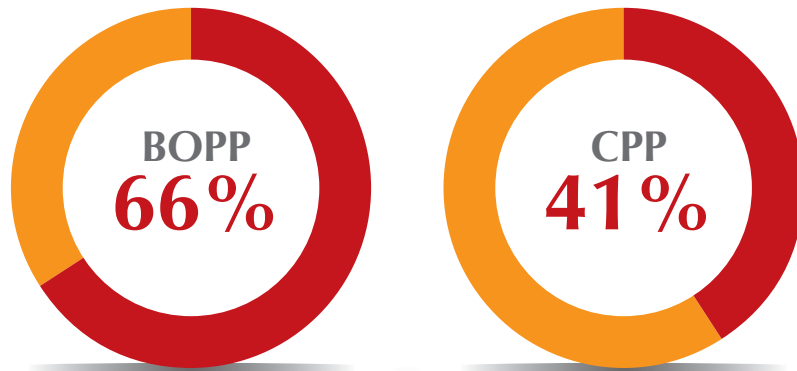
# Analysis of Financial & Non-Financial Targets

At Tri-Pack, we have a robust mechanism of determining financial and non-financial targets for all the teams. Financial targets are set during the budgeting exercise, which after review and endorsement by the Executive Management Team 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.

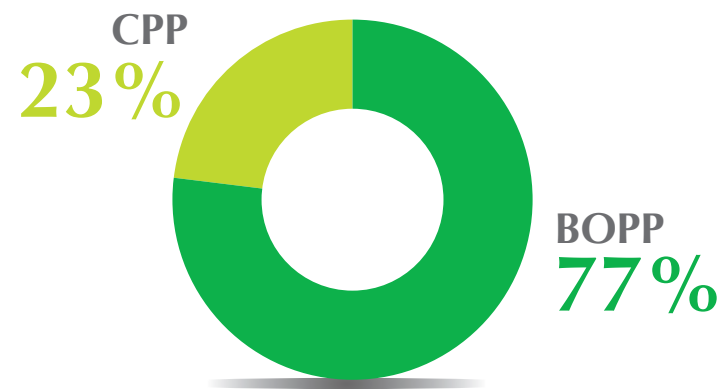
On the other hand, non-financial targets of the Company are closely linked with the short term and long term objectives and are set as part of the objective setting process of executives and management at the start of the year. These include employee engagement scores, development and enhancement of employee skills, safety, health and environmental benchmarks, quality benchmarks, training and development targets etc.

These financial and non-financial targets set for the year 2016 have been achieved successfully.

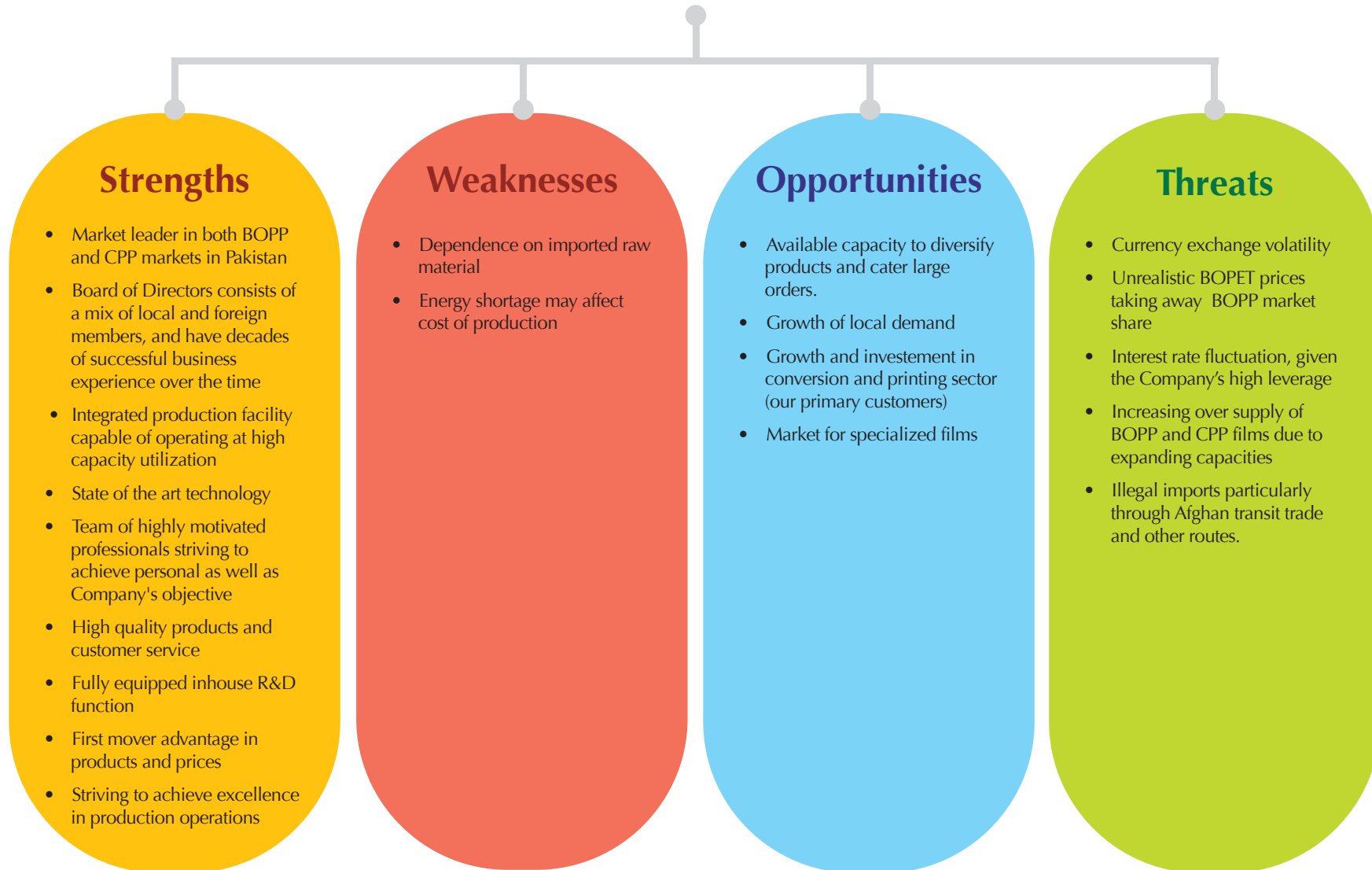
## Market Share Information



## Segment Information



# SWOT Analysis





# 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 standard.

## Corporate governance framework

Our Governance framework is designed to ensure that the Company embodies its core values and principles that emphasizes on high standards of integrity, transparency 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 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 Board of Director through senior management is responsible for TPFL's sound internal control system and reviewing its effectiveness. 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 internal control system and compliance are monitored through well documented Standard Operating Procedures (SOPs) and a combination of audit reviews and periodic performance monitoring.

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.

## Audit

Tri-Pack has an effective Internal Audit function which has been outsourced to EY Ford Rhodes Chartered Accountants. The Head of Internal Audit functionally reports to the Audit Committee. The Board Audit Committee approved the audit program, based on the annual risk assessment of operating areas and periodically reviews the appropriateness of this function. The Internal Audit function carries out reviews on the financial, operational and compliance controls and reports on findings to the Board Audit Committee.

## Risk assessment

The Company is working in an environment with constant view of risk involved, and so the Company has instituted measures to Control risk and ensure that it remains adaptable. To assess and manage credit, investment, business, operational and other risks arising from change, appropriate steps are defined in their respective policies and operational SOPs.

## 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 policy**

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.

#### **Investor relation policy**

The Company seeks to develop and maintain trustworthy relationship with its stakeholders including shareholders and investors. It recognizes the importance of timely and fair disclosure about all material information to them.

- The Company shall provide shareholders and other parties all material information about matters that may influence the share price in a fair and transparent manner in compliance with legal requirements and listing regulations of the legal requirement.
- In the period preceding the publication of the results, the Company shall be in a "closed period". During this time, the Company shall not hold meetings and make presentations at broker conferences, or hold discussions/conference calls with investors and analysts;

- No discrimination in sharing of information between the shareholders unless specifically authorized under the corporate rules and statute or regulatory bodies;
- Any complain / reservation from the investors shall be considered, discussed, resolved and communicated in due course by appropriate level of authority in the Company.

#### **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

#### **Directors**

The Board is comprised of one non-executive independent director and six 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**

One of the directors, Mr. Khurram Raza Bakhtayari has obtained the directors training certification (the certification) during the year. Mr. Shinya Sugioka was appointed as the director of the Company in place of Mr. Yasumasa Kondo during the year and will obtain the certification as per the requirement. Remaining directors are either exempt from the directors training program under clause 5.19.7 of the Code of Corporate Governance or have already obtained the certification.

#### **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. Every employee and executive is expected to be honest and ethical in dealings with each other, with customers, suppliers, contractors in order to avoid compromises on the ability of transacting business on competitive basis.

The directors of the Company disclose their memberships / directorships in other corporate bodies as per the requirements of Companies Ordinance 1984. Moreover, a vigorous mechanism to report exceptions, if any to the office of Internal Audit Function has been established within the Company to ensure that Company's resources are utilized in the shareholders best interest.

### **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 meeting 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 in appropriate manner 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. CEO has further been authorized 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 Foundation, 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 30 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, DIC Pakistan Limited, Flexible Packages Convertors (Pvt) Limited, IGI Bank Limited, IGI Life Insurance Company Limited, Maxim International (Private) Limited, Omya Pack (Private) Limited (Formerly Calci Pack Private Limited), Packages Construction (Private) Limited, Packages Lanka (Private) Limited, Packages Limited and Tetra Pak Pakistan Limited. Mr. Bakhtayari is the Executive Committee Member of Naqsh School of Arts.



### **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, Packages Lanka (Private) Limited, Pakistan Japan Business Forum, Printcare Plc, Sri Lanka, 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, Pakistan Stock Exchange Limited, Thal Limited and Cherat Cement Limited. He is Chairman of the Board for Unicol Limited and Member governing body – Liaquat National Hospital.



### **Mr. Shinya Sugioka**

Mr. Shinya is a non-executive member of the Board. He graduated from Kyushu University and joined Mitsubishi Corporation of Japan in 1990s. He has trading experience of variety of chemical products, such as inorganic chemicals, chlor-alkali products, and plastics, and also work experience at subsidized manufacturer, exportadora de sal (Mexican salt producer) and Chuo-Kagaku (Japanese food packaging manufacturer). Currently, he is serving as a General Manager at Plastics Units of Mitsubishi Corporation.



### **Mr. Nasir Jamal**

Mr. Nasir Jamal is the CEO of Tri-Pack Films Limited since March 2016.

Before being named as the CEO, Mr. Jamal was Tri-Pack's Chief Commercial & Chief Financial Officer where he was responsible for overseeing the commercial, financial and risk management activities for the domestic and international operations of the Company. He joined the Company in 2013 as Chief Financial Officer.

Mr. Jamal has a comprehensive background in Finance and Commercial roles. He has worked for over two decades in multitude of senior positions at different financial and manufacturing organizations, with his last 8 years of service at ICI Pakistan Limited as General Manager Finance. Mr. Jamal is a fellow member of the Institute of Chartered Accountants of Pakistan.

# Principal Board Committees

## EXECUTIVE COMMITTEE

- Kimihide Ando (Chairman)
- Syed Hyder Ali
- Khurram Raza Bakhtayari
- Syed 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 Bakhtayari
- Shinya Sugioka

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.
- 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

#### 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
- 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 whistle blowing 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 Head 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

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

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 CEO.



## Executive Management Team



### From Left to Right:

Mr. Shafiq Afzal Khan – Head of Finance

Mr. Adnan Sultan – Head of Sales

Mr. Asadullah Butt – Head of Manufacturing and Development

Mr. Mohammad Omar Khan – Head of Human Resource

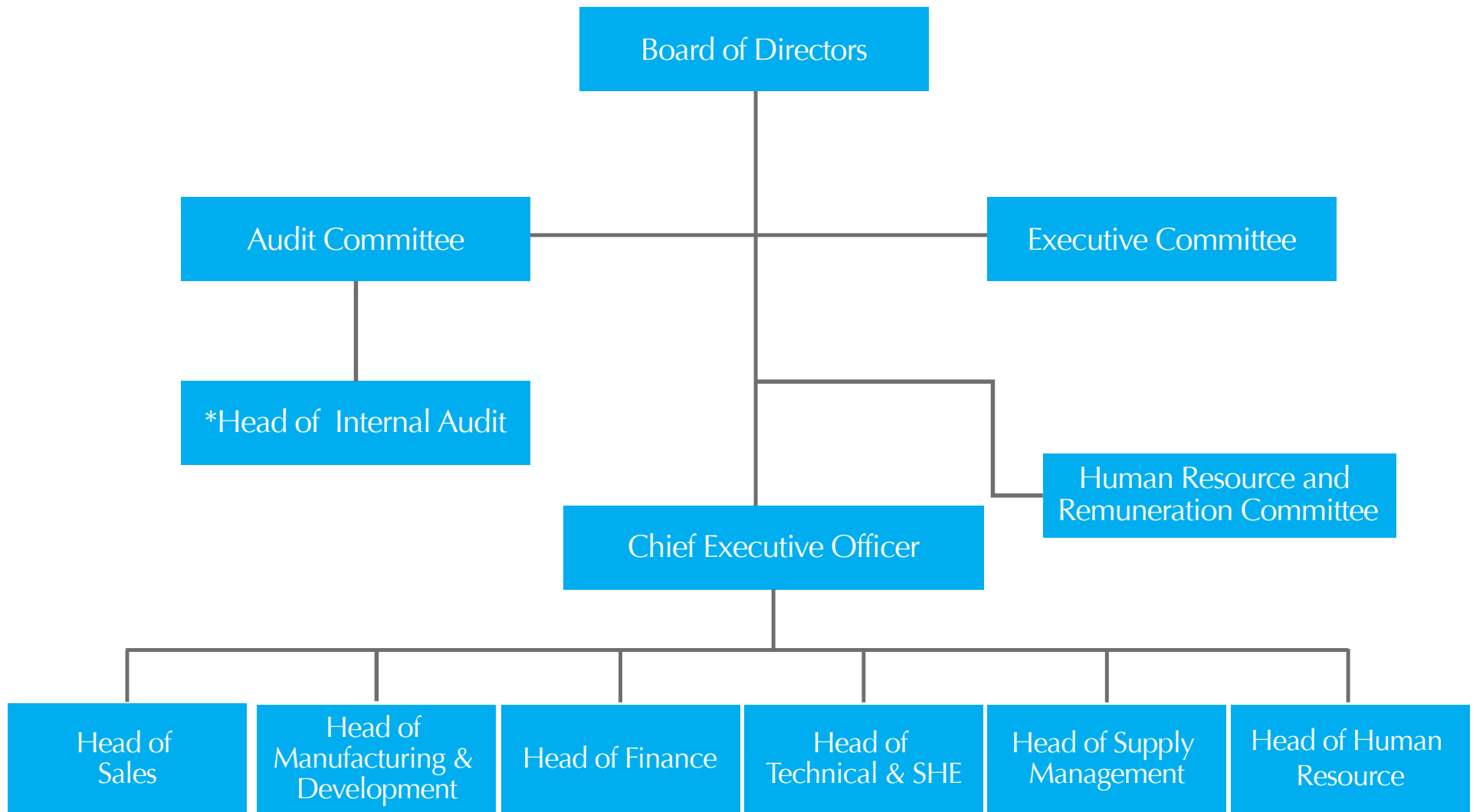
Mr. Nasir Jamal – Chief Executive Officer

Mr. Muhammad Imran Quddus – Head of Supply Management

Mr. Mohammad Monir Khan – Head of Technical and SHE



# Organizational Structure



\*Coordinator. Internal Audit is outsourced to M/s Ernst & Young Ford Rhodes, Chartered Accountants

# Statement of Compliance with the Code of Corporate Governance

For the Year Ended December 31, 2016

This statement is being presented to comply with the Code of Corporate Governance (the “Code”) contained in Listing Regulation No.5.19 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:

Category	Names
<b>Independent Director</b>	Mr. Asif Qadir
<b>Executive Director</b>	-
<b>Non-Executive Directors</b>	Syed Babar Ali
	Syed Hyder Ali
	Mr. Kimihide Ando
	Mr. Khurram Raza Bakhtayari
	Syed Aslam Mehdi
	Mr. Shinya Sugioka

The independent director meets the criteria of independence under clause 5.19.1(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 NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy that occurred on the Board on April 20, 2016 was filled up by the Directors on the same day.
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.
6. 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 and non-executive Directors, have been taken by the Board.
8. 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.
9. The Company arranged one orientation course for its Directors during the year to apprise them of their duties and responsibilities.
10. The Board had approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

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.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO 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 and as required by the Code. 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.
18. The Board has outsourced the internal audit function to EY Ford Rhodes, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. Appointment of Head of Internal Audit was approved in the meeting

**Karachi:**

**Date:** February 14, 2017

of Board of Directors dated February 17, 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 exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code have been complied with.



**Nasir Jamal**  
Chief Executive

## Review Report to the Members on the Statement of Compliance with the 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, 2016 to comply with the Code contained in regulation No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited, where the Company is listed.

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, 2016.



**A.F. Ferguson & Co.**  
Chartered Accountants

Audit Engagement Partner: Farrukh Rehman

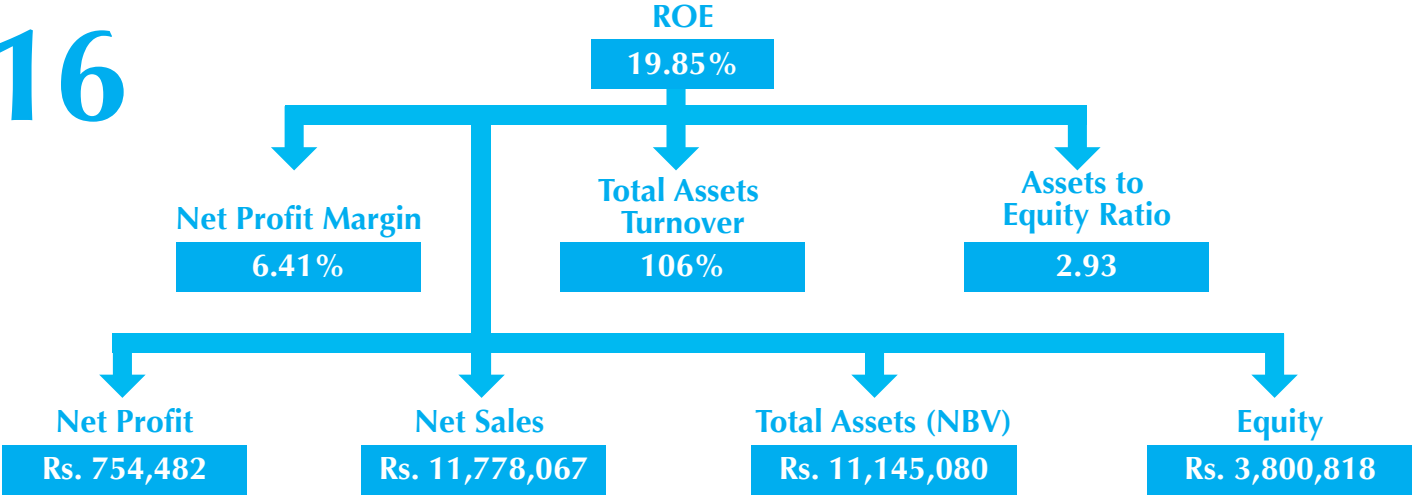
Karachi, February 21, 2017

## Key Financial Information

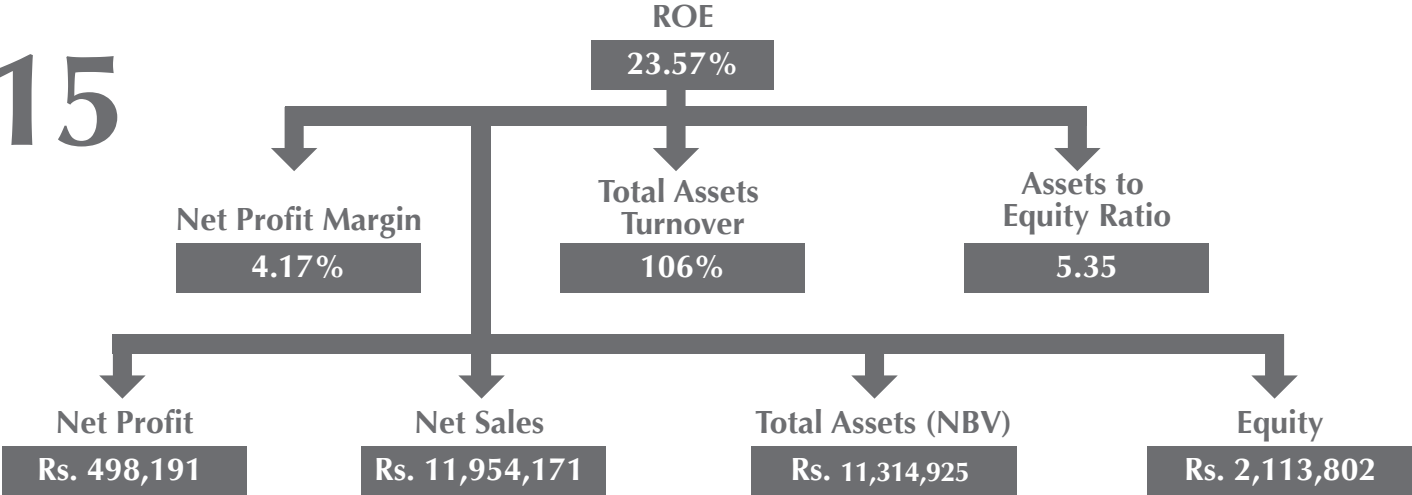
	2016	2015			2016	2015	
<b>Sales Revenue</b> (Rs in Million)	11,778	11,954	↓	<b>Shareholders equity</b> (Rs in Million)	3,801	2,114	↑
<b>Operating Profit</b> (Rs in Million)	1,384	1,228	↑	<b>EBITDA</b> (Rs in Million)	2,031	1,891	↑
<b>Profit before taxation</b> (Rs in Million)	914	472	↑	<b>Price Earning Ratio</b> (in Times)	14.57	16.60	↓
<b>Profit after taxation</b> (Rs in Million)	754	498	↑	<b>No of Employees</b>	367	409	↓
<b>Earning per share (EPS)</b> (Rupees)	20.15	14.86	↑	<b>Production</b> (in Metric Tons)	50,181	48,060	↑
<b>Fixed Assets</b> (Rs in Million)	6,350	6,738	↓	<b>Net Cash Generated from Operations</b> (Rs in Million)	2,150	2,957	↓

