



# Kohat Textile Mills Limited



Third Quarterly Report  
(Un-audited)  
March 31, 2019

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Osman Saifullah Khan (Chairman)  
Assad Saifullah Khan (Chief Executive Officer)  
Hoor Yousafzai  
Jehangir Saifullah Khan  
Abdul Rehman Qureshi  
Rana Muhammad Shafi  
Zaheen Ud Din Qureshi

## AUDIT COMMITTEE

Abdul Rehman Qureshi (Chairman)  
Hoor Yousafzai  
Jehangir Saifullah Khan

## HR & REMUNERATION COMMITTEE

Abdul Rehman Qureshi (Chairman)  
Assad Saifullah Khan  
Hoor Yousafzai

## CHIEF FINANCIAL OFFICER

Nouman Ahmad

## COMPANY SECRETARY

Saad Gul Karori

## HEAD OF INTERNAL AUDIT

Meesam Habib Butt

## AUDITORS

Shinewing Hameed Chaudhri & Co.,  
Chartered Accountants

## LEGAL ADVISORS

Salahuddin Saif & Aslam  
(Attorneys at Law)

## BANKERS

Askari Bank Limited  
Dubai Islamic Bank  
Meezan Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
The Bank of Punjab  
The Bank of Khyber  
United Bank Limited

## HEAD OFFICE

3rd Floor, City Center, Plot No. 40,  
Main Bank Road, Saddar Cantt,  
Rawalpindi  
Phone : (051) 5700824-8  
Fax : (051) 5700829  
email : ktm@saifgroup.com

## REGISTERED OFFICE

APTMA House, Tehkal Payan,  
Jamrud Road, Peshawar  
Phone : (091) 5843870, 5702941  
Fax : (091) 5840273  
email : Peshawar@saifgroup.com

## SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd.,  
HM House, 7-Bank Square, Lahore  
Phone : +92-42-37235081  
+92-42-37325082  
Fax : +92-42-37358817  
email : info@hmaconsultants.com

## MILLS

Saifabad, Kohat  
Phone : (0922) 862309,  
862065, 862091  
Fax : (0922) 862057-58  
email : ktmkht@saifgroup.com

## WEB SITE

www.kohattextile.com

# DIRECTORS' REPORT TO THE MEMBERS

## Dear Members,

The Directors of your Company take pleasure in presenting before you the financial information of the Company for the third quarter and nine months ended on March 31, 2019.

## Operating results

Company's turnover grew by Rs.435 million over corresponding period last year (Rs.2,001 million vs Rs.1,566 million) and posted a gross profit of Rs.192 million (Gross margin: 9.59%) in the period as compared to a gross profit of Rs.136 million (Gross margin: 8.69%) for the corresponding period last year. The Company posted a pretax profit of Rs.42 million, depicting around 77% growth over the same period last year. The profitability of the Company was negatively impacted due to increase in borrowing cost owing mainly to rising KIBOR rates.

## Future outlook

We wish to remain optimistic about steps taken by the new Government of Pakistan for textile sector, however, any further devaluation of Pak Rupee may in turn trigger further inflationary pressures that would impact both our borrowing cost and operating costs.

Cognizant of these challenges, the Management of your Company has been taking timely decisions to attain better operational efficiencies, and will continue to put its best efforts to achieve sustainability in financial results for the company during last quarter of the financial year. The Board has approved further BMR plan of existing machinery set-up.

## Acknowledgement

The Board records its appreciation of the performance of the Company's workers, staff and executives. Also, the Board appreciates for the support of our bankers and our valued customers. We look forward to the same dedication and cooperation in the days ahead.

In line with the tradition of Saif Group, the Management hosted a ceremony on March 27, 2019 to celebrate the 50<sup>th</sup> anniversary of Kohat Textile Mills. The event, which had participation from all our major partners, bankers, vendors and stakeholders, provided us an opportunity to cherish our achievements together.

