



SAIF GROUP

KOHAT TEXTILE MILLS LIMITED

THIRD QUARTERLY
REPORT
(UN-AUDITED)
March 31, 2024



ENTITY RATING OF KOHAT TEXTILE MILLS LIMITED

| | |
|------------|----|
| Long Term | A- |
| Short Term | A2 |

Stable outlook

CREDIT RATING AGENCY



The Pakistan Credit Rating Agency Limited

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COMPANY INFORMATION

BOARD OF DIRECTORS

Osman Saifullah Khan (Chairman)
Barrister Assad Saifullah Khan (Chief Executive Officer)
Hoor Yousafzai
Asif Saifullah Khan
Rana Muhammad Shafi
Sohail H Hydari
Abdul Rehman Qureshi
Sardar Aminullah Khan

AUDIT COMMITTEE

Abdul Rehman Qureshi (Chairman)
Sardar Aminullah Khan
Rana Muhammad Shafi

HR & REMUNERATION COMMITTEE

Abdul Rehman Qureshi (Chairman)
Assad Saifullah Khan
Hoor Yousafzai

CHIEF FINANCIAL OFFICER

Abid Hussain

SR. DIRECTOR TECHNICAL

Badar Us Samee

GENERAL MANAGER MARKETING & SALES

Amir Badshah

COMPANY SECRETARY

Sajjad Hussain

HEAD OF INTERNAL AUDIT

Muhammad Adeel Raza

AUDITORS

Shinewing Hameed Chaudhri & Co.,
Chartered Accountants

LEGAL ADVISORS

Salahuddin Saif & Aslam
(Attorneys at Law)

BANKERS

Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Limited
First Habib Modaraba
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

HEAD OFFICE

4th Floor, Kashmir Commercial Complex,
Fazal-e-Haq Road, Blue Area
Islamabad
Phone : (051) 2604733-5
Fax : (051) 2604732
email : ktm@saifgroup.com

REGISTERED OFFICE

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

MILLS

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

SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd.,
HM House, 7-Bank Square, Lahore
Phone : (042)-37235081
(042)-37325082
Fax : (042)-37358817
email : info@hmaconsultants.com

WEB SITE

www.kohattextile.com

DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

The Board of Directors of your company is pleased to present the financial information of the Company for nine months ended March 31, 2024.

Financial highlight

The Company's sales grew by Rs.1.6 billion (39%) over corresponding period last year (Rs.5.6 billion vs Rs.4.0 billion). Sales increased mainly due to an increase in rates. The Company posted a gross profit of Rs.851 million (Gross margin: 15%) in the period, compared to a gross profit of Rs.540 million (Gross margin: 13%) for the similar period last year. However, the net profitability was dampened by higher financing and energy costs. Nevertheless, the Company posted a pre-tax profit of Rs.185 million, depicting 286% growth over the same period last year. The Company is regular in debt servicing with all banks, and the plant operated at full capacity during the period.

Future outlook

Future outlook for the sector is going to be defined by a host of factors including, but not limited to, speed of recovery in global textile demand, PKR devaluation against US\$, phasing out of concessionary financing schemes for the sector, and the revision of gas tariffs. Barring the first factor, the expectations for all others remain bleak. That said, we wish to remain optimistic about newly elected Government's efforts to balance IMF conditions with business growth. The textile sector has great potential for improvement but would require Government support to identify textile as a priority area.

To realize business objectives the management will continue to replace old technology machines with better and more advanced technology. We are evaluating options to add further 3MW solar power in the generation mix (2.1MW solar project already operational). Management will put its best efforts for reduction in the input costs.

The demand in local yarn market has been improving and we are optimistic to achieve better results in the fourth quarter of current financial year.

Acknowledgement

The Directors are grateful to the Company's members, financial institutions and customers for their co-operation and support. The Directors would also like to express their deep appreciation for the services, loyalty and efforts continuously rendered by the employees of the Company. We look forward to the same co-operation and dedication in the days ahead.