# DuPont Analysis

## 2016

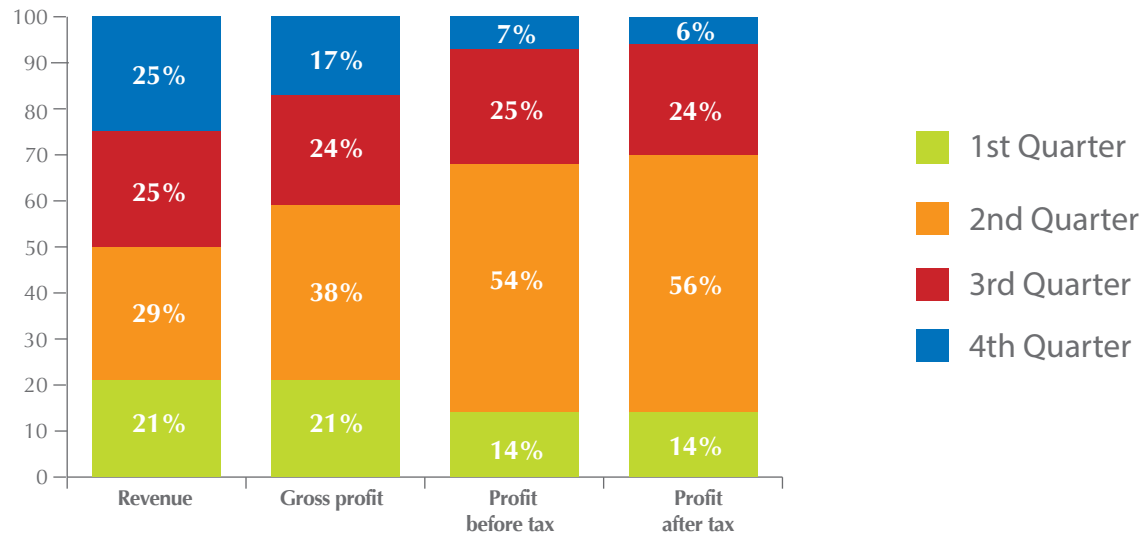


## 2015



# Quarterly Analysis

Particulars	2016				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	Rupees in '000				
Revenue	2,446,458	3,336,017	2,999,933	2,995,659	11,778,067
Cost of sales	(2,024,624)	(2,558,729)	(2,516,774)	(2,645,888)	(9,746,015)
<b>Gross profit</b>	<b>421,834</b>	<b>777,288</b>	<b>483,159</b>	<b>349,771</b>	<b>2,032,052</b>
Gross Profit Margin	17%	23%	16%	12%	17%
Distribution costs	(67,609)	(62,919)	(69,889)	(82,511)	(282,928)
Administrative expenses	(81,950)	(85,136)	(87,038)	(110,853)	(364,977)
<b>Operating profit</b>	<b>272,275</b>	<b>629,233</b>	<b>326,232</b>	<b>156,407</b>	<b>1,384,147</b>
Operating profit to Sales	11%	19%	11%	5%	12%
Other income	10,457	16,110	23,726	11,412	61,705
Finance costs	(140,568)	(116,621)	(112,763)	(85,031)	(454,983)
Other expenses	(9,809)	(36,518)	(16,401)	(14,483)	(77,211)
<b>Profit before income tax</b>	<b>132,355</b>	<b>492,204</b>	<b>220,794</b>	<b>68,305</b>	<b>913,658</b>
Less: Taxation	(30,387)	(65,519)	(39,527)	(23,743)	(159,176)
<b>Profit for the year</b>	<b>101,968</b>	<b>426,685</b>	<b>181,267</b>	<b>44,562</b>	<b>754,482</b>



## Comments / Analysis

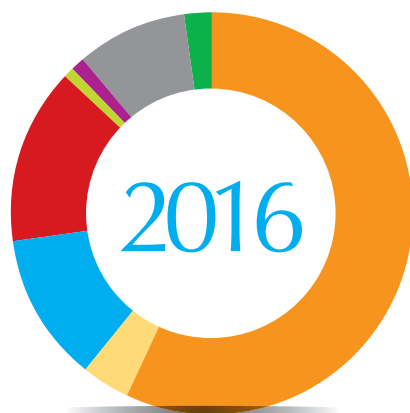
In Q1 the continued declining trend in prices from 2015 affected the overall revenue. However, market picked up in Q2 on the back of high demand season and increase in local sales volumes was witnessed resulting in 27% revenue growth. With supply and prices gaining stability, Q3 and Q4 revenue and profits were normalized.

Margins grew significantly in Q2 at 23% on account of improved selling prices, effective margin management and cost rationalization. 56% of the profit after tax were earned in Q2 only. Rest of the quarters remained at normal levels.

One off restructuring cost of Rs. 93 million was recognized in Q4. Finance cost declined significantly due to equity injection and lower rate of borrowing. Net profit was in line with the increasing sales and margin management in Q2, being the highest of all quarters.

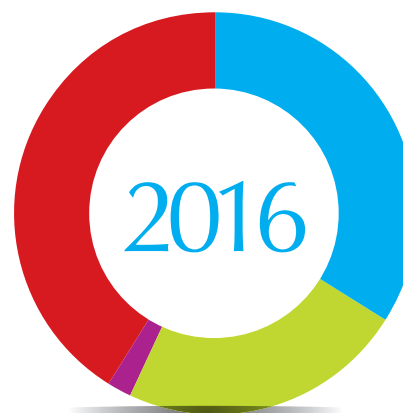


# Balance Sheet Composition



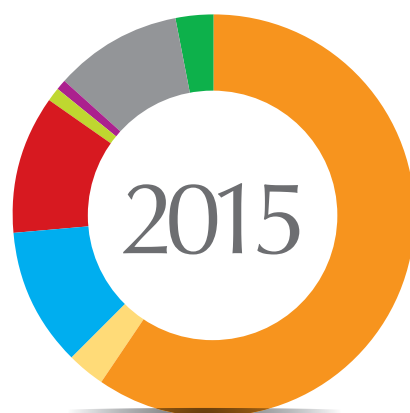
## Assets

Property, plant and equipment	57%
Stores and spares	4%
Stock in trade	12%
Trade debts - net	14%
Advances and prepayments	1%
Other receivables	1%
Income tax - net	9%
Cash and bank balances	2%

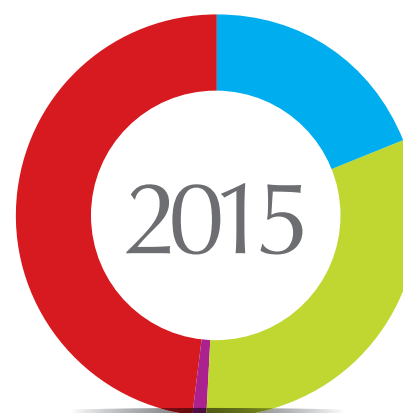


## Equities and Liabilities

Equity & Reserves	34%
Long-term Finances	23%
Deferred Liability	2%
Current Liabilities	41%



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	4%

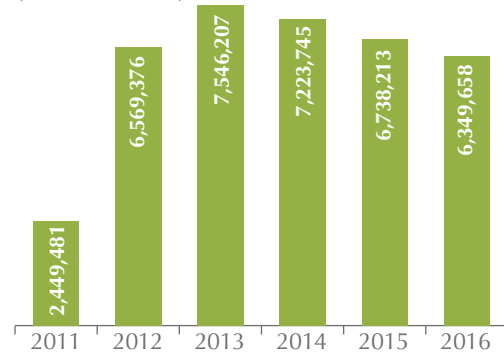


Equity & Reserves	19%
Long-term Finances	32%
Deferred Liability	1%
Current Liabilities	48%

# Analytical Review

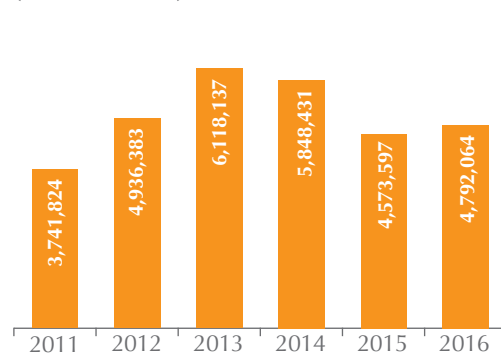
## Fixed Assets

(Rs in thousand)



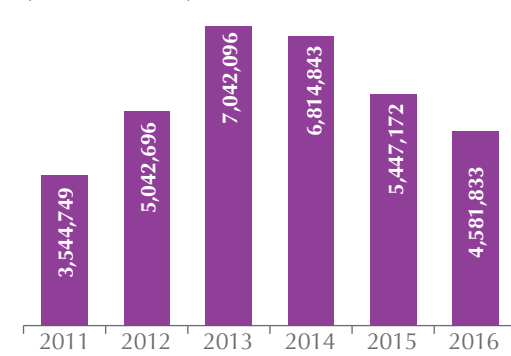
## Current Assets

(Rs in thousand)



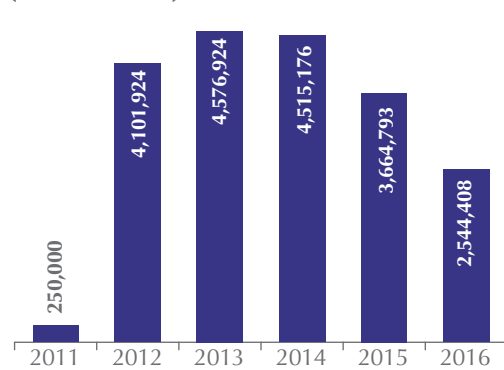
## Current Liabilities

(Rs in thousand)



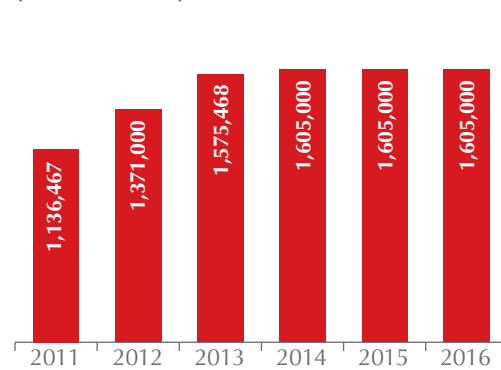
## Long Term Liabilities

(Rs in thousand)



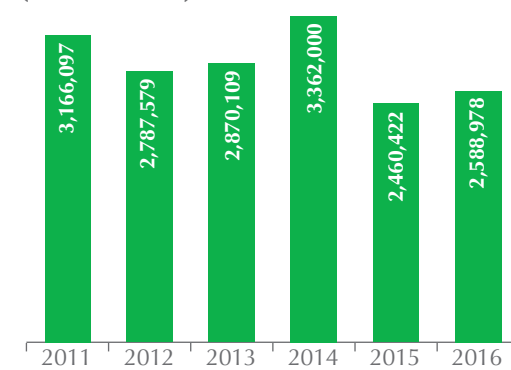
## Equity

(Rs in thousand)



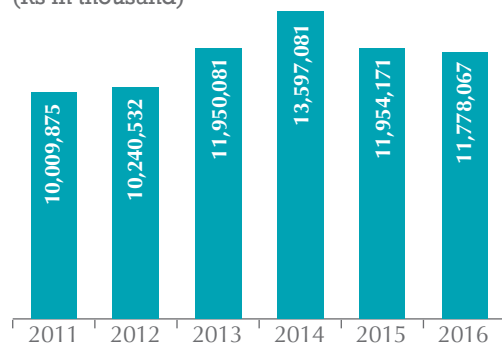
## Contribution to National Exchequer

(Rs in thousand)



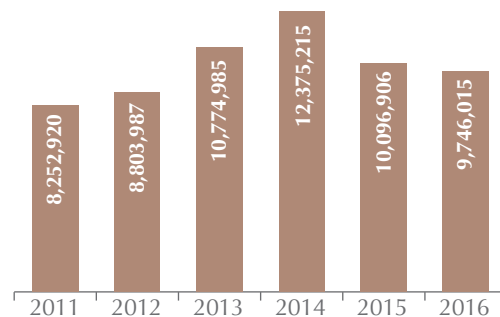
## Net Sales

(Rs in thousand)



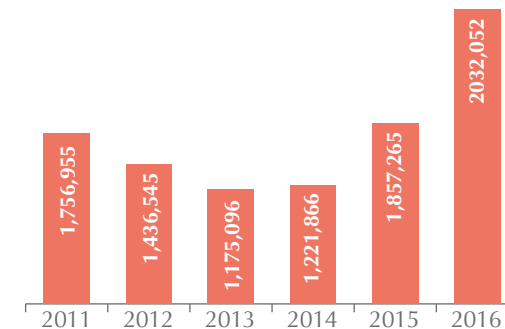
## Cost of Sales

(Rs in thousand)



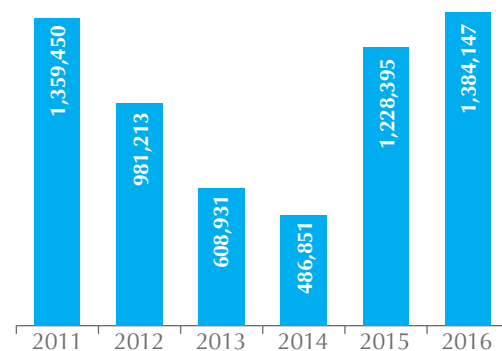
## Gross Profit

(Rs in thousand)



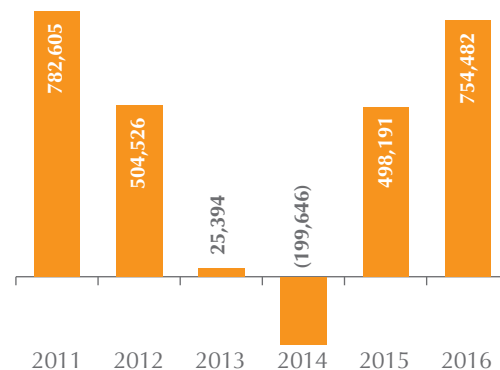
## Operating Profit

(Rs in thousand)



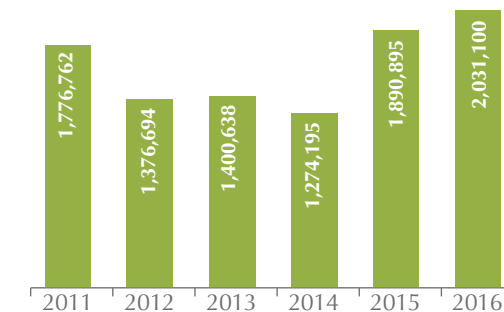
## Net Profit

(Rs in thousand)



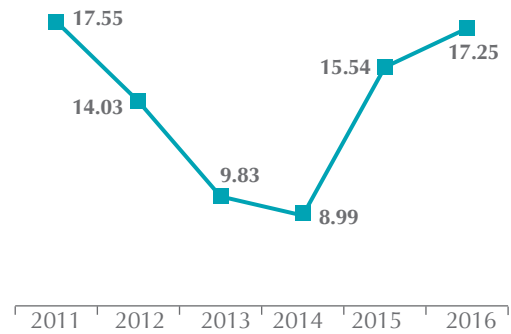
## EBITDA

(Rs in thousand)



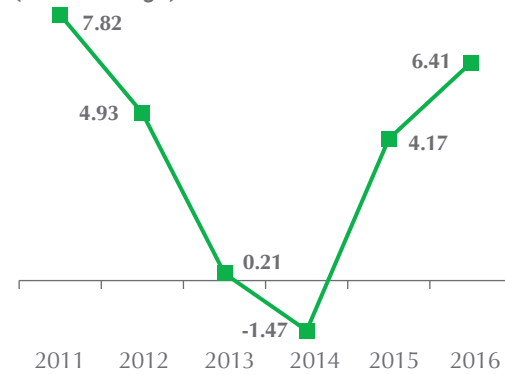
### Gross Profit Margin

(In Percentage)



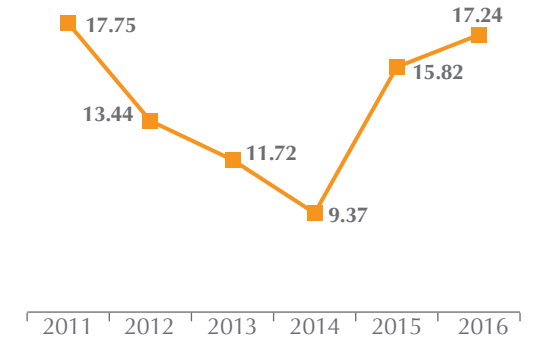
### Net Profit Margin

(In Percentage)



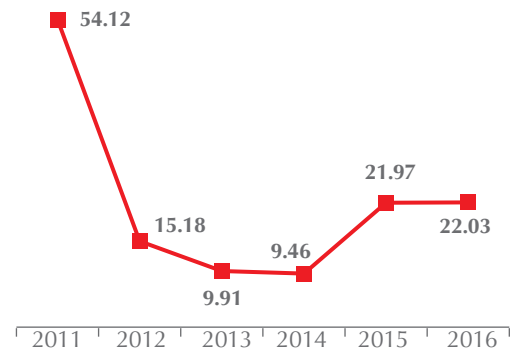
### EBITDA Margin to Sales

(In Percentage)



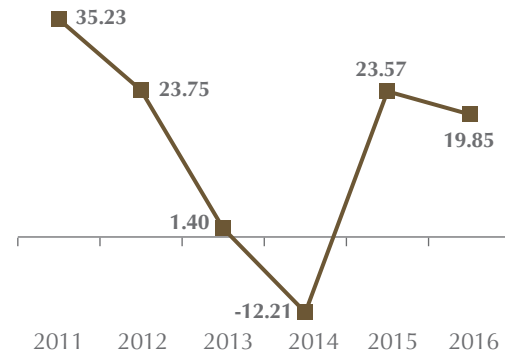
### Return on Capital Employed

(In Percentage)



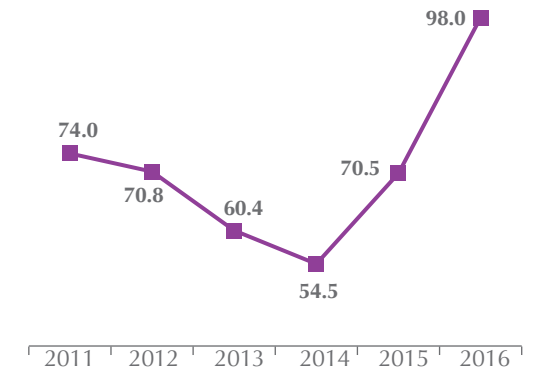
### Return on Equity

(In Percentage)



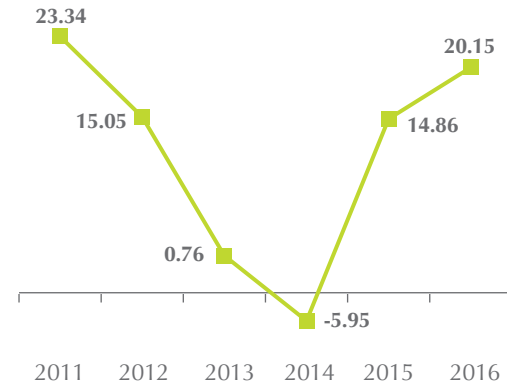
### Breakup Value per Share

(Rupees)



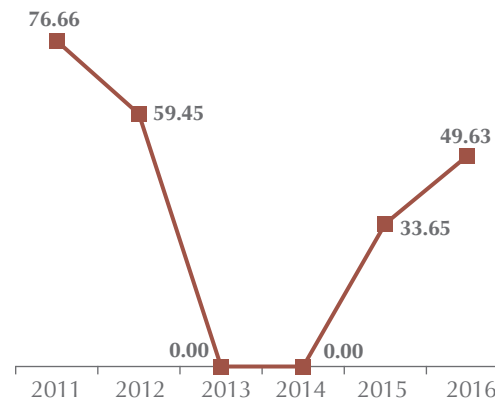
### Earning Per Share

(Rupees)



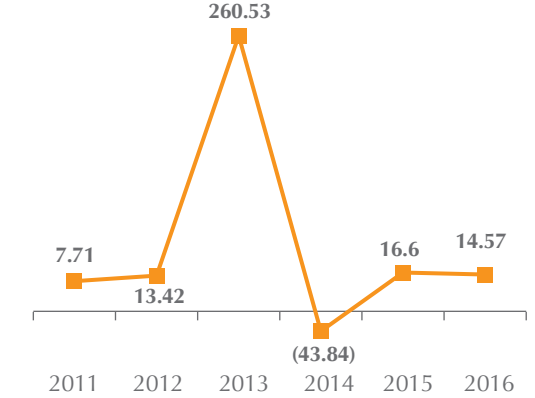
### Dividend Payout

(In Percentage)