## For and on Behalf of the Board



**ASSAD SAIFULLAH KHAN**  
Chief Executive Officer



**ZAHEEN UD DIN QURESHI**  
Director

Place : Islamabad  
Dated : April 26, 2019

# ڈائریکٹرز کی جائزہ رپورٹ برائے ممبران

محترم ممبران

آپ کی کمپنی کے ڈائریکٹر کے لیے یہ بات خوشی کا باعث ہے کہ وہ سہ ماہی اور نو ماہی مالیاتی رپورٹ اختتامی مارچ 31، 2019 پیش کر رہے ہیں۔

آپ بٹنگ نتائج

کمپنی کی فروخت گذشتہ سال کے مقابل 435 ملین روپے سے بڑھی (2,001 ملین بمقابلہ 1,566 ملین) اور مجموعی منافع 192 ملین روپے یا (مجموعی منافع کی شرح 59-9 فیصد) جب گذشتہ برس مجموعی منافع 136 ملین روپے (مجموعی منافع کی شرح 69-8 فیصد) رہا۔ کمپنی نے ٹیکس کی کٹوتی سے قبل 42 ملین روپے کا منافع کمایا جو کہ گذشتہ سال کے برعکس 77 فیصد اضافہ ظاہر کرتا ہے۔ قرضے کی لاگت میں اضافے کی وجہ سے جو کہ بنیادی طور پر کائی بور میں اضافے کی وجہ سے تھا، کمپنی کے منافع پر منفی اثرات مرتب ہوئے۔

مستقبل کا نقطہ نظر

ہم حکومت پاکستان کی جانب سے ٹیکسٹائل سیکٹر کے لیے اٹھائے اقدامات پر امید ہیں۔ تاہم روپے کی قدر میں مزید کمی افراط زر کے دباؤ کو مزید بڑھائے گی جو کہ قرضے کی لاگت اور آپ بٹنگ لاگت پر مزید اثر انداز ہوگی۔ ان مشکلات کو مد نظر رکھتے ہوئے، آپ کی کمپنی کی بیجمنٹ بہتر عملی کارکردگی حاصل کرنے کیلئے بروقت فیصلے کر رہی ہے اور موجودہ سال کے آخری سہ ماہی میں بہتر مالیاتی نتائج حاصل کرنے کیلئے بھرپور کوشش کر رہی ہے۔ بورڈ نے موجودہ مشینری کے نظام کے لیے بی ایم آر منصوبہ منظور کیا ہے۔

اعتراف

بورڈ کمپنی کے کارکنان، شاف اور ایگزیکٹوز کی کارکردگی پر ان کو خراج تحسین پیش کرتی ہے۔ مزید ہذاں بورڈ ہمارے بینکرز اور معزز گاہکوں کے تعاون کا شکر گزار ہے ہم آئندہ آنے والے دنوں میں اسی لگن اور تعاون کی امید کرتے ہیں۔

سیف گروپ کی روایات کے مطابق، بیجمنٹ نے 27 مارچ 2019 کو ٹیکسٹائل ملز کی پچاسویں سالگرہ کی تقریب منعقد کی۔ تقریب میں ہمارے تمام اہم حصہ داران، بینکرز، وینڈرز اور سٹیک ہولڈرز نے شمولیت کر کے ہمیں ملکر ہماری کامیابی پر خوشی منانے کا موقع فراہم کیا۔

منجانب بورڈ ہذا

سید

ذہین الدین قریشی

ڈائریکٹر

Asad S. Khan

اسد سیف اللہ خان

چیف ایگزیکٹو آفیسر

مقام: اسلام آباد

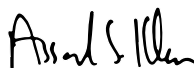
تاریخ: 26 اپریل 2019

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

		Un-audited March 31, 2019	Audited June 30, 2018
		(Rupees in thousand)	
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	1,489,347	1,474,298
Intangible assets		1,531	2,061
Long term loans		1,823	2,051
Long term deposits		1,137	1,137
		<b>1,493,838</b>	<b>1,479,547</b>
<b>Current Assets</b>			
Stores, spare parts and loose tools		36,093	35,476
Stock-in-trade		696,163	482,571
Trade debts		311,169	335,508
Loans and advances		5,170	9,133
Deposits, other receivables and prepayments		16,560	17,351
Taxation - net		77,926	64,299
Sales tax refundable		32,249	22,994
Cash and bank balances		8,481	9,066
		<b>1,183,811</b>	<b>976,398</b>
		<b>2,677,649</b>	<b>2,455,945</b>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized capital</b>			
22,000,000 ordinary shares of Rs.10 each		220,000	220,000
Issued, subscribed and paid-up capital		208,000	208,000
Revenue reserve			
- Unappropriated profit		214,586	181,864
Capital reserve			
- Surplus on revaluation of Property, Plant and Equipment		427,736	438,263
<b>Total shareholders' equity</b>		<b>850,322</b>	<b>828,127</b>
<b>Non-current Liabilities</b>			
Loan from the Holding Company		100,000	100,000
Long term financing		196,865	198,749
Long term deposits		1,912	3,066
Liability against asset subject to finance lease		8,378	3,379
Deferred liability - staff retirement benefits		119,509	108,126
Deferred taxation - net		142,269	138,369
		<b>568,933</b>	<b>551,689</b>
<b>Current Liabilities</b>			
Trade and other payables		287,946	300,251
Contract liabilities		4,223	5,006
Accrued interest / mark-up		33,586	15,346
Short term borrowings		828,785	688,336
Current portion of non-current liabilities		100,088	63,456
Unclaimed dividend		3,766	3,734
		<b>1,258,394</b>	<b>1,076,129</b>
<b>Contingencies and commitments</b>	6	<b>2,677,649</b>	<b>2,455,945</b>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