For and on Behalf of the Board



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director

Place : Islamabad

Dated : April 29, 2024

ڈائریکٹرز رپورٹ برائے ممبران

معزز ممبران

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی کمپنی کی نو ماہی مالیاتی رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

اہم مالیاتی نکات

کمپنی کی فروخت تقابلی عرصہ کے مقابل 1.6 بلین روپے (39%) سے بڑھی (5.6 بلین روپے بالمقابل 4.0 بلین روپے) فروخت میں اضافہ زیادہ تر قیمت میں اضافہ کی وجہ سے ہوئی۔ کمپنی نے مجموعی منافع 851 ملین روپے حاصل کیا (مجموعی منافع کا تناسب 15%) جو کہ تقابلی عرصہ میں 540 ملین روپے تھا (مجموعی منافع کا تناسب 13%)۔ تاہم خالص منافع قرضہ کی لاگت اور انرجی کی قیمتوں میں اضافے کے باعث متاثر ہوا۔ تاہم کمپنی نے ٹیکس سے قبل 185 ملین روپے منافع حاصل کیا جو کہ تقابلی عرصہ کے بالمقابل 286 فیصد بڑھوتری ظاہر کرتا ہے۔ کمپنی تمام بینکوں کے ساتھ قرضہ کی ادائیگی میں باقاعدہ رہی اور اس عرصہ میں پلانٹ مکمل استپاعت رچلا۔

مستقبل کا نقطہ نظر

ٹیکسٹائل صنعت کا مستقبل کچھ عوامل پر منحصر ہوگا جن میں ٹیکسٹائل صنعت کی عالمی طلب کی بحالی، پاک روپیہ کی ڈالر کے مقابلے میں تیزی، سیکنڈ کے لیے رعایتی قرضوں کی فراہمی کی سکیور اور گیس کی قیمتوں میں نظر ثانی شامل ہیں۔ پہلے نقطہ کے علاوہ باقی کی امید البتہ کم نظر آتی ہے۔ اس کے باوجود ہم نئی گورنمنٹ کی جانب سے IMF اور کاروبار کی بحالی میں توازن برقرار رکھنے کی کوششوں سے پر امید ہیں۔ ٹیکسٹائل صنعت میں ترقی کی بہت اہمیت ہے لیکن اس کے لیے گورنمنٹ کی معاونت کی ضرورت رہے گی۔

وقت کی ضرورت کے مطابق مینجمنٹ پرانی مشینوں کو اور بہتر ٹیکنالوجی والی مشینوں سے بدلنے کو ترجیح دے رہی ہے۔ ہم مزید 3 میگا واٹ سولر پاور کو اپنی انرجی مکس میں شامل کرنے کا موازنہ کر رہے ہیں (2.1 میگا واٹ سولر پاور پہلے سے کام کر رہا ہے)۔ مینجمنٹ لاگت کو کم کرنے کی بھرپور کوشش کر رہی ہے۔

مقامی مارکیٹ میں دھاگے کی طلب بڑھ رہی ہے اور ہم رواں مالی سال کی چوتھی سہ ماہی میں بہتر مالیاتی نتائج کے لیے پر امید ہیں۔

اظہار تشکر

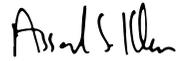
ڈائریکٹرز کمپنی کے ممبران، مالی اداروں اور گاہکوں کے تعاون اور معاونت کے شکر گزار ہیں۔ ڈائریکٹرز ملازمین کی مستقل خدمات، وفا شعاری اور گاہکوں کی بھی قدردانی کرتے ہیں۔ ہم مستقبل میں اسی تعاون اور لگن کی امید کرتے ہیں۔