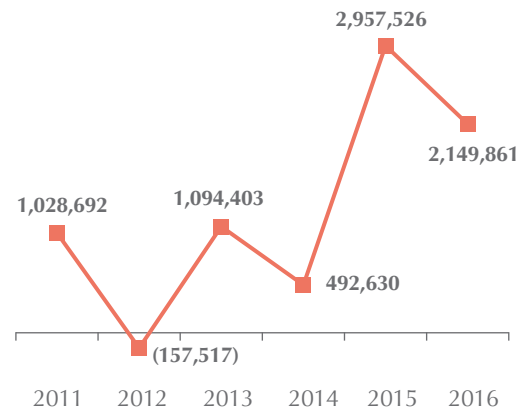
### Price Earning Ratio

(In Times)



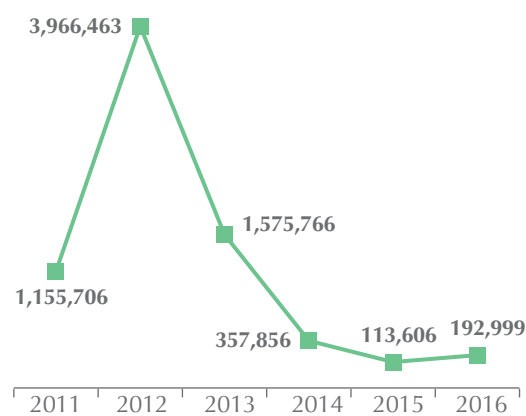
### Cash Flows from Operating Activities

(Rs in Thousands)



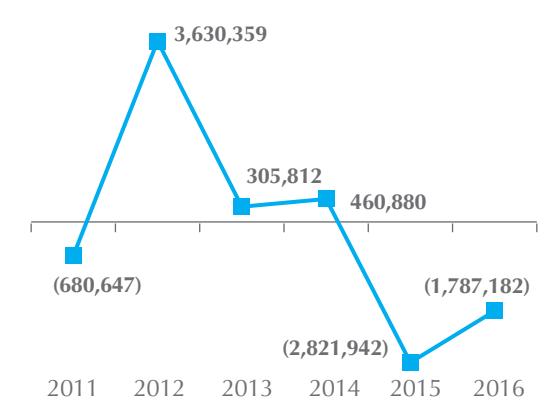
### Cashflows from Investing Activities

(Rs in Thousands)



### Cash Flows from Financing Activities

(Rs in Thousands)



# Horizontal Analysis

	2016		2015		2014		2013		2012		2011	
	Increase/(decrease) from last year		Increase/(decrease) from last year		Increase/(decrease) from last year		Increase/(decrease) from last year		Increase/(decrease) from last year		Increase/(decrease) from last year	
	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
<b>Balance Sheet</b>												
Equity and Reserves	3,800,818	79.8	2,113,802	29.3	1,634,453	(9.8)	1,813,217	(14.6)	2,123,684	(4.3)	2,221,197	24.0
Long term finances	2,544,408	(30.5)	3,664,793	(18.8)	4,515,176	(1.3)	4,576,924	11.5	4,101,924	1,540.7	250,000	(33.3)
Non Current Liability	218,021	144.5	89,158	(20.4)	112,102	(52.3)	235,106	(1.9)	239,758	35.0	177,554	(23.6)
Current Liabilities	4,581,833	(15.8)	5,447,172	(20.0)	6,814,843	(3.2)	7,042,096	39.6	5,042,696	42.2	3,544,749	77.1
	<u>11,145,080</u>	<u>(1.5)</u>	<u>11,314,925</u>	<u>(13.4)</u>	<u>13,076,574</u>	<u>(4.3)</u>	<u>13,667,343</u>	<u>18.8</u>	<u>11,508,062</u>	<u>85.8</u>	<u>6,193,500</u>	<u>40.7</u>
Property Plant and Equipment	6,346,761	(5.7)	6,731,234	(6.7)	7,215,407	(4.2)	7,535,042	14.8	6,561,106	169.9	2,430,754	31.1
Intangibles	2,897	(58.4)	6,979	(16.3)	8,338	(25.3)	11,165	35.0	8,270	(55.8)	18,727	5.0
Long term deposits	3,358	7.8	3,115	(29.1)	4,398	46.6	2,999	30.2	2,303	4.9	2,195	24.5
Current Assets												
Stores and spares	408,767	17.1	348,894	(9.3)	384,683	11.9	343,874	13.6	302,490	(5.8)	321,433	35.5
Stock-in-trade	1,380,062	6.6	1,293,873	(22.8)	1,677,648	(27.3)	2,307,567	5.8	2,179,583	41.3	1,542,125	46.5
Trade debts	1,508,480	22.8	1,227,890	(19.4)	1,523,529	(14.4)	1,778,982	47.6	1,204,616	21.4	991,922	29.2
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	(100.0)	262,884	100.0
Advances and prepayments	98,761	64.5	60,024	(39.0)	98,440	(64.3)	275,592	62.0	170,108	215.2	53,953	533.1
Other receivables	119,261	4.1	114,540	(48.1)	220,785	79.3	123,150	(61.1)	316,889	736.7	37,871	22.9
Taxation	1,099,992	(4.3)	1,150,343	(7.6)	1,245,700	100.0	622,937	333.1	143,825	160.5	55,202	(30.9)
Cash and bank balances	176,741	(53.2)	378,033	(45.8)	697,646	4.7	666,035	7.6	618,872	29.9	476,434	36.0
	<u>11,145,080</u>	<u>(1.5)</u>	<u>11,314,925</u>	<u>(13.4)</u>	<u>13,076,574</u>	<u>(4.3)</u>	<u>13,667,343</u>	<u>18.8</u>	<u>11,508,062</u>	<u>85.8</u>	<u>6,193,500</u>	<u>40.7</u>

## Comments / Analysis

Total assets grew at CAGR of 12% over the period of six years . This increase was a result of enormous expansion made in production line of BOPP and CPP films which were financed through long term loan. The short term borrowing reduced by 77% during 2016 mainly on account of rights issue of Rs. 1.1 billion. Stocks and trade debts jointly increased by 3% CAGR.

	2016		2015		2014		2013		2012		2011	
	Increase/(decrease) from last year		Increase/(decrease) from last year		Increase/(decrease) from last year		Increase/(decrease) from last year		Increase/(decrease) from last year		Increase/(decrease) from last year	
	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
<b>Profit &amp; Loss</b>												
Net Sales	11,778,067	(1.4)	11,954,171	(12.0)	13,597,081	13.8	11,950,081	16.6	10,240,532	2.3	10,009,875	31.3
Cost of sales	9,746,015	(3.4)	10,096,906	(18.4)	12,375,215	14.9	10,774,985	22.3	8,803,987	6.6	8,252,920	28.9
Gross profit	2,032,052	9.4	1,857,265	52.0	1,221,866	4.0	1,175,096	(18.2)	1,436,545	(18.2)	1,756,955	44.0
Administration and selling expenses	647,905	3.0	628,870	(14.4)	735,015	29.8	566,165	24.3	455,332	14.5	397,505	50.7
Operating profit	1,384,147	12.6	1,228,395	152.3	486,851	(20.0)	608,931	(37.9)	981,213	(27.8)	1,359,450	2.1
Other income	61,705	1.7	60,675	(42.4)	105,446	119.9	47,956	46.1	32,816	(37.2)	52,298	91.6
Financial charges	454,983	(41.8)	781,916	(15.2)	923,038	50.3	614,150	258.3	171,374	39.9	122,429	(40.3)
Other charges	77,211	120.7	34,976	100.0	-	(100.0)	6,836	(88.0)	57,341	(36.4)	90,289	64.1
Profit before taxation	913,658	93.5	472,178	242.7	(330,741)	(1,021.3)	35,901	(95.4)	785,314	(34.5)	1,199,030	65.8
Provision for taxation	159,176	711.9	(26,013)	(80.1)	(131,095)	(1,347.7)	10,507	(96.2)	280,788	(32.5)	416,425	82.5
Profit after taxation	754,482	51.4	498,191	349.5	(199,646)	(886.2)	25,394	(94.9)	504,526	(35.5)	782,605	58.1

## Comments / Analysis

Sales volume grow at CAGR of 6% over the 6 years period. Due to unstable prices, sales revenue however grew by 3% for the same period. Profitability on the other hand grew by twice vs last year.

# Vertical Analysis

	2016		2015		2014		2013		2012		2011	
	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
<b>Balance Sheet</b>												
Equity and Reserves	3,800,818	34.1	2,113,802	18.6	1,634,453	12.5	1,813,217	13.3	2,123,684	18.5	2,221,197	35.9
Long term finances	2,544,408	22.8	3,664,793	32.3	4,515,176	34.5	4,576,924	33.5	4,101,924	35.6	250,000	4.0
Non Current Liability	218,021	1.9	89,158	0.7	112,102	0.9	235,106	1.7	239,758	2.1	177,554	2.9
Current Liabilities	4,581,833	41.1	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
	<u>11,145,080</u>	<u>100.0</u>	<u>11,314,925</u>	<u>100.0</u>	<u>13,076,574</u>	<u>100.0</u>	<u>13,667,343</u>	<u>100.0</u>	<u>11,508,062</u>	<u>100.0</u>	<u>6,193,500</u>	<u>100.0</u>
Property Plant and Equipment	6,346,761	56.9	6,731,234	59.5	7,215,407	55.2	7,535,042	55.1	6,561,106	57.0	2,430,754	39.2
Intangibles	2,897	0.0	6,979	0.1	8,338	0.1	11,165	0.1	8,270	0.1	18,727	0.3
Long term deposits	3,358	0.0	3,115	0.0	4,398	0.0	2,999	0.0	2,303	0.0	2,195	0.0
Current Assets												
Stores and spares	408,767	3.7	348,894	3.1	384,683	2.9	343,874	2.5	302,490	2.6	321,433	5.2
Stock-in-trade	1,380,062	12.4	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
Trade debts	1,508,480	13.5	1,227,890	10.9	1,523,529	11.7	1,778,982	13.0	1,204,616	10.5	991,922	16.0
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	262,884	4.2
Advances and prepayments	98,761	0.9	60,024	0.5	98,440	0.8	275,592	2.0	170,108	1.5	53,953	0.9
Other receivables	119,261	1.1	114,540	1.0	220,785	1.7	123,150	0.9	316,889	2.8	37,871	0.6
Taxation	1,099,992	9.9	1,150,343	10.2	1,245,700	9.5	622,937	4.6	143,825	1.2	55,202	0.9
Cash and bank balances	176,741	1.6	378,033	3.3	697,646	5.3	666,035	4.9	618,872	5.4	476,434	7.7
	<u>11,145,080</u>	<u>100.0</u>	<u>11,314,925</u>	<u>100.0</u>	<u>13,076,574</u>	<u>100.0</u>	<u>13,667,343</u>	<u>100.0</u>	<u>11,508,062</u>	<u>100.0</u>	<u>6,193,500</u>	<u>100.0</u>

## Comments / Analysis

**Debt and Equity:** During the year, equity injection through right shares improved the equity position of the Company. Capital structure improved significantly vs last year.

**Assets:** Property plant and equipment remained more than 50% of the total assets during the year. Stocks and trade debts however increased to materialize the potential for growth.



	2016		2015		2014		2013		2012		2011	
	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
<b>Profit &amp; Loss</b>												
Net Sales	11,778,067	100.0	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
Cost of sales	9,746,015	82.7	10,096,906	84.5	12,375,215	91.0	10,774,985	90.2	8,803,987	86.0	8,252,920	82.4
Gross profit	2,032,052	17.3	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
Administration and selling expenses	647,905	5.5	628,870	5.3	735,015	5.4	566,165	4.7	455,332	4.4	397,505	4.0
Operating profit	1,384,147	11.8	1,228,395	10.3	486,851	3.6	608,931	5.1	981,213	9.6	1,359,450	13.6
Other income	61,705	0.5	60,675	0.5	105,446	0.8	47,956	0.4	32,816	0.3	52,298	0.5
Financial charges	454,983	3.9	781,916	6.5	923,038	6.8	614,150	5.1	171,374	1.7	122,429	1.2
Other charges	77,211	0.7	34,976	0.3	-	-	6,836	0.1	57,341	0.6	90,289	0.9
Profit before taxation	913,658	7.8	472,178	3.9	(330,741)	(2.4)	35,901	0.3	785,314	7.7	1,199,030	12.0
Provision for taxation	159,176	1.4	(26,013)	(0.2)	(131,095)	(1.0)	10,507	0.1	280,788	2.7	416,425	4.2
Profit after taxation	754,482	6.4	498,191	4.2	(199,646)	(1.5)	25,394	0.2	504,526	4.9	782,605	7.8

## Comments / Analysis

**Margin:** Gross profit stood at 17% as compared to average of 13% for the last five years. This was due to effective margin management and operational excellence. Net profit margin stood at 6.4% as compared to average of 3% for last five years.

**Finance Cost:** Finance cost had increased in 2013 and 2014 due to related long term financing but it has considerably declined during 2016 because of lower interest rates, better profitability and rights issue.

**Profitability:** The Company has managed to achieve the highest profit before tax after 2011 on the back of higher sales volume and effective margin, management.

# Financial Statistical Summary

	Year to December 31 2016	Year to December 31 2015	Year to December 31 2014	Year to December 31 2013
<b>Balance sheet summary (Rupees in thousand)</b>				
Paid-up-capital	388,000	300,000	300,000	300,000
General and Hedge reserve	1,605,000	1,605,000	1,605,000	1,575,468
Unappropriated profit/(loss)	808,711	208,802	(270,547)	(62,251)
Share premium	999,107	-	-	-
Share holders' funds	3,800,818	2,113,802	1,634,453	1,813,217
Long term finances	2,544,408	3,664,793	4,515,176	4,576,924
Fixed capital expenditure	6,349,658	6,738,213	7,223,745	7,546,207
Long term deposits	3,358	3,115	4,398	2,999
Non Current Liability	(218,021)	(89,158)	(112,102)	(235,106)
Net current assets/(liabilities)	210,231	(873,575)	(966,412)	(923,959)
<b>Profit &amp; loss summary (Rupees in thousand)</b>				
Sales (net of sales tax)	11,778,067	11,954,171	13,597,081	11,950,081
Cost of sales	9,746,015	10,096,906	12,375,215	10,774,985
Gross profit	2,032,052	1,857,265	1,221,866	1,175,096
Administration and selling expenses	647,905	628,870	735,015	566,165
Operating profit	1,384,147	1,228,395	486,851	608,931
Other income	61,705	60,675	105,446	47,956
Financial charges	454,983	781,916	923,038	614,150
Other charges	77,211	34,976	-	6,836
Profit/(loss) before taxation	913,658	472,178	(330,741)	35,901
Provision for taxation	159,176	(26,013)	(131,095)	10,507
Profit/(loss) after taxation	754,482	498,191	(199,646)	25,394
Dividend	388,000	150,000	-	-
Transfer to reserve	-	-	-	-
<b>Key financial ratios</b>				
Gross profit / sales	17.3%	15.6%	8.9%	9.8%
Profit before tax / sales	7.8%	3.9%	-2.4%	0.3%
Return on capital employed	22.0%	21.9%	9.5%	9.9%
Interest coverage (times)	3.2	1.6	0.6	1.1
Debt : equity ratio	49 : 51	69 : 31	77 : 23	74 : 26
Current ratio	1.0	0.8	0.9	0.9
Quick / Acid test ratio	0.7	0.5	0.6	0.5
<b>Activity ratios</b>				
Inventory turnover (times)	5.5	6.2	6.0	4.1
Accounts receivable turnover (times)	7.8	9.8	8.9	6.7
Accounts payable turnover (times)	3.4	4.5	6.3	3.6
Fixed assets turnover (times)	1.9	1.8	1.9	1.6
<b>Shares &amp; earning</b>				
Break-up value (Rs per share)	98.0	70.5	54.5	60.4
Price earning ratio (times)	14.6	16.6	(43.8)	260.5
Earnings per share (Rs)	20.2	14.9	(5.9)	0.8
Dividend	100%	50%	0%	0%
Market value per share (Rs)	294	247	261	198
Taxes, duties and levies (Rupees in thousand)	2,588,978	2,460,422	3,362,000	2,870,109

Year to December 31 2012	Year to December 31 2011	Year to December 31 2010	Year to December 31 2009	Year to December 31 2008	Year to December 31 2007
300,000	300,000	300,000	300,000	300,000	300,000
1,371,000	1,136,467	995,000	831,000	772,000	632,000
452,684	784,730	496,125	465,280	240,205	320,219
-	-	-	-	-	-
2,123,684	2,221,197	1,791,125	1,596,280	1,312,205	1,252,219
4,101,924	250,000	375,000	608,000	824,000	540,000
6,569,376	2,449,481	1,871,819	2,095,567	2,111,285	1,608,744
2,303	2,195	1,763	1,178	1,218	1,104
(239,758)	(177,554)	(232,524)	(277,352)	(304,735)	(192,731)
(106,313)	197,075	525,067	384,887	328,437	375,491
10,240,532	10,009,875	7,620,571	5,685,687	5,865,487	4,555,172
8,803,987	8,252,920	6,400,820	4,695,035	4,855,356	3,627,470
1,436,545	1,756,955	1,219,751	990,652	1,010,131	927,702
455,332	397,505	263,681	211,723	163,890	135,913
981,213	1,359,450	956,070	778,929	846,241	791,789
32,816	52,298	27,282	43,046	29,570	25,729
171,374	122,429	205,346	221,723	108,844	93,167
57,341	90,289	55,012	41,418	43,310	49,981
785,314	1,199,030	722,994	558,834	723,657	674,370
280,788	416,425	228,149	94,759	243,671	234,215
504,526	782,605	494,845	464,075	479,986	440,155
300,000	600,000	300,000	300,000	420,000	300,000
182,000	194,000	164,000	59,000	140,000	18,000
14.0%	17.6%	16.0%	17.4%	17.2%	20.4%
7.7%	11.9%	9.5%	9.8%	12.3%	14.8%
15.7%	53.3%	41.0%	33.1%	35.9%	41.2%
5.9	11.5	4.8	3.7	8.0	8.8
67 : 33	14 : 86	25 : 75	34 : 66	44 : 56	37 : 63
1.0	1.1	1.3	1.2	1.2	1.3
0.5	0.5	0.6	0.6	0.6	0.7
3.5	4.4	4.9	3.9	4.3	4.6
8.5	10.1	9.9	6.4	8.6	8.5
4.0	3.9	4.4	4.0	5.2	3.6
1.6	4.1	4.1	2.7	2.8	2.7
70.8	74.0	59.7	53.2	43.7	41.7
13.4	7.7	7.6	6.6	7.8	14.7
15.0	23.3	14.8	15.5	16.0	14.7
100%	200%	100%	100%	140%	100%
202	180	112	102	125	215
2,787,579	3,166,097	2,311,352	1,715,277	1,727,355	1,161,337

# Sources and Application of Funds

	2016	2015	2014	2013	2012	2011
	(Rupees in thousand)					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash generated from operations	2,209,093	2,921,863	1,184,733	1,627,523	208,715	1,495,885
Payment on account of accumulated compensated absences	(7,427)	(2,555)	(17,588)	(9,192)	(9,244)	(8,801)
Long-term deposits	(243)	1,283	(1,399)	(696)	(108)	(432)
Staff retirement benefits paid	(69,158)	(58,422)	(50,353)	(42,684)	(41,519)	(32,113)
Income taxes paid	17,596	95,357	(622,763)	(480,548)	(315,361)	(425,847)
Net cash inflow from operating activities	2,149,861	2,957,526	492,630	1,094,403	(157,517)	1,028,692
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Fixed capital expenditure	(207,770)	(119,589)	(363,445)	(1,570,759)	(4,083,926)	(903,945)
Acquisition of intangible	(495)	(3,662)	(3,017)	(10,182)	-	(9,237)
Profit on bank balances received	264	1,095	456	345	222	407
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	15,002	8,550	8,150	4,830	7,383	7,069
Net cash outflow from investing activities	(192,999)	(113,606)	(357,856)	(1,575,766)	(3,966,463)	(1,155,706)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from rights issue - net of issuance cost	1,087,107	-	-	-	-	-
Long-term finances paid	(950,385)	(761,747)	(1,225,000)	(125,000)	(125,000)	(233,000)
Long-term finances acquired	-	-	1,500,000	1,000,000	3,976,924	-
Short term financing - net	(1,300,000)	(1,290,735)	1,115,735	475,000	700,000	-
Finance cost & bank charges paid	(475,780)	(769,460)	(929,855)	(744,506)	(323,914)	(148,676)
Dividends paid	(148,124)	-	-	(299,682)	(597,651)	(298,971)
Net cash outflow from financing activities	(1,787,182)	(2,821,942)	460,880	305,812	3,630,359	(680,647)
Net cash inflow/ (outflow)	169,680	21,978	595,654	(175,551)	(493,621)	(807,661)

## Comments / Analysis

### Cash flow from operations

Improved operating cash generation on the back of better profitability. However, investment in working capital resulted in lower cash generation compared to last year.

### Cash flow from investing activities

Substantial cash investments were made for the expansion in BOPP and CPP lines in 2011, 2012 and 2013. Thereafter, there have been routine outflows in the normal course of business.

### Cash flow from financing activities

Cash flow from financing activities has varied significantly. During the years 2012 to 2014, the Company acquired financing for expansion projects. In 2015 repayment of long term and short term debts were initiated after grace period of two years, which is continuing.

In 2016, Company repaid Rs 2.2 billion of debt.