ZAHEEN UD DIN QURESHI  
Director



NOUMAN AHMAD  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME(UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

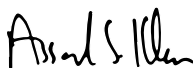
	Quarter ended		Nine months period ended	
	Jan. - Mar, 2019	Jan. - Mar., 2018	Jul. - Mar. 31, 2019	Jul. - Mar. 31, 2018
	(Rupees in thousand)			
Sales - net	659,816	571,281	2,001,016	1,565,686
Cost of sales	(600,406)	(522,223)	(1,809,178)	(1,429,621)
<b>Gross profit</b>	<b>59,410</b>	<b>49,058</b>	<b>191,838</b>	<b>136,065</b>
Distribution cost	(4,048)	(5,352)	(14,655)	(13,176)
Administrative expenses	(19,220)	(17,770)	(51,341)	(48,084)
Other expenses	(1,201)	(1,998)	(6,412)	(4,591)
Other income	-	777	439	868
<b>Profit from operations</b>	<b>34,941</b>	<b>24,715</b>	<b>119,869</b>	<b>71,082</b>
Finance cost	(33,623)	(16,897)	(77,988)	(47,403)
<b>Profit before taxation</b>	<b>1,318</b>	<b>7,818</b>	<b>41,881</b>	<b>23,679</b>
Taxation	(1,122)	3,641	(4,086)	(39,452)
<b>Profit / (loss) before taxation</b>	<b>196</b>	<b>11,459</b>	<b>37,795</b>	<b>(15,773)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>196</b>	<b>11,459</b>	<b>37,795</b>	<b>(15,773)</b>

----- Rupees -----

## Profit / (loss) per share

- basic and diluted	0.01	0.55	1.82	(0.76)
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The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



ZAHEEN UD DIN QURESHI  
Director



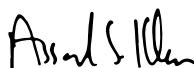
NOUMAN AHMAD  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months period ended	
	March 31, 2019	March 31, 2018
	(Rupees in thousand)	
<b>Cash flows from operating activities</b>		
Profit for the period - before taxation	41,881	23,679
Adjustments for non-cash charges and other items:		
Depreciation	52,421	48,272
Amortisation	530	529
Staff retirement benefits - gratuity (net)	11,383	4,292
Loss on sale of operating fixed assets	514	697
Finance cost	77,988	47,403
<b>Profit before working capital changes</b>	<b>184,717</b>	<b>124,872</b>
<b>Effect on cash flows due to working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(617)	104
Stock-in-trade	(213,592)	88,453
Trade debts	24,339	22,100
Loans and advances	3,963	3,735
Deposits, other receivables and prepayments	791	1,485
Sales tax refundable	(9,255)	7,647
<b>Decrease in current liabilities:</b>		
Trade and other payables	(12,305)	(140,222)
Contract liabilities	(783)	-
	<b>(207,459)</b>	<b>(16,698)</b>
<b>Cash (used in) / generated from operations</b>	<b>(22,742)</b>	<b>108,174</b>
Income taxes paid	(13,814)	(9,259)
Long term loans - net	228	375
<b>Net cash (used in) / generated from operating activities</b>	<b>(36,328)</b>	<b>99,290</b>
<b>Cash flow from investing activities</b>		
Additions in property, plant and equipment	(71,450)	(64,133)
Sale proceeds of operating fixed assets	3,466	2,469
<b>Net cash used in investing activities</b>	<b>(67,984)</b>	<b>(61,664)</b>
<b>Cash flows from financing activities</b>		
Long term financing - obtained	66,656	-
- repaid	(33,030)	(50,284)
Liability against asset subject to finance lease	6,122	1,455
Long term deposits	(1,154)	517
Short term borrowings - net	140,449	77,318
Dividend paid	(15,568)	(20,665)
Finance cost paid	(59,748)	(45,163)
<b>Net cash generated from / (used in) financing activities</b>	<b>103,727</b>	<b>(36,822)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(585)</b>	<b>804</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>9,066</b>	<b>4,839</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>8,481</b>	<b>5,643</b>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