منجانب بورڈ ڈپٹی



رانا محمد شفیق

ڈائریکٹر



اسد سیف اللہ خان

چیف ایگزیکٹو آفیسر

مقام: اسلام آباد

تاریخ: 29 اپریل، 2024

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

| | | Un-audited March 31, 2024 | Audited June 30, 2023 |
|---|------|---------------------------------|-----------------------------|
| | Note | (Rupees in thousand) | |
| Assets | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 4 | 4,983,891 | 5,051,423 |
| Long term investment | | 4,886 | 4,886 |
| Long term loans | | 774 | 985 |
| Long term deposits | | 16,320 | 15,263 |
| | | 5,005,871 | 5,072,557 |
| Current Assets | | | |
| Stores, spare parts and loose tools | | 56,753 | 57,182 |
| Stock-in-trade | | 1,557,983 | 1,233,760 |
| Trade debts | | 1,435,200 | 1,398,063 |
| Loans and advances | | 4,085 | 5,550 |
| Deposits, other receivables and prepayments | | 20,965 | 17,229 |
| Cash and bank balances | | 9,015 | 14,273 |
| | | 3,084,001 | 2,726,057 |
| | | 8,089,872 | 7,798,614 |
| Equity and Liabilities | | | |
| Share Capital and Reserves | | | |
| Authorized capital | | | |
| 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 | | 1,055,864 | 916,972 |
| Capital reserve | | | |
| - Surplus on revaluation of Property, Plant and Equipment | | 2,573,970 | 2,584,203 |
| Unrealised loss on financial assets at fair value through other comprehensive income | | (114) | (114) |
| | | 3,837,720 | 3,709,061 |
| Non-Current Liabilities | | | |
| Long term financing | | 466,452 | 648,155 |
| Long term deposits | | 6,528 | 4,636 |
| Deferred Income - government grant | | 22,281 | 29,923 |
| Deferred liability - staff retirement benefits | | 199,109 | 182,118 |
| Deferred taxation - net | | 273,110 | 286,408 |
| | | 967,480 | 1,151,240 |
| Current Liabilities | | | |
| Trade and other payables | | 950,461 | 637,847 |
| Contract liabilities | | 2,668 | 1,802 |
| Accrued mark-up / profit | | 123,270 | 135,077 |
| Short term borrowings | | 1,960,208 | 1,941,357 |
| Current portion of non-current liabilities | | 243,277 | 218,124 |
| Unpaid dividend | | 209 | 209 |
| Unclaimed dividend | | 939 | 939 |
| Taxation | | 3,640 | 2,958 |
| | | 3,284,672 | 2,938,313 |
| Contingencies and commitments | 5 | 8,089,872 | 7,798,614 |

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



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

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

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2024

| | Quarter ended | | Nine months period ended | |
|-----------------------------------|----------------------|-------------------|--------------------------|-------------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| | (Rupees in thousand) | | | |
| Sales - net | 1,924,369 | 1,476,513 | 5,602,726 | 4,020,662 |
| Cost of sales | (1,644,327) | (1,289,399) | (4,751,741) | (3,480,588) |
| Gross profit | 280,042 | 187,114 | 850,985 | 540,074 |
| Distribution cost | (24,242) | (20,450) | (71,970) | (54,234) |
| Administrative expenses | (44,067) | (41,144) | (128,829) | (118,557) |
| Other expenses | (7,059) | (3,305) | (16,683) | (8,897) |
| Other income | - | 1,470 | 11,264 | 17,408 |
| Profit from operations | 204,674 | 123,685 | 644,767 | 375,794 |
| Finance cost | (143,093) | (112,880) | (459,363) | (327,742) |
| Profit before taxation | 61,581 | 10,805 | 185,404 | 48,052 |
| Taxation | (23,219) | (2,937) | (56,745) | (20,628) |
| Profit after taxation | 38,362 | 7,868 | 128,659 | 27,424 |
| Other comprehensive income | - | - | - | 31 |
| Total comprehensive income | 38,362 | 7,868 | 128,659 | 27,455 |
| ----- Rupees ----- | | | | |
| Earnings per share | | | | |
| - basic and diluted | 1.84 | 0.38 | 6.19 | 1.32 |