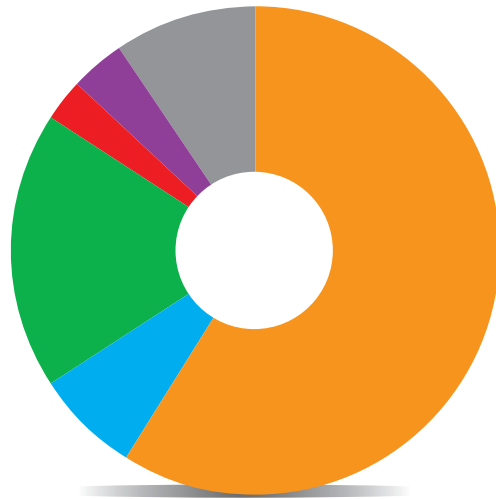
	2016	2015
	Rupees in million	
Cash and Cash Equivalent - Opening	(105)	(127)
Loan Paid - net	(950)	(762)
Short term financing - net	(1,300)	(1,291)
Finance Cost	(476)	(769)
Dividends	(148)	-
Proceeds from rights issue	1,087	-
Capital Expenditure	(208)	(120)
Others	15	6
Cash inflow from Operations	2,150	2,958
Cash and Cash Equivalent - Closing	65	(105)

# Value Added and its Distribution

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

	2016		2015	
	(Rs in '000)	%	(Rs in '000)	%
<b>Wealth generated</b>				
Sales	14,122,984		13,929,340	
Other Income	61,705		60,675	
Bought-in-material & services	(8,418,493)		(8,949,844)	
	<u>5,766,196</u>	100.0	<u>5,190,171</u>	100.0
<b>Wealth distributed</b>				
<b>To employees</b>				
Remuneration, benefits and facilities	1,009,102	17.5	817,300	15.8
<b>To government</b>				
Income Tax, Sales Tax, Custom & Excise Duties, WPPF, WWF, EOBI, Social Security, Professional & Local Taxes	2,588,978	44.9	2,460,422	47.4
<b>To providers of capital</b>				
Cash dividend	388,000	6.7	150,000	2.9
<b>To lenders</b>				
Mark up & finance cost	444,959	7.7	681,075	13.1
<b>To society</b>				
Donations	-	0.0	200	0.0
<b>Retained for reinvestment &amp; future growth</b>				
Unappropriated Profit, Depreciation & Amortization	1,335,157	23.2	1,081,174	20.8
	<u>5,766,196</u>	100.0	<u>5,190,171</u>	100.0

# Wealth Generated & Distributed

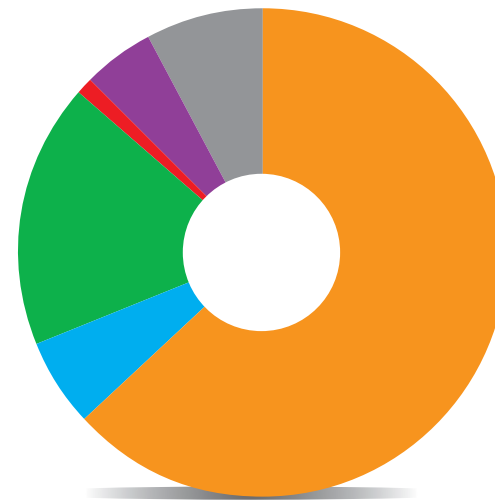


## 2016

	Amount	%
Bought-in-material & services	8,418,493	59.35
To Employees	1,009,102	7.11
To Government	2,588,978	18.25
To Shareholder	388,000	2.74
To Lenders	444,959	3.14
To Society	-	0.00
Retained for Reinvestment & Future Growth	1,335,157	9.41
<b>Total</b>	<b>14,184,689</b>	<b>100.00</b>

## 2015

	Amount	%
Bought-in-material & services	8,949,844	62.90
To Employees	817,300	5.84
To Government	2,460,422	17.59
To Shareholder	150,000	1.00
To Lenders	681,075	4.87
To Society	200	0.00
Retained for Reinvestment & Future Growth	1,081,174	7.73
<b>Total</b>	<b>13,990,015</b>	<b>100.00</b>



# Chief Executive's Review

Dear Shareholders & Colleagues, I am pleased to present the Annual Report on your Company's performance for the year 2016.

Firstly, I'd like to put on record my sincere appreciation for the hard work and efforts put in across the Company by all of us in closing the year 2016 on a very positive note. The year that went by was an exciting one riddled with success stories from each of our departments; right from our R&D Department that developed products that were "patterned for success" to our Sales Department that delivered an unprecedented local volume growth thus "finding their true form" and our Leadership who lead transformations that helped everyone "polish their skills". **This is the Tri-Pack way - this is how WE define, develop & enhance!**

2016 was a challenging year affected by raw material supply shortages, poor international demand and energy shortfalls. Despite this, we managed to increase local sale volumes by 10% in an oversupplied market whilst maintaining good margins. As a result, better gross margin and our effective cost control led to the achievement of the highest ever EBIT in the history of the Company –yet another evidence of our commitment to delivering results for our stakeholders.

It was our inward looking and self-critical approach that was the key to success, as it helped us descale our processes to eradicate inefficiencies. This approach is now deeply embedded in our organizational structure and will sustain us as we deal with future challenges.

To further this agenda, an organizational restructuring was conducted during the year, which is expected to yield desired results in times to come. This involved curtailment of our Hattar operations and release of the affected employees against lucrative payouts under Voluntary Separation Scheme.

Thus, we have positioned ourselves to look to 2017, fortifying the core of our business with confidence and optimism.

We remain focused on the development of our capital, both human and tangible. We want our employees to feel valued and engaged. Therefore we leave no stone unturned when it comes to our commitment to nurture our employees; be it through enhanced focus on local and foreign training programs, team building

events, diversity and inclusion programs, or coaching & counselling sessions, we are willing to go the distance. You'll see that accentuated heavily in our decisions is also the Employee Engagement Survey, which has become a regular feature of our annual assessment program and continues to provide stimulus for improving productivity and teamwork.

While we performed well in the market and in the workplace, in coming times we must endeavor to consistently deliver a great service experience to all our stakeholders at a greater efficiency while making Ethics & SHE the way of life in the Company.

In order to do good, we must do well. Our enhanced focus on the 4Cs – Customer, Cost, Cash and Controls will not only allow us to contribute to the bottom line but will also help us in framing processes, that shall afford us sustainable benefits in terms of quality, compliance and customer focus.

Looking ahead, we have a clear strategy and we are lifting our aspiration for the year 2017 to focus on things that matter. We are committed to continuing our journey towards excellence and to creating sustainable and unique value for all. So here's to 2017: to teamwork, to relentless effort and to solid execution, so we can exceed our goals and ensure we all have our best year yet.


In closing, I would like to thank our stakeholders for their business. It is a privilege for us to serve you all. I also want to thank our shareholders and the Board of Directors for your confidence and continued trust & support.

And lastly, I want to recognize all the people, who work hard day-in and day-out to delight our customers. Tri-Pack is fiercely proud of you all! And we will continue to invest in you and your future.



**Nasir Jamal**  
Chief Executive Officer





*"...we leave no stone unturned when it comes to our commitment to nurture our employees... This is the Tri-Pack way - this is how WE define, develop & enhance!"*

# Directors' Report to the Members

The Directors of the Company are pleased to submit the report and the audited financial statements for the year ended December 31, 2016.

Overall economic and political conditions remained favorable during the year with positive macroeconomic indicators. Energy shortage remains an area of concern affecting business and competitiveness.

Compliance with Safety, Health and Environment (SHE) remained top priority during the year.

## Market and business overview

After bottoming out in January the commodity market gained momentum from late Q1, which continued for the rest of the year at a steady rate.

With generation of demand on the back of positive customer confidence local sales volume for the year was higher by a healthy 10%. However, overall volumes at 49,517 tons were higher by 5% compared to last year on account of significantly lower exports due to low regional prices driven by depressed demand.

Your Company is cognizant of the upcoming challenges in the market and is taking steps to mitigate the effects through enhanced focus on research and development, which would stimulate new product development and market expansion.

Anti-dumping Duty (ADD) Sunset Review was concluded during the year with continuation of ADD for a period of five years.

Illegal imports at uneconomical prices continued to hamper the volumes and we would request attention of revenue authorities to take notice of it and appeal that steps be taken to curb this menace, which is eating up the local manufacturers' volumes who have recently invested heavily on machines and generating employment opportunities and revenue for the government.

## Financial highlights

Net Sales Income for the year was lower by 1% compared to last year mainly on account of lower selling prices due to decline in raw material prices.

The Company has decided to partially suspend its plant operations in Hattar. As a result a Voluntary Separation Scheme (VSS) was announced for the affected

employees. A provision of approximately Rs 93 million has been recognized in the books to meet the VSS related expenditures.

With better volumes and margins on account of improved efficiencies, productivity and cost control, the Gross Profit for the year was higher by 9% compared to last year.

Selling, Distribution and Administrative expenses together for the year were higher by 3% compared to last year on account of one-off legal and other charges.

Finance cost for the year was lower by 42% primarily due to reduction in short term borrowing on the back of better cash generation, equity injection of Rs 1.1 billion and lower interest rate.

Consequently, Profit before Tax at Rs 914 million for the year was higher by 93% compared to last year.

Profit after Tax was Rs 754m higher by 51% compared to last year. EPS was 20.1 compared to Rs 14.8 in 2015.

Cash flows from operating activities for the year at Rs 2.1 billion were lower than last year on account of higher investment in working capital to support the increasing business.

Key Financial Highlights are as follows:

	2016	2015
Sales Volume - (M. Tons) – Local	48,360	44,001
Sales Volume - (M. Tons) - Export	1,158	3,341
Net Sales Value - (Rs in Million)	11,778	11,954
Gross Profit - (Rs in Million)	2,032	1,857
Net Profit - (Rs in Million)	754	498
EPS - (Rs per share)	20.1	14.8

## Dividend

The directors have recommended a cash dividend of 100% i.e. Rs 10 per share (2015: Rs 5 per share).

### Future outlook

eedstock prices are expected to go up. The commencement of two new BOPP lines and two CPP lines in an already supply overhang situation could put volumes and margins under pressure.

The Company plans to counter these challenges by focusing on specialized and research based products, expanding its footprint in export market, cost rationalization and improving operational efficiencies even further.

Our enhanced focus on the 4Cs – Customer, Cost, Cash and Controls will not only allow us to contribute to the bottom line but will also help us in framing processes, paving way for sustainable benefits in terms of quality, compliance and customer focus.

### Cash flow strategy

During the period under review, Rs 2.1 billion (2015: Rs 3 billion) were generated from operating activities and were utilized mainly towards long term debt servicing including finance cost.

During the year the Company raised equity through its very first Rights Issue. Cash flow from the equity injection of Rs 1.1 billion was utilized in repayment of bank borrowings and suppliers credit to reduce the currency exchange risk.

Aggressive working capital management is to continue to improve the cash inflows.

During the year the Company reduced its debt by Rs 2.2 billion apart from paying Rs 460 million towards markup on financing.

### Management information systems

Utilization of ERP was significantly enhanced during the year to ensure better controls, improvement in process efficiency 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

The Company's long standing success lies in a motivated, engaged and knowledgeable workforce that provides the best service for its internal and external customers. Hence our long term strategy is to ensure that we are always designed and staffed to produce a winning result for all of our stakeholders and the Company.

Our HR practices are aimed at creating a greater employee value proposition. And as a result of this commitment, significant improvements have been achieved in a relatively short period of time - we've focused our efforts mostly on improving employment and safety processes, building awareness and understanding amongst line managers, improving our policies and programs for employee wellness, and continuously engaging our employees and encouraging them to express their ideas, opinions or concerns.

Our key priority is to listen to our employees; to understand their views and respond to their feedback by taking actions to improve. We monitor employee engagement and satisfaction levels each year through our Employee Engagement Survey, which has become a viable source for us as we strive to improve the dialogue between the Company and the employees.

We value all types of differences, be it of opinions or an individual. Respect for diversity of individuals and their opinions are deeply embedded in our Code. We do not condone unfair treatment or discrimination on any grounds. We have an open and transparent culture that encourages people to "Speak Up" and raise concerns so that any unlawful behavior or behavior which discriminates against individuals does not go uncontested.

### 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, focus continued on TPM, engagement with consultants from equipment suppliers and industry experts.

### 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 Board Audit Committee every quarter. After review by the Audit Committee the transactions are placed before the Board for their 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

- i) The financial statements, prepared by the management, 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.
- v) 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 financial statements.
- ix) There is no doubt upon the Company's ability to continue as a going concern.
- x) 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 December 31, 2016 based on their un-audited accounts is as follows:

	Rupees in thousand
Provident Fund	148,722
Gratuity Fund	69,715

- xii) One of the directors, Mr. Khurram Raza Bakhtayari has obtained the directors training certification (the certification) during the year. Mr. Shinya Sugioka was appointed as the director of the Company in place of Mr. Yasumasa Kondo during the year and will obtain the certification as per the

requirement. Remaining directors are either exempt from the directors training program under clause 5.19.7 of the Code of Corporate Governance or have already obtained the certification.

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

### Changes in the board and CEO

During the year, Syed Aslam Mehdi resigned as Chief Executive Officer of the Company and Mr. Nasir Jamal was appointed in his place. Nominee of Mitsubishi Corporation, Mr. Yasumasa Kondo, resigned as a Director of the Company and Mr. Shinya Sugioka was appointed in his place. The Directors wish to place on record their appreciation of the valuable services rendered by Syed Aslam Mehdi and Mr. Yasumasa Kondo during the tenure of their office.

### Meetings of board of directors

During the year 2016, five (5) meetings of the Board of Directors were held. The attendance of each Director is as follows:

S. No.	Name of directors	No. of meetings attended
1	Syed Babar Ali (Chairman)	5
2	Syed Aslam Mehdi (Chief Executive Officer) (Resigned as Chief Executive Officer on 21 March 2016)	1
3	Syed Aslam Mehdi	1
4	Mr. Nasir Jamal (Chief Executive Officer) - Deemed Director (Appointed as Chief Executive Officer on 21 March 2016)	4
5	Mr. Asif Qadir	5
6	Syed Hyder Ali	5
7	Mr. Khurram Raza Bakhtayari	5
8	Mr. Kimihide Ando	5
9	Mr. Yasumasa Kondo (Resigned on 20 April 2016)	Nil
10	Mr. Shinya Sugioka (Appointed on 20 April 2016)	2
11	Mr. Masahiko Takahashi (Alternate to Mr. Yasumasa Kondo)	1
12	Mr. Shigeru Hagiwara (Alternate to Mr. Shinya Sugioka)	1

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

### Audit Committee

During the year 2016, four (4) meetings of the Audit Committee were held. The attendance of each member is given hereunder:

S. No.	Name of directors	No. of meetings attended
1	Mr. Asif Qadir (Chairman)	4
2	Mr. Kimihide Ando	3
3	Mr. Khurram Raza Bakhtayari	3
4	Mr. Yasumasa Kondo (Resigned on 20 April 2016)	Nil
5	Mr. Shinya Sugioka (Appointed on 20 April 2016)	1
6	Mr. Masahiko Takahashi (Alternate to Mr. Yasumasa Kondo)	1
7	Mr. Shigeru Hagiwara (Alternate to Mr. Shinya Sugioka)	3

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 2016, two (2) meetings of the HR&R Committee were held. The attendance of each member is given hereunder:

S. No.	Name of directors	No. of meetings attended
1	Mr. Asif Qadir (Chairman)	2
2	Syed Aslam Mehdi	1
3	Mr. Khurram Raza Bakhtayari	2
4	Mr. Kimihide Ando	1

Leave of absence was granted to the members who could not attend the meetings of the 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 2.6 billion in the year 2016.

### Pattern of Shareholding

A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2016, 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.



**Nasir Jamal**  
Chief Executive Officer

Karachi, February 14, 2017

# Financial Statements

A stack of several gold coins is shown in the foreground, slightly out of focus. The coins are stacked on top of each other, with the top one being the most prominent. The background is dark and textured, possibly a surface of small stones or a similar material. The lighting is dramatic, highlighting the metallic sheen of the coins.

# Auditors' Report to the Members

We have audited the annexed balance sheet of Tri-Pack Films Limited as at December 31, 2016 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.**  
Chartered Accountants

Audit Engagement Partner: Farrukh Rehman

(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
- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) 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, 2016 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Dated: February 21, 2017

# Balance Sheet

As at December 31, 2016

## ASSETS

### NON CURRENT ASSETS

Property, plant and equipment  
Intangibles  
Long term deposits

### CURRENT ASSETS

Stores and spares  
Stock-in-trade  
Trade debts - net  
Advances and prepayments  
Other receivables  
Income tax - net  
Cash and bank balances

### TOTAL ASSETS

Note	2016	2015
	(Rupees in thousand)	
4	6,346,761	6,731,234
5	2,897	6,979
	3,358	3,115
	<u>6,353,016</u>	<u>6,741,328</u>
6	408,767	348,894
7	1,380,062	1,293,873
8	1,508,480	1,227,890
9	98,761	60,024
10	119,261	114,540
	1,099,992	1,150,343
11	176,741	378,033
	<u>4,792,064</u>	<u>4,573,597</u>
	<u><u>11,145,080</u></u>	<u><u>11,314,925</u></u>



## EQUITY AND LIABILITIES

### SHARE CAPITAL AND RESERVES

Share Capital  
Share premium  
Revenue Reserves

### LIABILITIES

#### NON-CURRENT LIABILITIES

Long term finances  
Deferred taxation  
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 LIABILITIES

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



**Nasir Jamal**  
Chief Executive Officer

Note	2016	2015
	(Rupees in thousand)	
12	388,000	300,000
12	999,107	-
	2,413,711	1,813,802
	<u>3,800,818</u>	<u>2,113,802</u>
13	2,544,408	3,664,793
14	185,146	58,725
15	32,875	30,433
	<u>2,762,429</u>	<u>3,753,951</u>
16	2,900,505	2,234,051
17	49,019	79,840
18	511,925	2,182,897
13	1,120,384	950,384
	<u>4,581,833</u>	<u>5,447,172</u>
	7,344,262	9,201,123
19		
	<u>11,145,080</u>	<u>11,314,925</u>



**Asif Qadir**  
Director

# Profit and Loss Account

For the year ended December 31, 2016

Revenue  
Cost of sales  
Gross profit  
Distribution costs  
Administrative expenses

Operating Profit  
Other income

Other expenses  
Finance cost

Profit before income tax  
Income tax  
Profit for the year

## Other comprehensive loss for the year:

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

Remeasurements of staff retirement benefits

## Total comprehensive income for the year

Earnings per share - basic and diluted (Rupees)

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

Note	2016	2015
(Rupees in thousand)		
20	11,778,067	11,954,171
21	(9,746,015)	(10,096,906)
	2,032,052	1,857,265
22	(282,928)	(286,228)
23	(364,977)	(342,642)
	(647,905)	(628,870)
	1,384,147	1,228,395
24	61,705	60,675
	1,445,852	1,289,070
25	(77,211)	(34,976)
26	(454,983)	(781,916)
	(532,194)	(816,892)
	913,658	472,178
27	(159,176)	26,013
	754,482	498,191
16.8	(4,573)	(18,842)
	749,909	479,349
28	20.15	14.86



Nasir Jamal  
Chief Executive Officer



Asif Qadir  
Director

# Statement of Changes in Equity

For the year ended December 31, 2016

	Issued, subscribed and paid-up share capital	Reserves			Total	
		Capital	Revenue			
		Share premium	General reserve	Unappropriated profit / (Accumulated loss)		Total Reserves
(Rupees in thousand)						
<b>Balance as at January 1, 2015</b>	300,000	-	1,605,000	(270,547)	1,334,453	1,634,453
<b>Total comprehensive income for the year ended December 31, 2015</b>						
Profit after taxation for the year ended December 31, 2015	-	-	-	498,191	498,191	498,191
Other comprehensive loss	-	-	-	(18,842)	(18,842)	(18,842)
	-	-	-	479,349	479,349	479,349
<b>Balance as at December 31, 2015</b>	300,000	-	1,605,000	208,802	1,813,802	2,113,802
Issue of rights shares at premium	88,000	1,012,000	-	-	1,012,000	1,100,000
Issuance cost of rights issue	-	(12,893)	-	-	(12,893)	(12,893)
Final cash dividend for the year ended December 31, 2015 @ Rs 5.00 per share	-	-	-	(150,000)	(150,000)	(150,000)
<b>Total comprehensive income for the year ended December 31, 2016</b>						
Profit after taxation for the year ended December 31, 2016	-	-	-	754,482	754,482	754,482
Other comprehensive loss	-	-	-	(4,573)	(4,573)	(4,573)
	-	-	-	749,909	749,909	749,909
<b>Balance as at December 31, 2016</b>	388,000	999,107	1,605,000	808,711	3,412,818	3,800,818

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



**Nasir Jamal**  
Chief Executive Officer



**Asif Qadir**  
Director

# Cash Flow Statement

For the year ended December 31, 2016

## CASH FLOWS FROM OPERATING ACTIVITIES

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

## CASH FLOWS FROM INVESTING ACTIVITIES

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

## CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from rights issue - net of issuance cost  
 Dividend paid  
 Long term finances paid  
 Short term financing - net  
 Finance cost paid  
 Bank charges paid  
 Net cash used in 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.

Note	2016	2015
	(Rupees in thousand)	
30	2,209,093	2,921,863
	(7,427)	(2,555)
	(243)	1,283
	(69,158)	(58,422)
	17,596	95,357
	<u>2,149,861</u>	<u>2,957,526</u>
	(207,770)	(119,589)
	(495)	(3,662)
	264	1,095
	15,002	8,550
	<u>(192,999)</u>	<u>(113,606)</u>
	1,087,107	-
	(148,124)	-
	(950,385)	(761,747)
	(1,300,000)	(1,290,735)
	(460,206)	(761,436)
	(15,574)	(8,024)
	<u>(1,787,182)</u>	<u>(2,821,942)</u>
	169,680	21,978
	(104,864)	(126,842)
31	<u>64,816</u>	<u>(104,864)</u>



**Nasir Jamal**  
 Chief Executive Officer



**Asif Qadir**  
 Director

# Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2016

## 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

### 2.1 Accounting convention

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 and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Ordinance and provisions and directives issued under the Ordinance. 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, 2016 and are considered to be relevant to the Company's operations.

IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provides clarification on number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- Other Comprehensive Income (OCI) - arising from investments accounted for under the equity method - the share of the OCI arising from equity - accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

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

Following new amendment to published standard is effective for accounting periods beginning on or after January 1, 2017 are considered to be relevant for Company's financial statements.

IAS 7, 'Cashflow statements' - This amendment requires disclosure to explain changes in liabilities for which cashflows have been, or will be classified as financing activities in the statement of cashflows. The amendment is part of the IASB's Disclosure Initiative. In the first year of adoption, comparative information need not be provided.

**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 permanent 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, 2016. 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 - 9.50% (2015: 10%) per annum;

- Expected rate of increase in salary levels - 8.50% (2015: 9%) per annum; and
- Expected mortality rate SLIC (2001 - 2005) mortality table with 1 year setback.

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.

### **Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

### **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 - 8% (2015: 9%) per annum;
- Expected rate of increase in salary levels - 0% for first year and at 1% thenceforth (2015: 4% for first year and at 1% thenceforth) per annum; and
- Expected mortality rate SLIC (2001 - 2005) mortality table with 1 year setback.

In respect of the defined contribution plan, the Company contributes 20% of members' monthly basic 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.

### **2.4.3 Employee compensated absences**

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 - 9.50% (2015: 10%) per annum; and
- Expected rate of increase in salary levels - 8.50% (2015: 9%) 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.

## **2.5 Taxation**

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.

## 2.6 Trade and other payables

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.

## 2.7 Provisions

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.

## 2.8 Dividend

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.

## 2.9 Property, plant and equipment

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 leasehold land	5 to 33.33
- Plant and machinery, electrical installations	5 to 10
- Furniture and fittings	10 to 20
- Office and other equipment	20 to 33.33
- Vehicles	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.

## 2.13 Stock in trade

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

Raw materials, work in process and finished goods  
Raw materials in transit

### Basis of valuation

Weighted average cost  
Invoice value and other related charges as at balance sheet date

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.

## 2.15 Cash and cash equivalents

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.

## **2.16 Revenue recognition**

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.

## 2.21 Derivatives financial instruments and hedging

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 depends 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 hedging 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.

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

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

- 3.1 The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. 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 16.8.

### 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

	Note	2016	2015
(Rupees in thousand)			
Operating fixed assets	4.1	6,239,151	6,690,826
Capital work in progress	4.2	79,692	-
Major spare parts and stand-by equipments	4.3	27,918	40,408
		<u>6,346,761</u>	<u>6,731,234</u>



## 4.1 Operating fixed assets

4.1.1 The following is a statement of operating fixed assets

	Leasehold land	Buildings on leasehold land	Plant and machinery	Electrical installations	Furniture and fittings	Office and other equipment	Vehicles	Total
(Rupees in thousand)								
<b>Year ended December 31, 2016</b>								
Opening net book value	187,316	931,593	5,321,312	172,306	32,626	11,306	34,367	6,690,826
Additions / transfers	-	3,293	124,474	-	9,349	3,354	98	140,568
Disposals - note 4.1.4	-	-	-	-	(1,096)	(155)	(8,933)	(10,184)
Written off	-	-	(333)	-	(648)	(27)	(380)	(1,388)
Inter-class transfers	-	17	(13,288)	11,102	859	1,261	49	-
Amortisation / depreciation charge	(4,772)	(63,162)	(479,281)	(12,614)	(7,376)	(8,217)	(5,249)	(580,671)
<b>Closing net book value</b>	<b>182,544</b>	<b>871,741</b>	<b>4,952,884</b>	<b>170,794</b>	<b>33,714</b>	<b>7,522</b>	<b>19,952</b>	<b>6,239,151</b>
<b>At December 31, 2016</b>								
Cost	218,762	1,294,932	9,837,278	315,453	74,651	74,000	50,682	11,865,758
Accumulated depreciation	(36,218)	(423,191)	(4,884,394)	(144,659)	(40,937)	(66,478)	(30,730)	(5,626,607)
<b>Net book value</b>	<b>182,544</b>	<b>871,741</b>	<b>4,952,884</b>	<b>170,794</b>	<b>33,714</b>	<b>7,522</b>	<b>19,952</b>	<b>6,239,151</b>
<b>Year ended December 31, 2015</b>								
Opening net book value	185,474	999,444	5,697,429	192,342	34,038	16,710	41,268	7,166,705
Additions / transfers	6,561	1,800	100,195	3,543	6,429	2,332	6,570	127,430
Disposals	-	-	(221)	-	(104)	(67)	(6,113)	(6,505)
Amortisation / depreciation charge	(4,719)	(69,651)	(476,091)	(23,579)	(7,737)	(7,669)	(7,358)	(596,804)
<b>Closing net book value</b>	<b>187,316</b>	<b>931,593</b>	<b>5,321,312</b>	<b>172,306</b>	<b>32,626</b>	<b>11,306</b>	<b>34,367</b>	<b>6,690,826</b>
<b>At December 31, 2015</b>								
Cost	218,762	1,291,470	9,717,362	315,761	77,991	72,903	77,379	11,771,628
Accumulated depreciation	(31,446)	(359,877)	(4,396,050)	(143,455)	(45,365)	(61,597)	(43,012)	(5,080,802)
<b>Net book value</b>	<b>187,316</b>	<b>931,593</b>	<b>5,321,312</b>	<b>172,306</b>	<b>32,626</b>	<b>11,306</b>	<b>34,367</b>	<b>6,690,826</b>

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

	Note	2016	2015
(Rupees in thousand)			
Cost of goods manufactured	21.1	567,423	576,377
Distribution costs	22	1,911	2,847
Administrative expenses	23	11,337	17,580
		<u>580,671</u>	<u>596,804</u>

4.1.3 Operating fixed assets include assets having cost of Rs 2.89 billion (2015: Rs 2.75 billion) which were fully depreciated as at the year end.

4.1.4 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 value	Sale proceeds	Gain / (loss)
(Rupees in thousand)						
Furniture and fittings (Employees):						
	Babar Baig	100	30	70	70	-
	Syed Aslam Mehdi	1,224	388	836	550	(286)
	Syed Aslam Mehdi	100	32	68	-	(68)
	Syed Aslam Mehdi	100	32	68	-	(68)
Office Equipments (Employees):						
	Syed Aslam Mehdi	196	41	155	140	(15)
Vehicles (Employees):						
	Babar Baig	1,487	1,000	487	487	-
	Babar Baig	614	413	201	313	112
	Ehsan Ul Haq	1,033	463	570	595	25
	Furqan Mujeeb	958	515	443	494	51
	Imtiaz Awan	957	558	399	367	(32)
	Khurram Iqbal	718	483	235	235	-
	Mubashir Khan	963	464	499	532	33
	Reza Jawad	1,365	815	550	550	-
	Saeed Akhtar	713	480	233	233	-
	Shehzad Saleem	705	474	231	267	36
	Syed Aslam Mehdi	1,834	659	1,175	1,175	-
	Syed Shahid Iqbal	1,019	354	665	672	7
	Umer Saeed	741	498	243	256	13
	Uzair Tayyab	741	473	268	344	76
Vehicles (Outsiders by negotiation)						
	Akhtar Zaman	512	344	168	200	32
	Haider Ali	480	379	101	337	236
	M.Noman	614	413	201	417	216
	Muhammad Imran Khan	892	600	292	635	343
	Nusrat Iqbal	4,750	3,618	1,132	2,732	1,600
	Sajid Hussain	801	731	70	670	600
	Sajid Hussain	1,386	932	454	1,060	606
	Samina Ahmad	886	596	290	651	361
		<u>25,889</u>	<u>15,785</u>	<u>10,104</u>	<u>13,982</u>	<u>3,878</u>

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

## 4.2 Capital work in progress

Plant and machinery  
Building and civil works  
Advances to suppliers and contractors

2016	2015
(Rupees in thousand)	
65,373	-
568	-
13,751	-
<u>79,692</u>	<u>-</u>

## 4.3 Major spare parts and stand-by equipments

Balance at the beginning of the year  
Additions during the year  
Transfers made during the year  
Balance at the end of the year

40,408	43,262
1,450	8,483
(13,940)	(11,337)
<u>27,918</u>	<u>40,408</u>

## 5. INTANGIBLES

Computer software

At January 1  
Cost  
Accumulated amortisation  
Net book value

48,239	44,577
(41,260)	(36,239)
<u>6,979</u>	<u>8,338</u>

Additions during the year

495 3,662

Amortisation for the year  
Net book value as at December 31

(4,577)	(5,021)
<u>2,897</u>	<u>6,979</u>

At December 31  
Cost  
Accumulated amortisation  
Net book value

48,734	48,239
(45,837)	(41,260)
<u>2,897</u>	<u>6,979</u>

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

## 6. STORES AND SPARES

Stores  
Spares  
Stores and spares in transit

Note	2016	2015
	(Rupees in thousand)	
	52,431	40,773
	338,955	298,953
	17,381	9,168
	<u>408,767</u>	<u>348,894</u>

## 7. STOCK-IN-TRADE

Raw materials  
In hand  
In transit

Packing materials  
Work in process  
Finished goods

	638,156	744,726
	253,920	122,773
	<u>892,076</u>	<u>867,499</u>
	19,965	29,472
	226,807	232,886
	241,214	164,016
	<u>1,380,062</u>	<u>1,293,873</u>

## 8. TRADE DEBTS - NET

### Unsecured

Considered good  
Due from related parties  
Others

8.1	62,652	65,402
	1,372,500	1,149,889
	<u>1,435,152</u>	<u>1,215,291</u>

Considered doubtful - others

8.5	96,666	96,666
-----	--------	--------

### Secured

Considered good  
Due from related parties  
Others

8.1	-	1,663
	73,328	10,936
	<u>73,328</u>	<u>12,599</u>
	<u>1,605,146</u>	<u>1,324,556</u>

Less: Provision for doubtful debts

8.3	(96,666)	(96,666)
	<u>1,508,480</u>	<u>1,227,890</u>

8.1 Represents amounts due from following related parties in the normal course of business and are interest free:

	Note	2016	2015
(Rupees in thousand)			
Packages Limited		62,652	65,402
Packages Lanka (Private) Limited		-	1,663
		<u>62,652</u>	<u>67,065</u>

8.2 The maximum amount receivable from any related party during the year was Rs 189.68 million (2015: Rs 249.64 million).

8.3 Provision for doubtful debts

Balance at beginning of the year		96,666	79,425
Provision for the year	23	10,000	17,241
Reversal during the year	23	(10,000)	-
Balance at end of the year		<u>96,666</u>	<u>96,666</u>

8.4 As at December 31, 2016, trade debts of Rs 599.83 million (2015: Rs 406.83 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these trade debts is as follows:

	Note	2016	2015
(Rupees in thousand)			
Upto 1 - 2 months		554,269	309,309
Upto 3 - 4 months		23,934	48,965
Upto 5 - 6 months		6,045	18,125
More than 6 months		15,586	30,431
		<u>599,834</u>	<u>406,830</u>

8.5 As at December 31, 2016, trade receivables of Rs 96.67 million (2015: Rs 96.67 million) were impaired and provided for. These receivables are overdue by more than 180 days.

## 9. ADVANCES AND PREPAYMENTS

	Note	2016	2015
(Rupees in thousand)			
Considered good			
Due from employees	9.1	6,590	3,911
Advances to suppliers	9.2	28,977	27,827
Advances to clearing agents		54,895	20,479
Prepayments		8,299	7,807
		<u>98,761</u>	<u>60,024</u>

9.1 These advances primarily include advance against travelling and house rent given to executives as per terms of employment. The maximum amounts due at the end of any month during the year from the Chief Executive and other executives were Rs 1.85 million (2015: Nil) and Rs 0.78 million (2015: Rs 4.50 million) respectively.

9.2 This includes advances amounting to Rs 2.55 million (2015: Rs 1.51 million) given to related parties.

## 10. OTHER RECEIVABLES

Rebate recoverable against exports  
Rebate receivable against purchases  
Car advances to employees  
Others

Note	2016	2015
	(Rupees in thousand)	
	23,862	61,129
	33,364	21,736
10.1	43,312	26,493
	18,723	5,182
	<u>119,261</u>	<u>114,540</u>

10.1 This represents advance to employees against purchase of vehicles for a period of five years. During this tenure, 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.

## 11. CASH AND BANK BALANCES

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

2016	2015
(Rupees in thousand)	
174,042	365,981
2,250	11,687
449	365
<u>176,741</u>	<u>378,033</u>

## 12. SHARE CAPITAL

Authorised number of shares

100,000,000 Ordinary shares of Rs 10 each

Issued, subscribed and paid-up

2016	2015	
Number of shares		
38,800,000	30,000,000	Ordinary shares of Rs 10 each fully paid in cash
<u>38,800,000</u>	<u>30,000,000</u>	

**12.1** Movement in issued, subscribed and paid-up capital

2016		2015		2016		2015	
Number of shares				(Rupees in thousand)			
30,000,000	30,000,000	Opening shares outstanding		300,000		300,000	
8,800,000	-	Rights shares issued - Note 12.3		88,000		-	
<u>38,800,000</u>	<u>30,000,000</u>			<u>388,000</u>		<u>300,000</u>	

**12.2** Packages Limited, Mitsubishi Corporation of Japan and IGI Insurance Limited held 12,933,333 (2015: 10,000,000), 7,499,000 (2015: 7,499,000) and 3,750,417 (2015: 1,353,416) ordinary shares of the Company respectively, as at December 31, 2016.

**12.3 Issue of rights shares**

During the year, the Company issued rights shares amounting to Rs 1.1 billion. The rights issue was approved by the Board of Directors on December 4, 2015 at premium to the existing shareholders at a proportion of 29.33 ordinary shares for every 100 shares held. Total amount of premium on the rights issue amounts to Rs 1.01 billion at the rate of Rs 115 per share. Issuance costs incurred were Rs 12.89 million which have been accounted for as a deduction from equity.

IGI Insurance Limited and Syed Hyder Ali (Director) under an agreement with Mitsubishi Corporation of Japan (Mitsubishi), subscribed to the Mitsubishi's proportion of rights issue after obtaining approval from Competition Commission of Pakistan.

**13. LONG TERM FINANCES**

		Note		2016		2015	
				(Rupees in thousand)			
Secured							
Finance - 1				500,000		700,000	
Finance - 2				900,000		1,000,000	
Finance - 3		13.2		1,082,292		1,477,677	
Finance - 4				312,500		437,500	
Finance - 5		13.3		870,000		1,000,000	
				<u>3,664,792</u>		<u>4,615,177</u>	
Less: Current portion of long term finances				(1,120,384)		(950,384)	
				<u>2,544,408</u>		<u>3,664,793</u>	

13.1	Facility	Loan Type	Repayment terms - Principal	Mark-up		Effective Rate (%)		Facility Amount (Rs In 000)	Date of drawdown	Last Repayment date
				Payable basis	Rate (per annum)	2016	2015			
Finance 1	Term-loan	10 Semi-annual (Grace period : 2 years)	Semi-annually	6 month Kibor + 0.75%	7.07%	8.80%	1,000,000	June 1, 2012	June 2019	
Finance 2	Term-loan	10 Semi-annual (Grace period : 2 years)	Quarterly	3 month Kibor + 0.75%	7.01%	8.55%	1,000,000	April 1, 2014	April 2021	
Finance 3 - note 13.2	Term-loan	10 Semi-annual (Grace period : 2 years)	Quarterly	3 month Kibor + 0.55%	8.58%	9.61%	2,000,000	June 29, 2012	October 2019	
Finance 4	Term-loan	8 Semi-annual(Grace period : 1 year)	Quarterly	3 month Kibor + 0.75%	6.99%	8.47%	500,000	February 14, 2014	March 2019	
Finance 5 - note 13.3	Term-loan	20 Quarterly (Grace period : 2 years)	Quarterly	3 month Kibor + 0.50% & 0.80%	7.47%	9.19%	1,000,000	November 8, 2013	June 2021	

13.2 This includes Rs 1.5 billion which was obtained under the long-term financing facility (LTFF) scheme provided by the State Bank of Pakistan. The same was converted into term-loan during the year.

13.3 This includes Rs 0.7 billion which was obtained under the long-term financing facility (LTFF) scheme provided by the State Bank of Pakistan. The same was converted into term-loan during the year.

13.4 The above facilities have been obtained from Commercial banks and are secured against first pari passu hypothecation / mortgage charges on the Company's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures etc.

#### 14. DEFERRED TAXATION

Credit / (Debit) balances arising from:

	2016	2015
	(Rupees in thousand)	
Accelerated tax depreciation allowance	754,706	740,280
Amortisation allowance	(6,234)	(6,264)
Tax loss	(252,202)	(524,273)
Provision for accumulated compensated absences	(8,705)	(8,619)
Provision for doubtful debts	(29,000)	(29,000)
Minimum Tax	(229,616)	(113,399)
Alternative Corporate Tax	(43,803)	-
	<u>185,146</u>	<u>58,725</u>



**14.1** The deferred tax asset on tax loss, minimum tax and alternative corporate tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.

## 15. ACCUMULATED COMPENSATED ABSENCES

	Note	2016	2015
		(Rupees in thousand)	
Opening balance		30,433	27,364
Expense recognised		9,869	5,624
Payments made during the year		(7,427)	(2,555)
Closing balance		<u>32,875</u>	<u>30,433</u>

## 16. TRADE AND OTHER PAYABLES

Creditors	16.1	63,346	33,471
Accrued liabilities	16.3 & 16.4	973,162	520,445
Liability for imported goods	16.5 & 16.6	1,524,608	1,461,747
Advances from customers		70,307	76,992
Retention money		853	853
Unclaimed dividend		12,256	10,380
Sales tax payable		37,808	55,168
Workers' profits participation fund	16.7	39,590	8,675
Staff Retirement Benefits			
- Payable to gratuity fund	16.8 & 16.9	139,634	50,174
- Payable to pension fund	16.8	3,268	4,444
- Payable to provident fund		2,710	-
Workers' welfare fund		32,963	11,702
		<u>2,900,505</u>	<u>2,234,051</u>

**16.1** Creditors include Rs 3.37 million (2015: Rs 2.86 million) payable to associated undertakings.

**16.2** The maximum amount due to any related party during the year was Rs 81.2 million (2015: Rs 153.82 million).

**16.3** This includes Rs. 452.96 million (2015: Rs. 290.08 million) in respect of Gas Infrastructure Development Cess (GIDC) which has not been paid as stay order has been obtained by the Company in the Honourable High Courts of Sindh and Peshawar against demand and collection under GIDC Act, 2015.

During the year, the Honorable High Court of Sindh through its order dated October 26, 2016 held the GIDC Act, 2015 as ultra vires to the Constitution. Later on the Divisional bench of the Honorable High Court of Sindh suspended the above order, the decision on which is still pending.

**16.4** This includes amount in respect of cess for special maintenance and development of infrastructure levied under the Sindh Finance Act, 1994 amounting to Rs 45.26 million (December 31, 2015: Rs 1.3 million) which has not been paid due to stay order obtained by the Company in the Honourable High Court of Sindh.

**16.5** This includes Rs 59.74 million (2015: Rs 73.67 million) payable to associated undertakings.

**16.6** The amount includes Rs 597.61 million (2015: Rs 418.96 million) in relation to letter of credits under supplier financing arrangement at mark-up of 2.5%.

**16.7 Workers' profits participation fund**

(Payable) / receivable at the beginning of the year  
Allocation for the year

	2016	2015
	(Rupees in thousand)	
	(8,675)	16,071
	(55,950)	(24,983)
	(64,625)	(8,912)
	25,035	237
	(39,590)	(8,675)

Payments during the year  
Payable at the end of the year

**16.8 Staff retirement benefits**

As stated in note 2.4.2 the company operates approved funded defined benefit gratuity plan for all permanent 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 as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at December 31, 2016.

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 among its employees.