ZAHEEN UD DIN QURESHI  
Director



NOUMAN AHMAD  
Chief Financial Officer




# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Share capital	Revenue reserves Unappropriated profit	Capital reserve Revaluation surplus on property, plant and equipment	Total
(Rupees in thousand)				
Balance as at July 01, 2017	208,000	182,992	449,723	840,715
<b>Transaction with owners</b>				
Cash dividend for the year ended June 30, 2017 at the rate of Rs.1.00 per share	-	(20,800)	-	(20,800)
<b>Total comprehensive loss for the nine months ended March 31, 2018</b>	-	(15,773)	-	(15,773)
Surplus on revaluation of property, plant and equipment for the nine months realised during the period on account of incremental depreciation for the period - net of deferred taxation	-	10,971	(10,971)	-
<b>Balance as at March 31, 2018</b>	<b>208,000</b>	<b>157,390</b>	<b>438,752</b>	<b>804,142</b>
Balance as at July 01, 2018	208,000	181,864	438,263	828,127
<b>Transaction with owners</b>				
Cash dividend for the year ended June 30, 2018 at the rate of Re.0.75 per share	-	(15,600)	-	(15,600)
<b>Total comprehensive income for the nine months ended March 31, 2019</b>	-	37,795	-	37,795
Surplus on revaluation of property, plant and equipment for the nine months realised during the period (net of deferred taxation):				
- on account of incremental depreciation	-	10,493	(10,493)	-
- upon sale of revalued assets	-	34	(34)	-
<b>Balance as at March 31, 2019</b>	<b>208,000</b>	<b>214,586</b>	<b>427,736</b>	<b>850,322</b>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



ZAHEEN UD DIN QURESHI  
Director



NOUMAN AHMAD  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Kohat Textile Mills Limited (the Company) is a public limited Company incorporated in Pakistan during the year 1967 and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn.

### 1.1 Geographical location and addresses of major business units including mills / plant of the Company are as under:

<b>Kohat</b> Saifabad	<b>Purpose</b> Mills / factory
<b>Peshawar</b> APTMA House, Tehkal Payan, Jamrud Road	Registered office
<b>Rawalpindi</b> City centre, Main Bank Road, Saddar Cantt	Head office
<b>Karachi</b> 2nd Floor, The Plaza, Block-9, Clifton	Marketing office

### 1.2 The Company is a Subsidiary Company of Saif Holding Limited (the Holding Company) as 77.98% (2018: 77.98%) of the Company's issued, subscribed and paid-up capital is held by the Holding Company.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of compliance

#### 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017, and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

**2.1.2** These condensed interim financial statements does not include all the information and disclosures as required in an annual audited financial statements, and these should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2018. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

## **2.2 New standards, amendments to approved accounting standards and interpretations that are effective during the period and are relevant to the Company**

**2.2.1** During the period, the Company has adopted following new standards / interpretations:

- IFRS 15, 'Revenue from contracts with customers' which is effective for the annual period beginning on July 01, 2018. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
- IFRS 9, 'Financial Instruments' which is effective for the annual period beginning on July 01, 2018. IFRS 9 sets out requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today.

## **2.3 Accounting policies**

All the accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2018, except for the change specified in note 3 below.

## **3. CHANGE IN ACCOUNTING POLICY**

### **3.1 IFRS 15 'Revenue from Contracts with Customers'**

**3.1.1** Following the application of IFRS 15, the Company policy for revenue recognition under different contracts with customers stands amended as follows:

#### **Sale of goods**

The Company sold its products in separately identifiable contracts. The contracts entered into with the customers generally includes one performance obligation i.e. the provision of goods to the customer.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

Revenue from local sale of goods is recognised when the Company satisfies a performance obligation under a contract by transferring promised goods to the customer. Goods are considered to be transferred at the point in time when the customer obtains control over the goods (i.e. on dispatch of goods from the mills to the customer). Revenue from the export sale of goods is recognised at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally it is on the date of bill of lading or at the time of delivery of goods to the destination port.

## 3.1.2 Effect of change in accounting policy

- a) The Company has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entity to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of unappropriated profit in the period of initial application. The above mentioned revised policy do not have any significant impact on these condensed interim financial statements as the revised policy do not have an impact on the timing or the amount of revenue recognition from the contracts with customers.
- b) The adoption of IFRS 15 also resulted in reclassification of "Advances from customers", previously grouped under trade and other payables, to the statement financial position as 'Contract liabilities'.