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



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

| | Nine months period ended | |
|---|--------------------------|-------------------|
| | March 31, 2024 | March 31, 2023 |
| | (Rupees in thousand) | |
| Cash flows from operating activities | | |
| Profit for the period - before taxation | 185,404 | 48,052 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 111,725 | 113,454 |
| Staff retirement benefits - gratuity (net) | 16,991 | 19,681 |
| Unclaimed payable balances written-back | - | (1,521) |
| Loss on sale of operating fixed assets | 247 | 115 |
| Finance cost | 459,363 | 327,742 |
| Profit before working capital changes | 773,730 | 507,523 |
| Effect on cash flows due to working capital changes | | |
| Decrease / (increase) in current assets: | | |
| Stores, spare parts and loose tools | 429 | (4,082) |
| Stock-in-trade | (324,223) | (320,055) |
| Trade debts | (37,137) | 44,811 |
| Loans and advances | 1,465 | 5,529 |
| Deposits, other receivables and prepayments | (3,736) | 853 |
| Sales tax refundable | - | (4,917) |
| Increase / (decrease) in current liabilities: | | |
| Trade and other payables | 312,614 | (343,623) |
| Contract liabilities | 866 | 563 |
| | (49,722) | (620,921) |
| Cash generated from / (used in) operating activities | 724,008 | (113,398) |
| Income taxes paid | (69,361) | (71,002) |
| Long term loans - net | 211 | 20 |
| Net cash generated from / (used in) operating activities | 654,858 | (184,380) |
| Cash flow from investing activities | | |
| Additions in property, plant and equipment | (52,015) | (189,725) |
| Sale proceeds of operating fixed assets | 7,575 | 5,869 |
| Long term investment made | - | (2,500) |
| Net cash used in investing activities | (44,440) | (186,356) |
| Cash flows from financing activities | | |
| Long term financing - obtained | - | 116,454 |
| - repaid | (160,866) | (213,646) |
| Loan from the Holding Company- repaid | - | (60,000) |
| Lease liabilities | (3,326) | (1,681) |
| Long term deposits | 835 | 819 |
| Short term borrowings - net | 18,851 | 816,900 |
| Finance cost paid | (471,170) | (284,174) |
| Net cash (used in) / generated from financing activities | (615,676) | 374,672 |
| Net (decrease) / increase in cash and cash equivalents | (5,258) | 3,936 |
| Cash and cash equivalents - at beginning of the period | 14,273 | 4,176 |
| Cash and cash equivalents - at end of the period | 9,015 | 8,112 |

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



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

| Share capital | Revenue reserves | Capital reserve | Unrealised (loss) / gain on financial assets at fair value through other comprehensive income | Total | |
|--|-----------------------|--|---|--------------|------------------|
| | Unappropriated profit | Revaluation surplus on property, plant and equipment | | | |
| (Rupees in thousand) | | | | | |
| Balance as at July 01, 2022 (audited) | 208,000 | 815,283 | 2,601,724 | (125) | 3,624,882 |
| Transaction with owners | | | | | |
| Total comprehensive income for the Nine months period ended March 31, 2023 | - | 27,455 | - | 31 | 27,486 |
| Surplus on revaluation of property, plant and equipment for the nine months realised (net of deferred taxation) | - | 13,141 | (13,141) | - | - |
| Balance as at March 31, 2023 (un-audited) | 208,000 | 842,738 | 2,601,724 | (94) | 3,652,368 |
| Balance as at July 01, 2023 (audited) | 208,000 | 916,972 | 2,584,203 | (114) | 3,709,061 |
| Total comprehensive income for the Nine months period ended March 31, 2024 | - | 128,659 | - | - | 128,659 |
| Surplus on revaluation of property, plant and equipment for the nine months realised on account of incremental depreciation (net of deferred taxation) | - | 10,233 | (10,233) | - | - |
| Balance as at March 31, 2024 (un-audited) | 208,000 | 1,055,864 | 2,573,970 | (114) | 3,837,720 |

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



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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 Limited. 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:

| Kohat | Purpose |
|--|--------------------------|
| Saifabad | Mills / factory |
| Peshawar | |
| KPTMA house, Tehkal Payan, Jamrud Road | Registered office |
| Islamabad | |
| 4 th Floor, Kashmir Commercial Complex, Fazal-e-haq road, Blue Area | Head office |
| Karachi | |
| Plot No. 36, New Karachi Cooperative Housing Society Near Dolmen Mall Tariq Road | Marketing & Sales office |
| Faisalabad | |
| P-17, Near Allied Bank Ltd, Montgomery Bazar, | Marketing & Sales office |

1.2 The Company is a Subsidiary Company of Saif Holding Limited (the Holding Company) as 77.98% (June 30, 2023: 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
- Islamic Financial Accounting Standards (IFAS) issued by the institute of Chartered Accountants of Pakistan as notified under the Act, and
- Provisions of and directives issued under the Companies Act.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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

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, 2023. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

2.2 Standards, amendments to approved accounting standards effective in current period and are relevant

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

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, 2023.