The latest actuarial valuations of the Plans as at December 31, 2016 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

Note	2016	2015	2016	2015
	Pension Fund		Gratuity Fund	
(Rupees in thousand)				

**16.8.1 The amounts recognised in the balance sheet are as follows:**

Present value of defined benefit obligation	16.8.3	62,808	58,586	100,672	116,134
Fair value of plan assets	16.8.4	(59,540)	(54,142)	(69,715)	(65,960)
Payables to Voluntary Separation Scheme Optees		-	-	108,677	-
Net liability as at December 31		<u>3,268</u>	<u>4,444</u>	<u>139,634</u>	<u>50,174</u>

**16.8.2 Net (asset) / liability as at January 1**

Charge to profit and loss account		4,444	(3,700)	50,174	40,203
Loss / (Gain) charged to other comprehensive income		400	(388)	97,963	15,274
Contribution by the Company		(1,576)	8,532	6,149	10,310
Net liability as at December 31		<u>-</u>	<u>-</u>	<u>(14,652)</u>	<u>(15,613)</u>
		<u>3,268</u>	<u>4,444</u>	<u>139,634</u>	<u>50,174</u>

**16.8.3 The movement in the present value of defined benefit obligation is as follows:**

Present value of defined benefit obligation as at January 1		58,586	56,903	116,134	94,850
Current service cost - note 16.9		-	-	13,078	11,630
Cost for Voluntary Separation Scheme		-	-	84,996	-
Interest cost on defined benefit obligation		4,995	5,660	9,511	10,131
Benefits due but not paid (payables)		-	-	(108,677)	-
Benefits paid		(6,171)	(6,001)	(18,360)	(9,586)
Gains and losses arising on plan settlements		-	-	(3,211)	-
Experience loss		5,398	2,024	7,201	9,109
Present value of defined benefit obligation as at December 31		<u>62,808</u>	<u>58,586</u>	<u>100,672</u>	<u>116,134</u>

**16.8.4 The movement in fair value of plan assets is as follows:**

Fair value as at January 1

Contributions made by employer

Income on plan assets

Return on plan assets excluding interest income

Benefits paid

Fair value as at December 31

	2016	2015	2016	2015
	Pension Fund		Gratuity Fund	
	(Rupees in thousand)			
	54,142	60,603	65,960	54,647
	-	-	14,652	15,613
	4,595	6,048	6,411	6,487
	6,974	(6,508)	1,052	(1,201)
	(6,171)	(6,001)	(18,360)	(9,586)
	<u>59,540</u>	<u>54,142</u>	<u>69,715</u>	<u>65,960</u>
<b>16.8.5 The amounts recognized in the profit and loss account are as follows:</b>				
Current service cost	-	-	13,078	11,630
Cost for Voluntary Separation Scheme	-	-	84,996	-
Gains and losses arising on plan settlements	-	-	(3,211)	-
Interest cost on defined benefit obligation	4,995	5,660	9,511	10,131
Interest income on plan assets	(4,595)	(6,048)	(6,411)	(6,487)
	<u>400</u>	<u>(388)</u>	<u>97,963</u>	<u>15,274</u>
<b>16.8.6 The amounts recognized in the other comprehensive income are as follows:</b>				
Experience loss	5,398	2,024	7,201	9,109
Return on plan assets excluding interest income	(6,974)	6,508	(1,052)	1,201
	<u>(1,576)</u>	<u>8,532</u>	<u>6,149</u>	<u>10,310</u>
<b>16.8.7 Plan assets are comprised as follows:</b>				
Debt	21,327	25,008	5,975	27,378
Equity	36,760	28,771	25,118	37,153
Cash	1,405	363	38,622	1,429
Other	48	-	-	-
	<u>59,540</u>	<u>54,142</u>	<u>69,715</u>	<u>65,960</u>

**16.8.8** The Company ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.

**16.8.9** The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy.

**16.8.10** The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		2016	2015
		Pension	Gratuity
(Rupees in thousand)			
Discount rate	+ 100 bps	(4,378)	(9,900)
Discount rate	- 100 bps	5,014	11,599
Salary increase	+ 100 bps	5,030	11,755
Salary increase	- 100 bps	(4,444)	(10,209)

- Average expected remaining working life time of gratuity management employees is 11 years.
- Average expected remaining life time of pension management employees is 7 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.

**16.9** This includes Rs 84.99 million in respect of voluntary separation scheme (VSS) approved by the Board for the voluntary separation of selected employees. The cost has been recognised in accordance with duly approved plan and represents expected severance payout to the employees.

## 17. ACCRUED MARK-UP

	2016	2015
(Rupees in thousand)		
On long term finances	46,740	65,691
On short term finances	2,279	14,149
	49,019	79,840

## 18. SHORT TERM BORROWINGS

Note	2016	2015
	(Rupees in thousand)	
Secured		
Short term running finance	111,925	482,897
Short term money market loans	400,000	1,700,000
	<u>511,925</u>	<u>2,182,897</u>

- 18.1** Short term running finances have been obtained under mark-up arrangements from commercial banks payable on various maturity dates up to October 31, 2017. These facilities are secured by joint hypothecation by way of first floating charge over current assets including but not limited to stores and spares, stock in trade and trade debts. Rate of mark-up applicable to these facilities ranges between 6.09% to 6.94% (2015: 7.0% to 10.81%) per annum.
- 18.2** Short term money market loans have been arranged as a sub-limit of the running finance facility. Rate of mark-up applicable to these facilities ranges between 6.06% to 6.69% (2015: 6.58% to 10.16%) per annum. The facilities are available for the maximum period of one year from the date of agreement with the latest facility expiring on October 31, 2017.
- 18.3** Total short-term facilities available under mark-up arrangements aggregated Rs 8.65 billion (2015: Rs 8.75 billion) out of which the amount unavailed at the year end was Rs 8.14 billion (2015: Rs 6.57 billion).

## 19. CONTINGENCIES AND COMMITMENTS

### Contingencies

Guarantees issued by banks on behalf of the Company

2016	2015
(Rupees in thousand)	
<u>329,605</u>	<u>277,436</u>

### Commitments

Commitments for purchase of raw materials and spares

<u>471,000</u>	<u>299,507</u>
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Commitments outstanding for capital expenditure

<u>183,481</u>	<u>-</u>
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- 19.1** Aggregate commitments in respect of ijarah arrangements of motor vehicles amounted to Rs 20.38 million (2015: Rs 29.14 million) payable as follows:

Not later than 1 year

Later than 1 year but not later than 5 years

7,122	8,485
<u>13,257</u>	<u>20,651</u>
<u>20,379</u>	<u>29,136</u>

- 19.2** The facilities for opening of letter of credits and for guarantees as at December 31, 2016 amount to Rs 11.5 billion (2015: Rs 12.15 billion) and Rs 395 million (2015: Rs 395 million) respectively, of which the amount remaining unutilised was of Rs 9.69 billion (2015: Rs 10.39 billion) and Rs 65.4 million (2015: Rs 117.56 million) respectively.
- 19.3** In respect of tax year 2013, Deputy Commissioner Inland Revenue (DCIR) passed an order under section 221 of the Ordinance for levy of WWF assessed as Rs 16.97 million viz-a-viz the returned amount of Rs 13.93 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.
- 19.4** In respect of tax year 2008 and 2011, the Commissioner Inland Revenue (Appeals) through appellate order dated April 30, 2015 and May 19, 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 6.73 million (tax year 2008) and Rs 21.27 million (tax year 2011). 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.
- 19.5** In respect of tax year 2009, the Commissioner Inland Revenue (Appeals) through appellate order dated May 19, 2015 has disposed off the appeal in favour 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.

## 20. REVENUE

	Note	2016	2015
(Rupees in thousand)			
Sale of goods less returns:			
- Local		13,913,601	13,264,008
Less: Sales tax		(2,044,791)	(1,975,169)
Discounts		(300,126)	-
		<u>11,568,684</u>	<u>11,288,839</u>
- Export		209,383	665,332
		<u>11,778,067</u>	<u>11,954,171</u>

## 21. COST OF SALES

Opening stock of finished goods		164,016	90,857
Cost of goods manufactured	21.1	9,823,213	10,170,065
Less: Closing stock of finished goods		(241,214)	(164,016)
		<u>9,746,015</u>	<u>10,096,906</u>

## 21.1 Cost of goods manufactured

Note	2016	2015
	(Rupees in thousand)	
	232,886	366,517
21.2	7,017,222	7,631,617
21.3	320,257	311,575
21.4	250,291	183,337
21.5	742,926	555,990
	791,590	686,826
	48,246	47,406
21.6	40,031	33,240
	15,916	6,724
	20,373	1,995
4.1.2	567,423	576,377
	2,859	1,347
	<u>10,050,020</u>	<u>10,402,951</u>
	<u>(226,807)</u>	<u>(232,886)</u>
	<u>9,823,213</u>	<u>10,170,065</u>

Less: Closing stock of work in process

## 21.2 Raw materials consumed

Opening stock	867,499	1,183,272
Purchases	7,041,799	7,315,844
Less: Closing stock	<u>(892,076)</u>	<u>(867,499)</u>
	<u>7,017,222</u>	<u>7,631,617</u>

## 21.3 Packing materials consumed

Opening stock	29,472	37,002
Purchases	310,750	304,045
Less: Closing stock	<u>(19,965)</u>	<u>(29,472)</u>
	<u>320,257</u>	<u>311,575</u>

21.4 This includes stores and spares consumed amounting to Rs 107.95 million (2015: Rs 85.74 million).

21.5 This includes Rs 9.99 million (2015: Rs 9.48 million) in respect of contribution to provident fund, Rs 5.97 million (2015: Rs 9.69 million) in respect of gratuity fund, Rs 16.47 million (2015: Rs 14.77 million) in respect of pension fund, Rs 6.42 million (2015: Rs 3.74 million) in respect of compensated absences and Rs 84.99 million in respect of VSS (refer note 16.9) and Rs 8.26 million in respect of VSS payout to contractual employees.

21.6 This includes Rs 2.21 million (2015: Rs 1.99 million) in respect of rentals under ijarah arrangements.



## 22. DISTRIBUTION COSTS

	Note	2016	2015
(Rupees in thousand)			
Salaries, wages and other benefits	22.1	68,261	76,301
Outward freight		179,679	182,532
Travelling		8,647	6,952
Rent, rates and taxes		7,862	5,872
Repairs and maintenance		1,530	1,464
Vehicle running and maintenance	22.2	3,935	3,484
Insurance		1,488	1,967
Depreciation	4.1.2	1,911	2,847
Other expenses		9,615	4,809
		<u>282,928</u>	<u>286,228</u>

**22.1** This includes Rs 1.58 million (2015: Rs 2.01 million) in respect of contribution to provident fund, Rs 2.06 million (2015: Rs 2.06 million) in respect of gratuity fund, Rs 3.21 million (2015: Rs 3.87 million) in respect of pension fund and Rs 1.09 million (2015: Rs 0.68 million) in respect of compensated absences.

**22.2** This includes Rs 1.7 million (2015: Rs 0.92 million) in respect of rentals under ijarah arrangements.

## 23. ADMINISTRATIVE EXPENSES

	Note	2016	2015
(Rupees in thousand)			
Salaries, wages and other benefits	23.1	197,915	185,113
Rent, rates and taxes		14,856	8,669
Printing, stationery and periodicals		7,517	8,491
Postage and telephone		9,833	9,130
Repairs and maintenance		14,357	11,633
Vehicle running and maintenance	23.2	13,529	11,338
Travelling		10,504	15,920
Insurance		3,405	3,333
Staff training and development		14,721	4,848
Provision for doubtful debts - net	8.3	-	17,241
Auditors' remuneration	23.3	8,011	8,591
Legal and professional expenses		34,730	25,470
Depreciation	4.1.2	11,337	17,580
Amortization	5.1	4,577	5,021
Electricity, gas and water		5,260	2,948
Advertisement		940	1,330
Donations		-	200
Other expenses		13,485	5,786
		<u>364,977</u>	<u>342,642</u>

23.1 Staff retirement benefits include Rs 4.38 million (2015: Rs 3.41 million) in respect of contribution to provident fund, Rs 4.51 million (2015: Rs 3.52 million) in respect of gratuity fund, Rs 9.36 million (2015: Rs 8.89 million) in respect of pension fund and Rs 2.37 million (2015: Rs 1.2 million) in respect of compensated absences.

23.2 This includes Rs 4.5 million (2015: Rs 5.30 million) in respect of rentals under ijarah arrangements.

23.3 **Auditors' remuneration**

Audit fee  
Review of half yearly accounts, review of statement of compliance on best corporate practices, audit of employees' retirement funds and other special reviews  
Tax services  
Out of pocket expenses

	2016	2015
	(Rupees in thousand)	
	1,540	1,400
	1,968	2,131
	4,033	4,633
	470	427
	<u>8,011</u>	<u>8,591</u>

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

	264	1,095
	4,818	2,045
	53,013	51,060
	<u>57,831</u>	<u>53,105</u>
	3,610	6,475
	<u>61,705</u>	<u>60,675</u>

25. **OTHER EXPENSES**

Workers' profits participation fund  
Workers' welfare fund

	55,950	24,983
	21,261	9,993
	<u>77,211</u>	<u>34,976</u>

26. **FINANCE COST**

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

	322,518	465,463
	106,867	207,588
	15,574	8,024
	10,024	100,841
	<u>454,983</u>	<u>781,916</u>

## 27. INCOME TAX

	Note	2016	2015
(Rupees in thousand)			
Current	27.2	32,755	-
Deferred		126,421	(26,013)
		<u>159,176</u>	<u>(26,013)</u>
<b>27.1 Tax reconciliation</b>			
Profit before income tax		<u>913,658</u>	<u>472,178</u>
Tax @ 31% (2015: 32%)		283,234	151,097
Effect of			
- Final tax regime		(2,654)	192
- Tax rebate	27.2	(129,720)	(120,700)
- Income not subject to tax		(2,401)	(7,867)
- Inadmissible expenses		1,480	1,574
- Others		9,237	(50,309)
		<u>159,176</u>	<u>(26,013)</u>
Effective tax rate		<u>17.42%</u>	<u>(5.51%)</u>
<b>27.2</b>	The investment tax credit amounting to Rs 129.72 million (2015: Rs 120.7 million) available to the Company by virtue of investment in plant and machinery in accordance with section 65B of the Income Tax Ordinance, 2001 has been netted off against the current tax charge for the year.		

## 28. EARNINGS PER SHARE - basic and diluted

	2016	2015
(Rupees in thousand)		
Profit after taxation attributable to ordinary shareholders	<u>754,482</u>	<u>498,191</u>
Number of shares		
Weighted average number of ordinary shares outstanding during the year - note 28.1	<u>37,446</u>	<u>33,528</u>
(Rupees)		
Basic and diluted earnings per share	<u>20.15</u>	<u>14.86</u>

**28.1** The weighted average number of outstanding shares as at December 31, 2016 and 2015 includes the effect of bonus element in the rights issue.

There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2016 and 2015.

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

	Note	2016		2015	
		Chief Executive	Executives	Chief Executive	Executives
(Rupees in thousand)					
Managerial remuneration		11,847	81,251	12,913	75,206
Bonus		7,038	46,675	11,014	35,930
Staff retirement benefits	29.1	3,935	47,610	2,583	27,955
Housing		5,756	54,580	5,811	50,705
Utilities		1,173	8,008	1,291	7,487
Leave fare assistance		928	6,036	1,076	6,224
Medical expenses		146	4,124	87	3,506
Other allowances and benefits		7,679	44,468	10,919	45,840
		<u>38,502</u>	<u>292,752</u>	<u>45,694</u>	<u>252,853</u>
Number of persons		<u>1</u>	<u>73</u>	<u>1</u>	<u>66</u>

**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 or payment in lieu and other benefits as per Company policy, residential telephone reimbursement and other benefits.

**29.3** Aggregate amount charged in these financial statements for meetings fee to One (2015: One) non-executive director was Rs 0.28 million (2015: Rs 0.3 million).

**29.4** With effect from 21 March 2016, Mr. M. Nasir Jamal had taken charge as Chief Executive Officer in place of Mr. Syed Aslam Mehdi.

### 30. CASH GENERATED FROM OPERATIONS

		2016	2015
		(Rupees in thousand)	
Profit before taxation		913,658	472,178
Adjustments for non-cash charges and other items:			
Depreciation		580,671	596,804
Amortization expense		4,577	5,021
Operating fixed assets written off		1,388	-
Finance cost		444,959	681,075
Exchange (gain) / loss - unrealised		(4,422)	29,276
Profit on bank balances		(264)	(1,095)
Provision for accumulated compensated absences		9,869	5,624
Provision for staff retirement benefits		178,776	57,695
Gain on disposal of operating fixed assets		(4,818)	(2,045)
Working capital changes	30.1	84,699	1,077,330
		1,295,435	2,449,685
		2,209,093	2,921,863
<b>30.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
Stores and spares		(59,873)	35,789
Stock-in-trade		(86,189)	383,775
Trade debts		(280,590)	295,639
Advances and prepayments		(38,737)	38,416
Other receivables		(4,721)	106,245
		(470,110)	859,864
Increase in trade and other payables		554,809	217,466
		84,699	1,077,330
<b>31. CASH AND CASH EQUIVALENTS</b>			
Short term running finance	18.1	(111,925)	(482,897)
Cash and bank balances	11	176,741	378,033
		64,816	(104,864)

## 32. FINANCIAL INSTRUMENTS BY CATEGORY

### Financial assets

#### a) Loans and receivables

Long term deposits

Trade debts - net

Advances and prepayments

Other receivables

Cash and bank balances

2016	2015
(Rupees in thousand)	
3,358	3,115
1,508,480	1,227,890
61,485	24,390
95,399	49,654
176,741	378,033
<u>1,845,463</u>	<u>1,683,082</u>

### Financial Liabilities

#### a) Financial liabilities at amortised cost

Long term finances

Trade and other payables

Accrued mark-up

Short term borrowings

3,664,792	4,615,177
2,561,969	2,016,516
49,019	79,840
511,925	2,182,897
<u>6,787,705</u>	<u>8,894,430</u>

## 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:

### 33.1 Market risk

#### 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, 2016, 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:

	2016		2015	
	At higher interest rate	At lower interest rate	At higher interest rate	At lower interest rate
	(Rupees in thousand)			
Finance cost	(21,190)	21,190	(33,991)	33,991
Taxation	6,569	(6,569)	10,877	(10,877)
Net impact on profit after taxation	(14,621)	14,621	(23,114)	23,114

### 33.1.2 Currency risk

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

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 trade 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.

At December 31, 2016, 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 61.17 million (2015: Rs 72.31 million), mainly as a result of foreign exchange losses / gains on translation of financial assets and liabilities denominated in foreign currencies.

### 33.1.3 Price risk

Price risk is the risk that 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 individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company has no investments as at December 31, 2016 (2015: Nil).

### 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 1.85 billion (2015: Rs 1.68 billion). The management of the Company believes that it is not exposed to major concentration of credit risk because of credit limit etc.

Total bank balance of Rs 176.29 million (2015: Rs 377.67 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 through 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 year	Between 1 to 2 years	Between 2 to 5 years
	(Rupees in thousand)			
Long term finances	4,240,164	1,378,904	1,293,153	1,568,107
Accrued mark-up	49,019	49,019	-	-
Short term borrowings	511,925	511,925	-	-
Trade and other payables	2,561,969	2,561,969	-	-
	<u>7,363,077</u>	<u>4,501,817</u>	<u>1,293,153</u>	<u>1,568,107</u>

### 33.4 Capital risk management

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 plus current maturity divided by long term portion of debt (including current maturity) plus total equity.



The debt equity ratios as at December 31, 2016 and 2015 were as follows:

	Note	2016	2015
		(Rupees in thousand)	
Long term finances (including current maturity)	13	3,664,792	4,615,177
Total equity		3,800,818	2,113,802
Total		7,465,610	6,728,979
<b>Debt equity ratio</b>		49:51	69:31

The decrease in the debt equity ratio is mainly due to the repayment of long-term borrowing, issue of rights shares and 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	2016	2015
		(Rupees in thousand)	
Purchase of goods and services	Associated undertaking	343,922	435,427
Sale of goods	Associated undertaking	1,049,066	969,612
Dividend paid	Associated undertaking and Directorship	97,800	-
Right shares subscription money received	Associated undertaking and Directorship	717,237	-
Issue of rights shares	Associated undertaking and Directorship	57,379	-
Contributions to staff retirement benefit funds	Retirement benefit funds	63,285	57,696
Commission earned	Associated undertaking	3,610	6,475
Sale of assets	Directorship	1,865	-
Salaries and other employee benefits	Key management personnel	120,315	100,481

The amounts payable to and receivable from related parties have been disclosed in the relevant notes to these financial statements. These are settled in the ordinary course of business.

### 35. PLANT CAPACITY AND ACTUAL PRODUCTION

Operational capacity

Production

2016	2015
(Metric tons)	
83,800	83,800
50,181	48,060

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

### 36. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2016 and 2015 respectively are as follows:

Average number of employees during the year

Number of employees as at December 31

2016	2015
391	420
367	409

### 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, 2016:

	Note	2016	2015
(Rupees in thousand)			
Size of the Fund - total assets		154,069	142,456
Cost of investment made		121,666	111,190
Percentage of investment made		97%	94%
Fair value of investments	37.1	148,722	134,408

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

	2016		2015	
	(Rupees in thousand)	Percentage	(Rupees in thousand)	Percentage
Shares	886	1%	629	0.5%
Bank balances	43,019	29%	640	0.5%
Debt securities	32,327	21%	54,017	40%
Mutual funds units	72,490	49%	79,122	59%
	148,722	100%	134,408	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 14th February, 2017 proposed a final cash dividend for the year ended December 31, 2016 of Rs 10 per share amounting to Rs 388 million (2015: Rs 150 million) subject to the approval of the Company in the forthcoming annual general meeting. 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 14th February, 2017 by the Board of Directors of the Company.



**Nasir Jamal**  
Chief Executive Officer



**Asif Qadir**  
Director

# Notice of Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of Tri-Pack Films Limited will be held on Thursday, April 20, 2017 at 10:30 a.m. at the Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi to transact the following ordinary business :-

1. To confirm the Minutes of the 24th Annual General Meeting of the Company held on March 31, 2016.
2. To receive and adopt the Audited Accounts of the Company for the year ended December 31, 2016 together with the Directors and Auditors Reports thereon.
3. To consider and approve payment of cash dividend at the rate of Rs 10 per ordinary share of Rs 10.00 (100%) for the year ended December 31, 2016 as recommended by the Board of Directors [(2015: Rs 5.00 per ordinary share of Rs 10.00 (50%)].
4. To appoint Auditors for the year 2017 and to fix their remuneration.



By Order of the Board  
**Adi J. Cawasji**  
Company Secretary

Karachi  
February 14, 2017

## Notes:

### 1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from April 13, 2017 to April 20, 2017 (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., Shahrah-e-Faisal, Karachi-75400 by close of business on April 12, 2017 will be treated in time for payment of the final dividend to the transferees.

### 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, duly signed by an officer or attorney of the corporate entity. The proxy holders are requested to produce their 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.

### 3. Representation of Bodies Corporate

Notwithstanding 2 above, a body corporate or a corporation (whether or not a company within the meaning of the Companies Ordinance, 1984) which is a member of the Company, may, by resolution of its board or other governing body, authorize an individual to act as its representative at the Meeting, and the individual so authorized shall be entitled to exercise the same powers on behalf of the body corporate or the corporation which he represents. Such representatives must bring a copy of the resolution abovementioned duly certified by the Company Secretary of the body corporate or the corporation which he represents.