## 3.2 IFRS 9 'Financial Instruments'

The Company has adopted IFRS 9 and has amended its accountings policies accordingly; however, the changes laid down by the standard do not have any significant impact on these condensed interim financial statements of the Company.

## 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2018.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

## 5. PROPERTY, PLANT AND EQUIPMENT

		Un-audited March 31, 2019 (Rupees in thousand)	Audited June 30, 2018
	<b>Note</b>		
Operating fixed assets - tangible	5.1	<b>1,450,588</b>	1,227,789
Capital work-in-progress		<b>8,350</b>	202,928
Stores held for capital expenditure		<b>30,409</b>	43,581
		<b>1,489,347</b>	1,474,298
<b>5.1 Operating fixed assets - tangible</b>			
Book value at beginning of the period / year		<b>1,227,789</b>	1,232,881
Additions during the period / year	5.1.1	<b>279,200</b>	60,546
Disposals costing Rs.10.652 million (June 30, 2018: Rs.19.956 million)			
- at net book value		<b>(3,980)</b>	(3,166)
Depreciation charge for the period / year		<b>(52,421)</b>	(62,472)
Book value at end of the period / year		<b>1,450,588</b>	1,227,789
<b>5.1.1 Additions during the period / year:</b>			
Freehold land		-	20,000
Buildings on freehold land			
- factory		<b>16,946</b>	1,967
- residential		<b>907</b>	-
Plant & machinery	5.1.2	<b>227,184</b>	28,955
Gas fired power plant		<b>21,131</b>	-
Electric installations		<b>940</b>	146
Equipment & appliances		<b>3,240</b>	4,403
Fire extinguishing equipment		<b>100</b>	-
Furniture & fixtures		<b>478</b>	2,196
Vehicles - leased		<b>8,274</b>	2,879
		<b>279,200</b>	60,546

**5.1.2** Borrowing cost at the rate of 8.14% (June 30, 2018: 7.31%) per annum amounting Rs.4.096 million (June 30, 2018: Rs.3.037 million) has been included in the cost of plant and machinery.

## 6. CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies

**6.1.1** There has been no significant change in the status of contingencies as disclosed in note 19.1 of the audited annual financial statements for the year ended June 30, 2018.

**6.1.2** Guarantees issued by banks to various Government institutions on behalf of the Company aggregate Rs.83.962 million (June 30, 2018: Rs.78.962 million).

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

## 6.2 Commitments

- letters of credit for purchase of raw materials and stores, spare parts & chemicals

**Un-audited**  
**March 31,**  
**2019**  
(Rupees in thousand)

Audited  
June 30,  
2018

**94,606**

-

## 7. TRANSACTIONS WITH RELATED PARTIES

7.1 Significant transactions with related parties are as follows:

Relationship	Nature of transactions	Un-audited	
		Nine months period ended	
		March 31, 2019	March 31, 2018
		(Rupees in thousand)	
<b>i) Holding Company</b>			
- dividend paid		12,165	16,220
- mark-up accrued on loan		7,173	5,340
- shared expenses		103	-
<b>ii) Associated Companies</b>			
- sale of fixed assets		1,310	1,250
- sale of goods and services		1,973	6,266
<b>iii) Key management personnel</b>		21,413	18,228
		<b>Un-audited</b> <b>March 31,</b> <b>2019</b>	Audited June 30, 2018
		(Rupees in thousand)	

7.2 Period / year end balances are as follows:

Loan from the Holding Company

**100,000**

100,000

## 8. FINANCIAL RISK MANAGEMENT

8.1 The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

There has been no change in the Company's sensitivity to these risks since June 30, 2018, except for the change in exposure from liquidity risks due to increase in borrowings and general exposure due to fluctuations in foreign currency and interest rates. There have been no change in risk management objectives and policies of the Company during the period.

These condensed interim financial statements does not include all financial risk management information and disclosures as are required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2018.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2019

## 8.2 Fair value estimation

The carrying values of financial assets and liabilities reflected in the financial statements approximate their fair values.

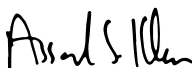
## 9. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2018, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the nine months period ended March 31, 2018.

## 10. GENERAL

10.1 These condensed interim financial statements were approved by the Board of Directors and authorised for issue on April 26, 2019.

10.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



ZAHEEN UD DIN QURESHI  
Director



NOUMAN AHMAD  
Chief Financial Officer



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