



SAIF GROUP



# KOHAT TEXTILE MILLS LIMITED

FIRST QUARTERLY REPORT  
(UN-AUDITED)  
SEPTEMBER 30, 2022



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

## 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

## COMPANY SECRETARY

Sajjad Hussain

## HEAD OF INTERNAL AUDIT

Meesam Habib Butt

## AUDITORS

Shinewing Hameed Chaudhri & Co.,  
Chartered Accountants

## LEGAL ADVISORS

Salahuddin Saif & Aslam  
(Attorneys at Law)

## BANKERS / MODARABA

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  
Pak China Investment Company Limited  
Soneri Bank Limited  
The Bank of Punjab  
The Bank of Khyber  
United Bank Limited

## HEAD OFFICE

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

## REGISTERED OFFICE

APTMA 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 Directors of your Company take pleasure in presenting the first quarterly unaudited financial statements of the Company for the period ended September 30, 2022.

## Financial highlights

During the period under review, your Company recorded turnover of Rs.1,141 million against Rs.1,092 million for the same period last year posting 5% growth. However, the suspension/low pressure of gas, PKR volatility, rising KIBOR rates coupled with reduction in global commodity prices dampened the profitability of the Company. The Company posted gross profit of Rs.181 million (vs Rs.224 million last year) and a pre-tax profit of Rs.27 million (vs Rs.142 million last year).

## Future outlook

While there have been a few positives on the macro front i.e. FATF grey-list relief and rollover of some bilateral loans, the overall market conditions remain bearish. The major factors hampering textile sector profitability include swings in the local and international raw material prices, currency fluctuation, rising energy costs and higher borrowing costs. Meanwhile, recent floods will put pressure on country's fiscal and current account. Lastly, in view of the impending LNG shortages, serious gas outages are expected in the coming winter months which will impact production and costs.

## 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 being continuously rendered by the employees of the Company. We look forward to the same cooperation 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: October 28, 2022

# ڈائریکٹرز رپورٹ برائے حصص یافتگان

معزز حصص یافتگان:

آپ کی کمپنی کے ڈائریکٹرز سبہ ماہی غیر آڈٹ شدہ مالیاتی رپورٹ اختتامی ستمبر 30، 2022 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی جائزہ:

زیر جائزہ عرصہ کے دوران، آپ کی کمپنی نے 1,141 ملین کی فروخت کی جو کہ تقابلی عرصہ میں 1,092 ملین روپے تھی جو کہ 5 فی صد بڑھوتری ظاہر کرتی ہے۔ تاہم گیس کی بندش / پریشر میں کمی، روپے کی قدر میں اتار چڑھاؤ، KIBOR میں اضافہ اور اشیاء کی قیمت میں عالمی کمی نے منافع پر منفی اثرات مرتب کیے۔ کمپنی نے مجموعی منافع 181 ملین روپے کمایا (تقابلی عرصہ 227 ملین روپے) اور ٹیکس سے قبل منافع 27 ملین روپے کمایا (تقابلی عرصہ 142 ملین روپے)۔

مستقبل کا نقطہ نظر:

جبکہ کلی طور پر مثبت اثرات دیکھنے کو مل رہے ہیں جیسا کہ FATF کی گرے لسٹ سے اخراج، بین الاقوامی قرضوں میں مہلت، تاہم مجموعی طور پر منڈی میں مندی رہی۔ ٹیکسٹائل سیکٹر کے منافع میں رکاوٹ کے باعث عوامل میں خام مال کی مقامی اور بین الاقوامی قیمتوں میں اتار چڑھاؤ، توانائی کی قیمت میں اضافہ اور قرضہ کی لاگت میں اضافہ شامل ہیں۔ تاہم حال میں آنے والے سیلاب سے ملک کے مالی اور کرنٹ اکاؤنٹ پر دباؤ رہے گا۔ آخر میں LNG کی مستقبل میں آنے والی قلت، سردیوں میں متوقع گیس کی فراہمی میں تعطل سے پیداوار اور لاگت پر اثر ہوگا۔

اظہار تشکر:


ڈائریکٹرز کمپنی کے حصص یافتگان، مالی اداروں اور گاہکوں کے تعاون اور معاونت کے شکر گزار ہیں۔ ڈائریکٹرز ملازمین کی مستقل خدمات، وفاداری اور کوششوں کی بھی قدر دانی کرتے ہیں۔ ہم مستقبل میں اسی تعاون اور لگن کی امید کرتے ہیں۔

مخائب بورڈ ہذا



رانا محمد شفیع

ڈائریکٹر



اسد سیف اللہ خان

چیف ایگزیکٹو آفیسر

مقام: اسلام آباد

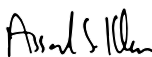
تاریخ: اکتوبر 28، 2022

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

|   |             | Un-audited<br>September 30,<br>2022 | Audited<br>June 30,<br>2022 |
|---|-------------|-------------------------------------|-----------------------------|
|   |             | (Rupees in thousand)                |                             |
| <b>Assets</b>   | <b>Note</b> |                                     |                             |
| <b>Non-Current Assets</b>   |             |                                     |                             |
| Property, plant and equipment   | 5           | 5,035,602                           | 4,985,146                   |
| Long term investment  |             | 2,375                               | 2,375                       |
| Long term loans   |             | 1,932                               | 1,022                       |
| Long term deposits  |             | 13,470                              | 13,894                      |
|   |             | 5,053,379                           | 5,002,437                   |
| <b>Current Assets</b>   |             |                                     |                             |
| Stores, spare parts and loose tools   |             | 51,424                              | 50,204                      |
| Stock-in-trade  |             | 1,533,998                           | 1,156,684                   |
| Trade debts   |             | 1,147,455                           | 1,055,353                   |
| Loans and advances  |             | 5,440                               | 8,496                       |
| Deposits, other receivables and prepayments   |             | 15,374                              | 15,477                      |
| Sales tax refundable  |             | 31,570                              | -                           |
| Cash at banks   |             | 6,698                               | 4,176                       |
|   |             | 2,791,959                           | 2,290,390                   |
|   |             | 7,845,338                           | 7,292,827                   |
| <b>Equity and Liabilities</b>   |             |                                     |                             |
| <b>Share Capital and Reserves</b>   |             |                                     |                             |
| 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   |             | 837,590                             | 815,283                     |
| Capital reserve   |             |                                     |                             |
| - Surplus on revaluation of Property,<br>Plant and Equipment                            |             | 2,597,576                           | 2,601,724                   |
| Unrealised loss on financial assets at fair value<br>through other comprehensive income |             | -                                   | (125)                       |
| <b>Total shareholders' equity</b>   |             | 3,643,166                           | 3,624,882                   |
| <b>Non-current Liabilities</b>  |             |                                     |                             |
| Loan from the Holding Company   |             | 60,000                              | 60,000                      |
| Long term financing   |             | 777,543                             | 776,897                     |
| Long term deposits  |             | 4,310                               | 3,756                       |
| Lease liabilities   |             | 3,993                               | 4,426                       |
| Deferred income - government grant  |             | 35,555                              | 35,792                      |
| Deferred liability - staff retirement benefits  |             | 177,493                             | 169,826                     |
| Deferred taxation - net   |             | 294,099                             | 299,374                     |
|   |             | 1,352,993                           | 1,350,071                   |
| <b>Current Liabilities</b>  |             |                                     |                             |
| Trade and other payables  |             | 787,742                             | 772,402                     |
| Contract liabilities  |             | 1,153                               | 850                         |
| Accrued mark-up / profit  |             | 91,112                              | 62,560                      |
| Short term borrowings   |             | 1,699,537                           | 1,203,169                   |
| Current portion of non-current liabilities  |             | 236,547                             | 246,048                     |
| Unpaid dividend   |             | 209                                 | 209                         |
| Unclaimed dividend  |             | 939                                 | 939                         |
| Taxation - net  |             | 31,940                              | 31,697                      |
|   |             | 2,849,179                           | 2,317,874                   |
| <b>Contingencies and commitments</b>  | 6           | 7,845,338                           | 7,292,827                   |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