3. 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, 2023.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

| 4. PROPERTY, PLANT AND EQUIPMENT | | Un-audited March 31, 2024 | Audited June 30, 2023 |
|--|-------|---------------------------------|-----------------------------|
| | | (Rupees in thousand) | |
| | Note | | |
| Operating fixed assets - tangible | 4.1 | 4,940,308 | 4,989,755 |
| Capital work-in-progress | | - | 3,360 |
| Right-of-use assets | | 3,922 | 6,196 |
| Stores held for capital expenditure | | 39,661 | 52,112 |
| | | 4,983,891 | 5,051,423 |
| 4.1 Operating fixed assets - tangible | | | |
| Book value at beginning of the period / year | | 4,989,755 | 4,892,551 |
| Additions during the period / year | 4.1.1 | 69,138 | 255,935 |
| Transfer from right of use to own | | 962 | - |
| Disposals costing Rs.22.238 million (June 30, 2023: Rs.8.709 million) | | (7,822) | (6,361) |
| - at net book value | | (7,822) | (6,361) |
| Depreciation charge for the period / year | | (111,725) | (152,370) |
| Book value at end of the period / year | | 4,940,308 | 4,989,755 |
| 4.1.1 Additions during the period / year: | | | |
| Buildings on freehold land | | | |
| - factory | | 16,129 | 66,717 |
| - non - factory | | - | 1,540 |
| - residential | | - | 4,010 |
| Plant & machinery | | 48,468 | 92,814 |
| Gas fired power plant | | - | 5,556 |
| Electric installations | | 4,128 | 79,310 |
| Equipment & appliances | | 393 | 5,730 |
| Fire extinguishing equipment | | - | 210 |
| Furniture & fixtures | | 20 | 48 |
| | | 69,138 | 255,935 |
| 4.2 Right-of-Use Assets | | | |
| Book value at beginning of the period / year | | 6,196 | 9,270 |
| Reassessment due to mark-up rate change | | 80 | 254 |
| Depreciation charge for the period / year | | (1,392) | (3,328) |
| Transferred to own assets | | (962) | - |
| Book value at end of the period / year | | 3,922 | 6,196 |

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1 There has been no significant change in the status of contingencies as disclosed in note 7 of the financial statements for the period ended December 31, 2023.

5.2 Commitments

5.2.1 Commitments against irrevocable letters of credit outstanding at the period-end were Rs.625.570 million (June 30, 2023: Rs.324.966).

5.2.2 Commitments against ijarah rentals under ijarah agreements at the period-end were Rs.75.894 million (June 30, 2023: Rs.88.877 million).

6. TRANSACTIONS WITH RELATED PARTIES

6.1 Significant transactions with related parties are as follows:

| Relationship & Nature of transactions | Un-audited Nine months period ended, March 31, | |
|--|--|--------------------------------------|
| | 2024 | 2023 |
| | (Rupees in thousand) | |
| i) Holding Company | | |
| - mark-up charged on loan | - | 5,100 |
| - sale of fixed assets | - | 2,450 |
| - loan repaid | - | 60,000 |
| ii) Associated Companies | | |
| - sale of goods & services | - | 3,126 |
| - Purchase of fixed assets | 16,061 | 78,033 |
| - Purchase of raw material | - | 174,464 |
| - Donations | 4,820 | 5,220 |
| iii) Related party | | |
| - Gas purchased | 467,469 | - |
| iii) Key management personnel | 30,680 | 28,527 |
| | Un-audited March 31, 2024 | Audited June 30, 2023 |
| | --- Rupees in '000 --- | |
| Trade & other payables | 106 | - |
| Gas bill outstanding | 98,392 | - |

6.2 Period / year end balances are as follows:

| | | |
|------------------------|--------|---|
| Trade & other payables | 106 | - |
| Gas bill outstanding | 98,392 | - |

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

7. FINANCIAL RISK MANAGEMENT

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, 2023, 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, 2023.

8. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Fair values categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

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

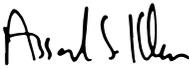
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2024

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, 2023, 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, 2023.

10. GENERAL

- 10.1 These condensed interim financial statements were approved by the Board of Directors and authorised for issue on April 29, 2024.
- 10.2 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer



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