#### 4. Notice to Shareholders who have not provided their CNICs:

As directed by the Securities and Exchange Commission of Pakistan (“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.

#### 5. Deduction of Income Tax from Dividend:

(i) 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: | 20.0% |

To enable the Company to make tax deduction on the amount of cash dividend @12.5% instead of 20.0%, 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 ATL, otherwise tax on their cash dividend will be deducted @ 20.0% instead @12.5%.

(ii) 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.

#### 6. Payment of Dividend Electronically (E-Mandate):

In order to enable a more efficient method of payment of cash dividend, 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.

#### 7. 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](http://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](http://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.

#### **8. 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.

#### **9. Video-Link Facility**

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-link at least [7] days prior to date of meeting, the Company will arrange video-link facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video-link 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.

In this regard, please fill the following form and submit to registered address of the Company 7 days before holding of the Annual General Meeting:-

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

#### **10. 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 SECP through its Circular 1 of January 26, 2000.

- 11.** The 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.

# Glossary

AASHA	Alliance Against Sexual Harrassment	IFRS	International Financial Reporting Standards
ADD	Antidumping Duties	IMS	Integrated Management System
AGM	Annual General Meeting	ISO	International Standards Organization
ATL	Active Taxpayers List	IT	Information Technology
ATIR	Appellate Tribunal Inland Revenue	ITO	Income Tax Ordinance
BCP	Business Continuity Planning	KIBOR	Karachi Inter Bank Offer Rate
BOD	Board of Directors	LC	Letter of Credit
BOPP	Biaxially Oriented Polypropylene	LTFE	Long Term Financial Facility
BSC	British Safety Council	LUMS	Lahore University of Management Sciences
CCG	Code of Corporate Governance	MMSCFD	Million Standard Cubic Feet Per Day
CCP	Competition Commission of Pakistan	NBV	Net Book Value
CDC	Central Depository Company of Pakistan	NEQS	National Environment & Quality Standard
CEO	Chief Executive Officer	NGO	Non-governmental Organization
CFO	Chief Financial Officer	NSI	Net Sales Income
CIR(A)	The Commissioner Inland Revenue (Appeals)	NTC	National Tariff Commission
CPP	Cast Polypropylene	NTN	National Tax Number
CSR	Corporate Social Responsibility	OHS	Occupational Health and Safety
DCIR	Deputy Commissioner Inland Revenue	OHSAS	Occupational Health and Safety Assessment Specification
EBIT	Earnings Before Interest and Tax	PAT	Profit After Tax
EBITDA	Earnings Before Interest, Taxes, Depreciation and Ammortization	PBT	Profit Before Tax
EET	Employee Engagement Index	PET	Polyethylene Terephthalate
EOBI	Employee Old Age Benefit Institution	PKR	Pakistani Rupee
EPS	Earning Per Share	PSX	Pakistan Stock Exchange
ERP	Enterprise Resource Planning	R&D	Research and Development
ESSI	Employee Social Security Institution	Rs.	Rupees
FBR	Federal Board of Revenue	SAP	System Application and Products
GIDC	Gas Infrastructure Development Cess	SBP	State Bank of Pakistan
HR	Human Resources	SECP	Security Exchange Commission of Pakistan
HR&R	Human Resources and Remuneration Committee	SOP	Standard Operating Procedures
SHE	Safety, Health & Environment	SPLY	Same Period Last Year
HSEQ	Health, Safety, Environment & Quality	TPM	Total Productive Maintenance
IAS	International Accounting Standards	TRIR	Total Recordable Injury Rate
ICAP	Institute of Chartered Accountants of Pakistan	USD	United States Dollar
IFAC	International Federation of accountants	VSS	Vountary Separation Scheme
IFAS	Islamic Financial Accounting Standard	WPPF	Workers' Profit Participation Fund
IFRIC	International Financial Reporting Interpretitions Committee	WWF	Workers Welfare Fund

## ۷۔ آڈٹ شدہ فنانشل اسٹیٹمنٹ بذریعہ ای میل:

SECP نے اپنے نوٹیفیکیشن SRO 787(I) 2014 مورخہ 8 ستمبر 2014 کے تحت اس امر کی اجازت دی ہے کہ آڈٹ شدہ حسابات بمعہ سالانہ اجلاس عام کے نوٹس، شیئر ہولڈرز کو بذریعہ ای میل ارسال کئے جاسکتے ہیں۔ لہذا وہ تمام ممبران جو سالانہ رپورٹ کی سافٹ کاپی حاصل کرنا چاہتے ہیں، ان سے گزارش ہے کہ کمپنی کو اپنا ای میل ایڈریس فراہم کریں۔ الیکٹرانکس ترسیل کے لئے اجازت نامہ کا فارم کمپنی کی ویب سائٹ [www.tripack.com.pk](http://www.tripack.com.pk) سے ڈاؤن لوڈ کیا جاسکتا ہے۔

تاہم کمپنی اپنے شیئر ہولڈرز کو ان کی درخواست پر آڈٹ شدہ حسابات کی ہارڈ کاپی، درخواست موصول ہونے کے سات دن کے اندر، بلا معاوضہ فراہم کرے گی۔

SECP کے جاری کردہ SRO 634(I) 2014 مورخہ 10 جولائی 2014 کی رو سے کمپنی سالانہ اجلاس عام کی تاریخ سے کم از کم 21 دن قبل اپنی ویب سائٹ [www.tripack.com.pk](http://www.tripack.com.pk) پر مالیاتی اسٹیٹمنٹس اور رپورٹ لگا دے گی۔

## ۸۔ پتے میں تبدیلی اور زکوٰۃ کی کٹوتی سے استثنیٰ کا فارم:

فزیکل شیئر ہولڈرز سے درخواست ہے کہ وہ اپنے پتوں میں ہونے والی کسی تبدیلی سے کمپنی کو فوری طور پر مطلع کریں اور اگر قابل اطلاق ہو تو زکوٰۃ کی کٹوتی سے استثنیٰ کا فارم کمپنی کے شیئر رجسٹرار آفس میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو فراہم کریں۔

مزید یہ کہ وہ تمام شیئر ہولڈرز جو سی ڈی سی / شراکت دار کاؤنٹس کے حامل ہیں ان سے گزارش ہے کہ اپنے تازہ ترین پتے، اور اگر لاگو ہو تو زکوٰۃ سے استثنیٰ کا فارم، اگر پہلے فراہم نہیں کیا تو، سی ڈی سی یا اپنے شراکت داروں / اسٹاک بروکرز کو فراہم کرے۔

## ۹۔ ویڈیو رابطے کی سہولت:

اگر 10% یا اس سے زائد شیئر ہولڈرز، جو جغرافیائی طور پر کسی اور جگہ پر رہائش پذیر ہوں اور اجلاس عام میں بذریعہ ویڈیو رابطہ شرکت کے خواہشمند ہوں اور وہ اجلاس کی تاریخ سے کم از کم 7 دن قبل کمپنی کو مطلع کریں تو اس شہر میں ویڈیو رابطے کا انتظام کر دیا جائے گا بشرطیکہ اس شہر میں مذکورہ سہولت دستیاب ہو۔

سالانہ اجلاس عام کے انعقاد سے 5 دن قبل، ممبران کو ویڈیو رابطے کے مقام اور اس مقام تک ان کی رسائی سے متعلق تمام معلومات کی تفصیل سے آگاہ کر دیا جائے گا۔

اس سلسلے میں برائے مہربانی درج ذیل فارم پُر کر کے کمپنی کے رجسٹرڈ پتے پر سالانہ اجلاس عام سے 7 دن قبل جمع کرادیں:

میں / ہم \_\_\_\_\_ رہائشی \_\_\_\_\_ بطور ممبر  
 ٹرائی پیک فلمز لمیٹڈ، حامل \_\_\_\_\_ عام شیئرز بمطابق رجسٹر فولیو  
 نمبر \_\_\_\_\_ بذریعہ ہڈا ویڈیو کانفرنس کی سہولت، بمقام  
 دستیابی کا انتخاب کرتا / کرتے ہیں۔

## ممبر کے دستخط

## ۱۰۔ سی ڈی سی اکاؤنٹ ہولڈرز کے لئے رہنما ہدایات:

سی ڈی سی اکاؤنٹ ہولڈرز کو، اجلاس میں شرکت اور پراسی کے تقرر کے سلسلے میں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکل نمبر 1، مورخہ 26 جنوری 2000 میں موجود رہنما ہدایات پر عمل درآمد لازمی ہے۔

## ۱۱۔ پراسی فارم:

پراسی فارم انگریزی اور اردو میں، سالانہ رپورٹ کے ساتھ منسلک ہے اور اس پر دو گواہان کے دستخط لازمی ہیں جن کے نام، پتے اور کمپیوٹرائزڈ شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔



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اپنا شناختی کارڈ نمبر فراہم نہ کرنے والے شیئر ہولڈرز کے لئے نوٹس:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے مراسلہ نمبر 2009-1342 EMD/D-II/Misc/ مورخہ 4 اپریل 2013 میں ہدایت کی ہے کہ ڈیوڈنڈ وارنٹ اس وقت تک جاری نہیں ہو سکتے جب تک کمپیوٹرائزڈ قومی شناختی کارڈ کا اندراج نہ ہو۔ اس لئے ایسے تمام شیئر ہولڈرز جن کے پاس فیزیکل شیئرز موجود ہیں اور انہوں نے اب تک اپنے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل جمع نہیں کرائی ہے، ان سے درخواست ہے کہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل جمع فرمائیں۔ شیئر رجسٹرار کو ارسال کر دیں۔ شیئر ہولڈرز کے موثر کمپیوٹرائزڈ قومی شناختی کارڈ کی عدم موجودگی کی صورت میں کمپنی اس امر پر مجبور ہوگی کہ وہ ایسے شیئر ہولڈرز کو ڈیوڈنڈ وارنٹ کی ترسیل روک دے۔

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ڈیوڈنڈ سے انکم ٹیکس کی کٹوتی:

(i) حکومت پاکستان نے فنانشل ایکٹ 2015 کے ذریعہ انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 میں بعض ترامیم کی ہیں، جس کے تحت کمپنیوں کی جانب سے ادا کئے جانے والے ڈیوڈنڈز کی رقم پر مختلف شرح سے ود ہولڈنگ ٹیکس کی کٹوتی لازمی کی گئی ہے۔ یہ ٹیکس ریٹس مندرجہ ذیل ہیں:

(الف) انکم ٹیکس گوشوارے جمع کروانے والوں کے لئے:	12.5%
(ب) انکم ٹیکس گوشوارے جمع نہ کروانے والوں کے لئے:	20.0%

اس امر کو یقینی بنانے کے لئے کہ کمپنی آپ کے نقد منافع (کیش ڈیوڈنڈ) میں سے 20.0% کی بجائے 12.5% ٹیکس کی کٹوتی کرے، وہ تمام شیئر ہولڈرز جن کے نام FBR (فیڈرل بورڈ ریونیو) کی ویب سائٹ پر ٹیکس کی ادائیگی کرنے والے فعال فرد (ATL) کی فہرست میں موجود نہیں ہیں، باوجود اس کے کہ وہ ٹیکس کی ادائیگی کرتے ہیں، ان سے گزارش ہے کہ وہ اس امر کو یقینی بنائیں کہ ان کے نام ٹیکس کی ادائیگی کرنے والے فعال فرد (ایکٹیو ٹیکس پیئر لسٹ) کی فہرست میں شامل ہوں۔ بصورت دیگر ان کے نقد منافع (کیش ڈیوڈنڈ) پر 12.5% کی بجائے 20.00% کے حساب سے کٹوتی کی جائے گی۔

(ii) کسی بھی سوال / مسئلے / معلومات کے لئے کمپنی اور / یا شیئر رجسٹرار سے درج ذیل فون نمبر یا ای میل کے ذریعہ رابطہ کر سکتے ہیں۔

رابطہ کار افراد:

جناب الیس۔ ایم۔ منور موسوی  
فون نمبر: 9221 35831618/35831664/35833011  
ای میل: munawar.moosvi@packages.com.pk

جناب اولیس خان  
فون نمبر: 92 21 34380101-2  
ای میل: ceo@famco.com.pk

(iii) کارپوریٹ شیئر ہولڈرز جو سی ڈی سی اکاؤنٹس کے حامل ہوں، ان کے لئے لازمی ہے کہ وہ اپنے متعلقہ شراکت داروں سے اپنا نیشنل ٹیکس نمبر (این ٹی این) اپ ڈیٹ کرالیں، جبکہ کارپوریٹ فیزیکل شیئر ہولڈرز کے لئے ضروری ہے کہ وہ اپنے این ٹی این سرٹیفکیٹ کی نقل کمپنی یا اس کے رجسٹرار یعنی فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو ارسال کریں۔ این ٹی این نمبر یا این ٹی این سرٹیفکیٹ (جو بھی صورت قابل اطلاق ہو) بھیجنے والے تمام شیئر ہولڈرز کے لئے لازمی ہے کہ وہ اپنی کمپنی کا نام اور متعلقہ فولیو نمبر ضرور درج کریں۔

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ڈیوڈنڈ کی الیکٹرانٹکی (ای۔ مینڈیٹ) ادائیگی:

نقد ڈیوڈنڈ کی ادائیگی کے عمل کو مزید مستعد بنانے کے لئے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکلر نمبر SM/CDC 2008 (4) مورخہ 5 اپریل 2013 میں ای۔ ڈیوڈنڈ کے طریقہ کار کا اعلان کیا ہے جس کے ذریعہ شیئر ہولڈرز کمپنی کو اس امر کا اختیار دے سکتے ہیں کہ وہ ان کا منافع ان کے بینک اکاؤنٹ میں براہ راست جمع کرا دے۔ اسی طرح تمام نان سی ڈی سی شیئر ہولڈرز سے گزارش ہے کہ اپنے بینک اکاؤنٹ کی تفصیلات کمپنی کے رجسٹرار کو ارسال کریں۔

ایسے شیئر ہولڈرز جن کے شیئرز سینٹرل ڈپازٹری کمپنی آف پاکستان یا شراکت داروں / اسٹاک بروکرز کے پاس ہیں، ان کو مشورہ دیا جاتا ہے کہ یہ اختیاری ڈی سی یا متعلقہ شراکت داروں / اسٹاک بروکرز کو تفویض کریں۔

## سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ ٹرائی پیک فلمز لمیٹڈ کا 25 واں سالانہ اجلاس عام درج ذیل عمومی امور کی انجام دہی کیلئے بروز جمعرات 20 اپریل 2017 کو صبح 10.30 بجے بمقام بیچ لگٹری ہوٹل، مولوی تمیز الدین خان روڈ کراچی میں منعقد ہوگا:

- ۱- 31 مارچ 2016 کو منعقد ہونے والے کمپنی کے 24 ویں سالانہ اجلاس عام کی کارروائی کی توثیق۔
- ۲- 31 دسمبر 2016 کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ حسابات اور ان پر ڈائریکٹرز اور آڈیٹرز رپورٹ کی وصولی اور اس کو اختیار کرنا۔
- ۳- بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق 31 دسمبر 2016 کو ختم ہونے والے سال کیلئے 10 روپے کے ہر عام شیئر پر 10 روپے فی شیئر (100%) کی شرح سے نقد منافع منقسمہ کی ادائیگی پر غور و خوض اور اس کی منظوری۔ (2015:10 روپے کے ہر عام شیئر 5.00 روپے کی شرح-50%)
- ۴- سال 2017 کیلئے آڈیٹرز کا تقرر اور ان کے مشاہرے کا تعین۔

کراچی

14 فروری 2017

نوٹس:

۱- شیئر ٹرانسفر بکس کی بندش

کمپنی کی شیئر ٹرانسفر بکس 13 اپریل 2017 تا 20 اپریل 2017 (بشمول دونوں دن) بند رہیں گی۔ ہر لحاظ سے درست ٹرانسفرز، جو ہماری کمپنی کے شیئر رجسٹرار میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، متصل ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، کراچی 75400 کو 12 اپریل 2017 کو کاروباری اوقات کے خاتمے تک وصول ہوں گے، ٹرانسفریز کو حتمی نقد منافع کی ادائیگی کیلئے بروقت تصور کئے جائیں گے۔

۲-

سالانہ اجلاس عام میں شرکت تمام ممبرز جو اجلاس میں شرکت کرنے اور ووٹ دینے کا حق رکھتے ہیں، اپنی جگہ کسی دوسرے فرد کو اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے تحریری طور پر اپنا پراکسی مقرر کر سکتے ہیں۔ پراکسی کا کمپنی کا ممبر ہونا ضروری نہیں ہے۔

کارپوریٹ ایٹنیٹی ممبر ہونے کی صورت میں اپنی جگہ کسی اور کو پراکسی مقرر کیا جاسکتا ہے، خواہ پراکسی کمپنی کا ممبر ہو یا نہ ہو۔ کارپوریٹ ایٹنیٹی ممبر ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع اس فرد کے دستخط کے نمونے، جسے اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے نامزد کیا گیا ہو، کمپنی کو اس کے مکمل پراکسی فارم کے ساتھ جمع کرائیں پراکسی ہولڈرز سے گزارش ہے کہ وہ اجلاس عام میں شرکت کے موقع پر اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ پیش کریں۔ پراکسی کے موثر ہونے کیلئے لازمی ہے کہ ہر لحاظ سے تکمیل شدہ پراکسی فارم کمپنی کے رجسٹرڈ آفس، سوئیٹ نمبر 22-42-416-G، چوتھی منزل، دی فورم، خیابان جامی، بلاک 6، کلفٹن، کراچی 75600 میں، اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی سیکرٹری کے پاس جمع کرائیں۔

۳-

کارپوریٹ ادارہ کی نمائندگی

درج بالا 2 سے الگ ایک کارپوریٹ ادارہ یا ایک کارپوریشن (چاہے وہ کمپنیز آرڈیننس ۱۹۸۴ کے مطابق کمپنی کی تعریف میں نہ ہوں) جو اپنے بورڈ یا کسی ہیئت انتظامیہ کی قرارداد کی رو سے کسی فرد کو اجلاس میں شرکت کیلئے مجاز قرار دے سکتی ہیں۔ مجاز افراد ایسے کارپوریٹ ادارے یا کارپوریشن کی جانب سے وہی اختیارات استعمال کرنے کے اہل ہوں گے جس کا وہ نمائندہ ہوں۔ ایسے نمائندہ فرد کو اجلاس میں شرکت کے وقت درج بالا قرارداد کی کاپی پیش کرنا ہوگی جو اس کارپوریٹ ادارے یا کارپوریشن کے کمپنی سیکرٹری کی جانب سے تصدیق شدہ ہو جس کی وہ نمائندگی کر رہا ہے۔

قومی خزانہ میں ادائیگی:

(Contribution to National Exchequer)

سال 2016 میں آپ کی کمپنی نے قومی خزانے میں سیلز ٹیکس، کسٹم ڈیوٹیز اور انکم ٹیکس وغیرہ کی مد میں 2.6 بلین روپے جمع کرائے۔

پیٹرن آف شیئر ہولڈنگ:

(Pattern of Shareholding)

کمپنی میں 31 دسمبر 2016 تک مخصوص افراد کی شیئر ہولڈنگ کی تفصیلات جو رپورٹنگ فریم ورک کا تقاضہ ہے، رپورٹ میں شامل کی گئی ہے۔ یہ تفصیلات حصص یافتگان کے بارے میں معلومات پر مبنی صفحہ پر دی گئی ہیں۔

ایکسٹرنل آڈیٹرز:

(External Auditors)

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور انہوں نے اپنی اہلیت کی بنیاد پر خود کو دوبارہ تفری کیلئے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو آئندہ سالانہ اجلاس عام تک باہمی رضامندی سے طے پانے والے مشاہرے کے مطابق تفری کی تجویز پیش کرتا ہے۔

اعتراف تعاون / اظہار تشکر:

(Acknowledgement)

ہم اپنے قابل قدر اسٹیک ہولڈرز بشمول گاہکوں، بینکنس، سپلائرز، کسٹریکٹرز اور حصص یافتگان کی بھرپور مدد اور کئے جانے والے اعتماد پر ان کے شکرگزار ہیں۔ ہم اپنے ملازمین کی دوران سال حصول اہداف اور انتھک محنت کے لیے انتہائی مشکور ہیں۔



ناصر جمال

چیف ایگزیکٹو آفیسر

کراچی، 14 فروری، 2017

نمبر شمار	رکن کا نام	اجلاسوں میں حاضری
3	جناب خرم رضا بختیاری	3
4	جناب یاسو ماسا کوندو (20 اپریل 2016 کو مستعفی ہو گئے)	Nil
5	جناب شینیا سوگیو کا (20 اپریل 2016 کو تقرر ہوا)	1
6	جناب ماسا ہیکو تا کا ہاشی (جناب یاسو ماسا کوندو کے متبادل)	1
7	جناب شی گرو ہاگی وارا (جناب شینیا سوگیو کا کے متبادل)	3

آڈٹ کمیٹی کے اجلاسوں میں شرکت نہ کر سکنے والے ارکان کی رخصت کی منظوری دی گئی۔

#### ہیومن ریسورس اینڈ ری میونریشن کمیٹی:

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

سال 2016 کے دوران میں ایچ آر اینڈ آر کمیٹی کے 2 اجلاس منعقد ہوئے۔ ہر رکن کی اجلاس میں حاضری درج ذیل ہے:

نمبر شمار	رکن کا نام	اجلاسوں میں حاضری
1	جناب آصف قادر (چیئر مین)	2
2	سید اسلم مہدی	1
3	جناب خرم رضا بختیاری	2
4	جناب کمی ہانڈ آندو	1