RANA MUHAMMAD SHAFI  
Director



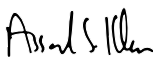
ABID HUSSAIN  
Chief Financial Officer

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

|                                   | Quarter ended        |                 |
|-----------------------------------|----------------------|-----------------|
|                                   | Jul-Sep<br>2022      | Jul-Sep<br>2021 |
|                                   | (Rupees in thousand) |                 |
| Sales - net                       | 1,141,375            | 1,092,046       |
| Cost of sales                     | (959,910)            | (867,094)       |
| <b>Gross profit</b>               | <b>181,465</b>       | <b>224,952</b>  |
| Distribution cost                 | (17,101)             | (10,715)        |
| Administrative expenses           | (38,189)             | (29,969)        |
| Other income                      | 1,003                | 49              |
| Other expenses                    | (3,102)              | (8,662)         |
| <b>Profit from operations</b>     | <b>124,076</b>       | <b>175,655</b>  |
| Finance cost                      | (96,791)             | (33,381)        |
| <b>Profit before taxation</b>     | <b>27,285</b>        | <b>142,274</b>  |
| Taxation                          | (9,001)              | (42,168)        |
| <b>Profit after taxation</b>      | <b>18,284</b>        | <b>100,106</b>  |
| Other comprehensive income        | -                    | -               |
| <b>Total comprehensive income</b> | <b>18,284</b>        | <b>100,106</b>  |
| ---- Rupees ----                  |                      |                 |
| <b>Profit per share</b>           |                      |                 |
| - basic and diluted               | <b>0.88</b>          | <b>4.81</b>     |

The annexed notes 1 to 11 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

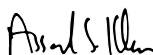


# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2022

|   | Three months ended   |                  |
|---|----------------------|------------------|
|   | Sep 30,<br>2022      | Sep 30,<br>2021  |
|   | (Rupees in thousand) |                  |
| <b>Cash flows from operating activities</b>                   |                      |                  |
| Profit for the period - before taxation                       | 27,285               | 142,274          |
| Adjustments for non-cash and other charges:                   |                      |                  |
| Depreciation  | 40,249               | 29,701           |
| Staff retirement benefits - gratuity (net)                    | 7,667                | 6,416            |
| Gain on sale of operating fixed assets                        | -                    | (495)            |
| Finance cost  | 96,791               | 33,381           |
| <b>Profit before working capital changes</b>                  | <b>171,992</b>       | <b>211,277</b>   |
| <b>Effect on cash flows due to working capital changes</b>    |                      |                  |
| (Increase) / decrease in current assets:                      |                      |                  |
| Stores, spare parts and loose tools                           | (1,220)              | (1,337)          |
| Stock-in-trade  | (377,314)            | (286,399)        |
| Trade debts   | (92,102)             | (250,998)        |
| Loans and advances  | 3,056                | (4,336)          |
| Deposits and short term prepayments                           | 103                  | (5,929)          |
| Sales tax refundable  | (31,570)             | (55,915)         |
| Increase in current liabilities:                              |                      |                  |
| Trade and other payables                                      | 15,526               | 116,059          |
| Contract liabilities  | 303                  | 142              |
|   | (483,218)            | (488,713)        |
| <b>Cash used in operating activities</b>                      | <b>(311,226)</b>     | <b>(277,436)</b> |
| Income taxes paid   | (14,032)             | (14,839)         |
| Long term loans - net   | (910)                | 28               |
| <b>Net cash used in operating activities</b>                  | <b>(326,168)</b>     | <b>(292,247)</b> |
| <b>Cash flows from investing activities</b>                   |                      |                  |
| Additions to property, plant and equipment                    | (90,705)             | (113,737)        |
| <b>Net cash used in investing activities</b>                  | <b>(90,705)</b>      | <b>(113,737)</b> |
| <b>Cash flows from financing activities</b>                   |                      |                  |
| Long term financing - (repaid) / obtained                     | (8,855)              | 42,406           |
| Lease liabilities - net                                       | (433)                | (866)            |
| Long term deposits  | 554                  | 257              |
| Short term borrowings - net                                   | 496,368              | 397,829          |
| Finance cost paid - net                                       | (68,239)             | (31,029)         |
| Dividend paid   | -                    | (7)              |
| <b>Net cash generated from financing activities</b>           | <b>419,395</b>       | <b>408,590</b>   |
| <b>Net increase in cash and cash equivalents</b>              | <b>2,522</b>         | <b>2,606</b>     |
| <b>Cash and cash equivalents - at beginning of the period</b> | <b>4,176</b>         | <b>6,000</b>     |
| <b>Cash and cash equivalents - at end of the period</b>       | <b>6,698</b>         | <b>8,606</b>     |