ایچ آر اینڈ آر کمیٹی کے اجلاسوں میں شرکت نہ کر سکنے والے ارکان کی رخصت کی منظوری دی گئی۔

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں میں شرکت
4	جناب ناصر جمال (چیف ایگزیکٹو آفیسر) ڈیمنڈ ڈائریکٹر (21 مارچ 2016 کو بحیثیت چیف ایگزیکٹو آفیسر تقرر ہوا)	4
5	جناب آصف قادر	5
6	سید حیدر علی	5
7	جناب خرم رضا بختیاری	5
8	جناب کمی ہانڈ آندو	5
9	جناب یاسو ماسا کوندو (20 اپریل 2016 کو مستعفی ہو گئے)	Nil
10	جناب شینیا سوگیو کا (20 اپریل 2016 کو تقرر ہوا)	2
11	جناب ماسا ہیکو تا کا ہاشی (جناب یاسو ماسا کوندو کے متبادل)	1
12	جناب شی گرو ہاگی وارا (جناب شینیا سوگیو کا کے متبادل)	1

جوڈائریکٹر بورڈ کے اجلاسوں میں شرکت نہیں کر سکنے والے ارکان کی رخصت کی منظوری دی گئی۔

#### آڈٹ کمیٹی:

#### (Audit Committee)

سال 2016 کے دوران میں آڈٹ کمیٹی کے 14 اجلاس منعقد ہوئے۔ ہر رکن کی حاضری اس طرح رہی:

نمبر شمار	رکن کا نام	اجلاسوں میں حاضری
1	جناب آصف قادر (چیئر مین)	4
2	جناب کمی ہانڈ آندو	3

اس سال جناب شینیا سوگیو کا (Shinya Sugioka) کو جناب یاسوماسا کوندو (Yasumasa Kondo) کی جگہ کمپنی کا ڈائریکٹر مقرر کیا گیا جو شرائط و ضوابط کی رو سے سرٹیفیکیشن حاصل کریں گے۔ یقینہ ڈائریکٹر صاحبان یا تو کارپوریٹ گورننس کے کوڈ کی شق 5.19.7 کے تحت ڈائریکٹرز ٹریننگ پروگرام سے مستثنیٰ ہیں یا سرٹیفکیٹ حاصل کر چکے ہیں۔

کمپنی کے چیف ایگزیکٹو آفیسر (CEO)، ڈائریکٹرز، کمپنی سیکرٹری اور ان کی ازواج یا ان کے بچوں نے کمپنی کے شیئرز میں کوئی لین دین (سودا) نہیں کیا۔

### بورڈ اور چیف ایگزیکٹو آفیسر میں تبدیلی: (Changes in the Board and CEO)

اس سال سید اسلم مہدی نے چیف ایگزیکٹو آفیسر کی اسامی سے استعفیٰ دیدیا اور جناب ناصر جمال کو ان کی جگہ مقرر کیا گیا۔ مشورہ پیشی کارپوریشن کے نامزد کردہ جناب یاسوماسا کوندو نے بطور کمپنی ڈائریکٹر استعفیٰ دیا اور ان کی جگہ جناب شینیا سوگیو کا تقرر کیا گیا تمام ڈائریکٹرز سید اسلم مہدی اور جناب یاسوماسا کوندو کی گرانقدر خدمات پر ان کے ممنون اور مشکور ہیں۔

### بورڈ آف ڈائریکٹرز کے اجلاس: (Meetings of Board of Directors)

سال 2016 کے دوران میں بورڈ آف ڈائریکٹرز کے 15 اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے:

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں میں شرکت
1	سید بابر علی (چیئر مین)	5
2	سید اسلم مہدی (چیف ایگزیکٹو آفیسر)	1
	(21 مارچ 2016 کو بطور چیف ایگزیکٹو آفیسر استعفیٰ دے دیا)	
3	سید اسلم مہدی	1

(iii) مالیاتی اسٹیٹمنٹ اور حسابات کے تخمینہ کی تیاری میں حسابات کی درست پالیسی کو استعمال کیا گیا ہے، سوائے ان تبدیلیوں کے جو مالیاتی اسٹیٹمنٹ کے نوٹس میں درج ہیں اور حسابات کی پالیسی کے سلسلے میں معقولیت اور دانائی پر مبنی فیصلے کئے گئے ہیں۔

(iv) مالیاتی اسٹیٹمنٹ، پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی بنیاد پر تیار کئے گئے ہیں۔

(v) داخلی کنٹرول کا نظام ڈیزائن کے اعتبار سے محفوظ ہے اور اس کے نفاذ اور نگرانی کا کام موثر طریقے سے کیا گیا ہے۔ انٹرنل آڈٹ اور مانیٹرنگ کے دوسرے طریقوں سے اس نظام کی مسلسل نگرانی کی جاتی ہے۔ داخلی کنٹرول کی نگرانی ایک مسلسل عمل ہے اور یہ کنٹرول کو مزید مضبوط اور موثر بناتا ہے۔

(vi) گزشتہ برس کے مقابلے میں اس سال کے کمپنی کے کاروباری نتائج میں آنے والی نمایاں تبدیلیاں، مستقبل کے اہم منصوبے، فیصلے اور منفعت کے امکانات کی تفصیلات اس رپورٹ میں شامل کی گئی ہیں۔

(vii) گزشتہ دس سال کی بنیادی آپریٹنگ اور مالیاتی معلومات منسلک کی گئی ہیں۔

(viii) ٹیکسیز اور محصولات کے بارے میں معلومات مالیاتی اسٹیٹمنٹ کے نوٹس میں درج ہیں۔

(ix) کمپنی کے موجودہ صلاحیت میں کام جاری رکھنے میں کسی رکاوٹ کا شبہ نہیں ہے۔

(x) لسٹنگ ریگولیشن میں درج کارپوریٹ گورننس کے بہترین طریقوں اور اصولوں سے کوئی بڑا انحراف نہیں کیا گیا ہے۔

(xi) پراویڈنٹ اور گریجویٹ فنڈز کی سرمایہ کاری کی مالیت کی قدر بمطابق 31 دسمبر 2016 (غیر آڈٹ شدہ) درج ذیل ہے:

روپے ہزاروں میں
148,722
69,715

پراویڈنٹ فنڈ

گریجویٹ فنڈ

(xii) ڈائریکٹر صاحبان میں سے جناب خرم رضا بختیاری نے سال کے دوران میں ڈائریکٹرز ٹریننگ سرٹیفیکیشن حاصل کی۔

## افرادى قوت / انسانى وسائل (Human Resource)

كپنى كے طویل كامیاب سفر كے پیچھے پُر جوش، پُر عزم اور قابل افرادى قوت ہے جو داخلی اور بیرونی صارفین کیلئے بہترین خدمات فراہم کرتی ہے۔ لہذا ہماری طویل المدت حکمت عملی کی بنیاد اس بات کو یقینی بنانا ہے کہ ہمیشہ اپنے تمام اسٹیک ہولڈرز اور كپنى كو شاندار نتائج فراہم کریں جس کیلئے ہم بہترین طریقہء کار اور ماہر افراد کی خدمات حاصل کرتے ہیں۔

ہماری HR کا عزم ہے کہ ملازمین کو ایک قابل قدر مقام دیں جس کے نتیجے میں نسبتاً کم وقت میں ہمیں نمایاں بہتری نظر آئی ہم نے اپنی کوششوں کا محور ملازمت اور حفاظت کے طریقہء کار میں بہتری لانا، لائن نیچر میں بہتر آگاہی اور اچھی سمجھ بوجھ پیدا کرنا، ملازمین کی فلاح و بہبود کیلئے اپنی حکمت عملی اور لائحہ عمل کو مزید بہتر بنانا، اپنے ملازمین کو مصروف عمل رکھنا اور انکے خیالات، آراء اور تحفظات کو بر ملا بیان کرنے کیلئے ان کی حوصلہ افزائی کرنا قرار دیا ہے۔

ہماری ترجیحات میں اپنے ملازمین کی بات سننا، ان کے موقف کو سمجھنا اور بہتری کے لحاظ سے ان کے حل پیش کرنا ہم ہر سال ملازمین کے اطمینان اور اعتماد کی سطح کا جائزہ لینے کیلئے ایک سروے منعقد کرتے ہیں جو ہمارے لئے انتہائی مفید ذریعہ کے طور پر كپنى اور ملازمین کے درمیان بہتر رابطے قائم رکھنے میں مدد دیتا ہے۔

ہم ہر قسم کے اختلافات کی قدر کرتے ہیں چاہے وہ انفرادی ہوں یا آراء کے مختلف النوع افراد اور ان کی الگ الگ رائے کا احترام کرنا ہمارے ضابطہ میں شامل ہے۔ ہم کسی بھی بے انصافی کے طریقہ یا امتیازی سلوک کو برداشت نہیں کرتے خواہ وہ کسی بھی بنیاد پر ہو۔ ہم ایک کھلے اور شفاف ماحول میں کام کرتے ہیں جو لوگوں کو اپنے تحفظات کا اظہار کرنے کا موقع دیتا ہے تاکہ کسی بھی شخص کے غیر قانونی رویہ یا امتیازی سلوک کے خلاف بروقت اور موثر کارروائی کی جاسکے۔

## معیار انتظام (Quality Management)

سال کے دوران میں آپ کی كپنى نے تمام لاگو معیارات کی شرائط پر پوری طرح عمل کیا۔

مشینوں کی بہتر دیکھ بھال اور پیداواری عمل میں ہونے والے ضیاع کو کم سے کم کر کے پیداواری کارکردگی کو بہتر بنایا۔ اس کے علاوہ TPM پر زور دیا گیا اور آلات کے فراہم کنندگان اور صنعتی مشینوں سے بھی پیشہ ورانہ مہارت حاصل کی گئی۔

## متعلقہ کاروباری فریق / کاروباری شریک (Related Parties)

تمام متعلقہ فریقوں سے لین دین غیر جانبداری کے ساتھ کیا جاتا ہے۔ متعلقہ فریقین سے لین دین کی تفصیلات ہر سہ ماہی پر بورڈ آڈٹ کمیٹی کے جائزے کے بعد بورڈ کے سامنے ان کے غور و خوض اور منظوری کیلئے پیش کی جاتی ہیں۔

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

كپنى نے پاکستان اسٹاک ایکسچینج لسٹنگ ریگولیشن کے تحت مقرر کردہ کارپوریٹ گورننس کے ضابطہء اخلاق کو اختیار کیا ہے اور اس کی تعمیل کی جاتی ہے۔ اس حوالے سے ایک بیان رپورٹ میں شامل کیا گیا ہے۔

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

- (i) كپنى کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے كپنى کی صورتحال کاروباری نتائج، نقد رقومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کی صحیح تصویر پیش کرتے ہیں۔
- (ii) كپنى کے حساب کتاب اور کھاتوں کو درست طور پر مرتب کیا گیا ہے۔

اس سال کاروباری سرگرمیوں سے نقد رقم کی آمد 2.1 بلین روپے رہیں جو گزشتہ سال سے کم ہے۔ اس کی وجہ بڑھتے ہوئے کاروبار میں مدد کیلئے سرمایہ کاری تھی۔

بنیادی مالیاتی جھلکیاں درج ذیل ہیں:

	2015	2016
مقامی فروخت کا حجم (میٹرک ٹن)	44,001	48,360
برآمدات فروخت کا حجم (میٹرک ٹن)	3,341	1,158
فروخت سے حاصل ہونے والی خاص آمدنی (ملین روپے)	11,954	11,778
خام منافع (ملین روپے)	2,032	1,857
خالص منافع (ملین روپے)	498	754
منافع فی حصہ (روپے)	14.86	20.15

منافع منقسمہ

(Dividend)

ڈائریکٹرز نے 100% یعنی 10 روپے فی شیئر منافع کی تقسیم کی تجویز دی ہے۔ (2015: 5 روپے فی شیئر)

مستقبل کا منظر نامہ

(Future Outlook)

خام مال کی قیمتوں میں اضافہ متوقع ہے تاہم دو نئی BOPP اور CPP لائنوں کے آغاز سے موجودہ اضافی فراہمی میں بڑھاؤ کے سبب حجم اور منافع پر اثر پڑے گا۔

کمپنی ان چیلنجوں کا مقابلہ کرنے کیلئے مخصوص اور تحقیق پر مبنی مصنوعات کی تیاری، برآمدی مارکیٹ میں اپنے قدم جمانے، اخراجات میں کمی اور پیداواری استعداد میں مزید بہتری لانے پر توجہ مرکوز کر رہی ہے۔ ہم نے 4Cs یعنی Cash, Cost, Customer اور Controls پر اپنی توجہ میں اضافہ کیا ہے جس سے نہ صرف منافع میں اضافہ ہوگا بلکہ اس سے ہمیں اپنے طریقہ کار کی بہتر تشکیل، معیار میں اضافہ، اصولوں پر عمل درآمد اور صارف پر توجہ میں مدد ملے گی۔

کیش فلو کی حکمت عملی

(Cash Flow Strategy)

زیر جائزہ مدت میں کاروباری سرگرمیوں سے 2.1 بلین روپے حاصل ہوئے۔ (2015: 3 بلین روپے)۔ یہ رقم بنیادی طور پر طویل المدت قرضوں کی ادائیگی اور مالیاتی لاگت کی مد میں خرچ کی گئی۔

اس سال حصص یافتگان کی جانب سے نئے سرمایہ کی فراہمی کی گئی جس سے اس سال کیش فلو میں 1.1 بلین روپے شامل ہوئے جو بینک کے قرضوں کی ادائیگی اور سپلائرز کے کریڈٹ کی مد میں استعمال کی گئی تاکہ کرنسی آپکھینچ رسک کو کم کیا جاسکے۔

زیر کار سہ ماہی کا مزید موثر انتظام جاری رہے گا تاکہ نقد رقم کی آمد کو بہتر بنایا جاسکے۔

اس سال کمپنی کے قرضوں میں 2.2 بلین روپے کی کمی کی گئی جو 460 ملین روپے کی مالیاتی لاگت کی ادائیگی کے علاوہ ہے۔

انتظامی اطلاعی نظام

(Management Information Systems)

اس سال ERP نظام کے استعمال میں نمایاں اضافہ کیا گیا۔ جس سے بہتر داخلی کنٹرول، طریقہ کار کی استعداد میں بہتری اور مالیاتی معلومات میں درستی حاصل ہوئی۔ یہ عمل کمپنی کے انفارمیشن ٹیکنالوجی کے ڈھانچے میں کاروباری اور رپورٹنگ چیلنجوں سے مقابلے کی پوری صلاحیت پیدا کرنے کے عزم کے مطابق ہے۔

# ڈائریکٹرز رپورٹ برائے حصص یافتگان (ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز)

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹرز 31 دسمبر 2016 کو ختم ہونے والے سال کی رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

دوران سال اقتصادی اور سیاسی حالات مجموعی طور پر موافق اور معاشیاتی اشاریے مثبت رہے۔ تاہم توانائی کی جاری قلت سے کاروباری اور مسابقتی صلاحیت پر اثر پڑا جو کہ باعث تشویش ہے۔

گذشتہ سال حفاظت، صحت اور ماحولیاتی معیارات کی تعمیل (SHE) کمپنی کی اولین ترجیحات میں شامل رہی۔

## بازار اور کاروبار کا جائزہ

### (Market & Business overview)

بازار اجناس جنوری میں کم ترین سطح پر پہنچنے کے بعد پہلی سہ ماہی کے آخر میں بڑھنا شروع ہوا اور بقیہ سال میں شرح نمو مستحکم رہی۔

اس سال طلب میں اضافہ کے سبب مقامی فروخت کا حجم نمایاں طور پر 10% تک بڑھ گیا جو کہ گاہکوں کے اعتماد میں مثبت تبدیلی کی عکاسی کرتا ہے تاہم برآمدات میں نمایاں کمی آئی اور مجموعی حجم 49,517 ٹن رہا جو گزشتہ سال کے مقابلے میں 5% زائد ہے۔

آپ کی کمپنی بازار میں آئندہ آنے والے چیلنجز سے مکمل آگاہی کے ساتھ ان کے اثرات سے نبرد آزما ہونے کیلئے اقدامات کر رہی ہے۔ مصنوعاتی تحقیق اور پیش رفت پر توجہ مرکوز کی گئی ہے جس سے نئی مصنوعات تیار ہوں گی کمپنی کو فروخت کے وسیع مواقع میسر ہوں گے۔

اس سال اینٹی ڈمپنگ ڈیوٹی (ADD) کے اطلاق کے سبب کی تکمیل کے بعد مزید پانچ سال کیلئے لاگو کر دیا گیا۔ نامناسب قیمت پر غیر قانونی درآمدات سے فروخت کا حجم متاثر ہو رہا ہے اور ہم ریونیو اتھارٹیز سے درخواست کرتے ہیں کہ اس کا نوٹس لیں اور اپیل کرتے ہیں کہ اس ناسور سے نمٹنے کیلئے اقدامات کئے جائیں جو

کہ مقامی سرمایہ کاری کے کاروبار کو نقصان پہنچا رہا ہے جنہوں نے حال ہی میں بھاری سرمایہ کاری سے مشینوں کی خریداری کی ہے جس سے روزگار اور حکومتی خزانے کے کیلئے آمدنی میں اضافے کے مواقع پیدا ہوئے ہیں۔

## مالیاتی جھلکیاں

### (Financial Highlights)

علاقائی طلب میں کمی اور نتیجتاً نچلے علاقائی نرخوں کے باعث اس سال خالص فروخت سے حاصل ہونے والی آمدنی قیمت فروخت میں کمی کے باعث گزشتہ سال سے 1% کم رہی۔

کمپنی نے اپنے ہٹار پلانٹ کے آپریشنز کو جزوی طور پر معطل کرنے کا فیصلہ کیا ہے۔ نتیجتاً ملازمین کیلئے رضا کارانہ علیحدگی اسکیم (VSS) کا اعلان کیا گیا ہے۔ جس سے متعلقہ اخراجات کی مد میں تقریباً 93 ملین روپے کی رقم مختص کی گئی ہے۔

استعداد اور پیداواری صلاحیت میں بہتری اور اخراجات پر قابو کے نتیجے میں زیادہ پیداوار اور کاروباری منافع جات میں اضافہ کی وجہ سے اس سال خام منافع گزشتہ سال کے مقابلے میں 9% زائد رہا۔

گزشتہ سال کے مقابلے میں اس سال فروخت کاری، تقسیم کاری اور انتظامی اخراجات 3% زائد رہے جس کی یکپارگی پیشہ ورانہ اور دیگر مشاورتی اخراجات ہیں۔

اس سال مالیاتی لاگت گزشتہ سال کے مقابلے میں 42% کم رہی جس کی بنیادی وجہ قلیل المدت اخراجات میں کمی، جھص یافتگان کی جانب سے 1.1 بلین روپے کے نئے سرمایہ کی فراہمی اور کم تر شرح سود تھی۔

نتیجتاً اس سال قبل منافع از ٹیکس 914 ملین روپے رہا جو گزشتہ سال کے مقابلے میں 93% زیادہ ہے۔

اسی طرح بعد منافع از ٹیکس 754 ملین روپے ہے جو گزشتہ سال سے 51% زیادہ ہے۔ منافع فی حصہ 20.1 روپے ہے جب کہ 2015 میں یہ 14.8 روپے تھا۔





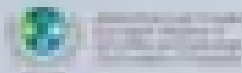
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# Proxy Form

## 25th Annual General Meeting

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member of Tri-Pack Films Limited  
and holder of \_\_\_\_\_ Ordinary Shares as per **Share Register Folio No.** \_\_\_\_\_ and/or **CDC Participant I.D. No.** \_\_\_\_\_ and **Sub Account**  
(Number of Shares)  
**No.** \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ or failing him/her  
\_\_\_\_\_ of \_\_\_\_\_ as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Thursday,  
April 20, 2017 at 10.30 a.m. at the Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi and at any adjournment thereof.

Signed this .....day of.....2017

WITNESSES:

Signature

1. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_   
CNIC or \_\_\_\_\_  
Passport No: \_\_\_\_\_

\_\_\_\_\_  
Signature



Please affix Rupees five revenue stamp  
  
(Signature should agree with the specimen signature registered with the Company)

2. Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_   
CNIC or \_\_\_\_\_  
Passport No: \_\_\_\_\_

**Note:**

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company.

CDC Shareholders and their Proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

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.

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اور ایسی ڈی سی کے شراکتی آئی ڈی نمبر

اور ذیلی کھاتہ نمبر

ساکن

یا بصورت دیگر

ساکن

یا بصورت دیگر

ساکن

کو اپنی جگہ بروز جمعرات مورخہ 20 اپریل 2017 بوقت 10:30 بجے صبح بمقام بیچ لکٹری ہوٹل مولوی تمیز الدین خان روڈ کراچی میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

دستخط کیے گئے مورخہ 2017 \_\_\_\_\_

گواہان:

دستخط:

نام:

پتہ:

سی این آئی سی یا پاسپورٹ نمبر:

دستخط:

نام:

پتہ:

سی این آئی سی یا پاسپورٹ نمبر:

براہ کرم پانچ روپے  
مالیت کے ریونیو ٹکٹ  
چسپاں کریں۔

دستخط:

(دستخط کمپنی میں درج نمونہ  
کے مطابق ہونے چاہئے)

نوٹ:

پراکسیز کے موثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہو۔ نیابت دار کا کمپنی کارکن ہونا ضروری نہیں ہے۔

سی ڈی سی کے حصص داران اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پر کسی فارم کے ساتھ کمپنی میں جمع کرائیں۔

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.

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## **Tri-Pack Films Limited**

### **Registered Office:**

4<sup>th</sup> 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](http://www.tripack.com.pk)