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



RANA MUHAMMAD SHAFI  
Director



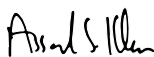
ABID HUSSAIN  
Chief Financial Officer

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

## FOR THE QUARTER ENDED SEPTEMBER 30, 2022

|  | Share capital         | Revenue reserves                                     | Capital reserve  | Unrealised loss 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, 2021  | 208,000               | 535,375  | 1,205,777        | (150)  | 1,949,002        |
| <b>Total comprehensive income for the three months ended September 30, 2021</b>  | -                     | 100,106  | -                | -  | 100,106          |
| Surplus on revaluation of property, plant and equipment for the three months realised during the period on account of incremental depreciation for the period (net of deferred taxation) | -                     | 3,548  | (3,548)          | -  | -                |
| <b>Balance as at September 30, 2021</b>  | <b>208,000</b>        | <b>639,029</b>                                       | <b>1,202,229</b> | <b>(150)</b>   | <b>2,049,108</b> |
| <b>Transaction with owners</b>   |                       |  |                  |  |                  |
| Cash dividend for year ended June 30, 2021 at the rate of Re.1 per share   | -                     | (20,800)   | -                | -  | (20,800)         |
| <b>Total Comprehensive income / (loss) for the period</b>  |                       |  |                  |  |                  |
| Profit for the period  | -                     | 192,161  | -                | -  | 192,161          |
| Other comprehensive loss   | -                     | (14,663)   | 1,419,051        | 25   | 1,404,413        |
|  | -                     | 177,498  | 1,419,051        | 25   | 1,596,574        |
| Surplus on revaluation of property, plant and equipment realised during the period (net of deferred taxation) on account of:   |                       |  |                  |  |                  |
| - on account of incremental depreciation   | -                     | 9,975  | (9,975)          | -  | -                |
| - upon sale of revalued asset  | -                     | 9,581  | (9,581)          | -  | -                |
| <b>Balance as at July 01, 2022</b>   | <b>208,000</b>        | <b>815,283</b>                                       | <b>2,601,724</b> | <b>(125)</b>   | <b>3,624,882</b> |
| <b>Total comprehensive income for the three months ended September 30, 2022</b>  | <b>-</b>              | <b>18,284</b>  | <b>-</b>         | <b>-</b>   | <b>18,284</b>    |
| Surplus on revaluation of property, plant and equipment for the three months realised during the period on account of incremental depreciation for the period (net of deferred taxation) | -                     | 4,148  | (4,148)          | -  | -                |
| <b>Balance as at September 30, 2022</b>  | <b>208,000</b>        | <b>837,715</b>                                       | <b>2,597,576</b> | <b>(125)</b>   | <b>3,643,166</b> |

The annexed notes 1 to 11 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 QUARTER ENDED SEPTEMBER 30, 2022

### 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>  | <b>Purpose</b>           |
|---|--------------------------|
| Saifabad  | Mills / factory          |
| <b>Peshawar</b>   |                          |
| APTMA House, Tehkal Payan, Jamrud Road  | Registered office        |
| <b>Islamabad</b>  |                          |
| 4 <sup>th</sup> Floor, Kashmir Commercial Complex,<br>Fazal-e-haq road, Blue Area   | Head office              |
| <b>Karachi</b>  |                          |
| Plot No. 36, New Karachi Cooperative Housing<br>Society Near Dolmen Mall Tariq Road | Marketing & Sales office |
| <b>Faisalabad</b>   |                          |
| 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% (2021: 77.98%) of the Company's issued, subscribed and paid-up capital is held by the Holding Company.

### 2. BASIS OF PREPARATION

#### 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 (the Act);

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

## FOR THE QUARTER ENDED SEPTEMBER 30, 2022

- 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 Act.

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, 2022. 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**

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2022 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 financial statements.

## **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, 2022.

## **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, 2022.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

## 5. PROPERTY, PLANT AND EQUIPMENT

|  |       | Un-audited<br>September 30,<br>2022<br>(Rupees in thousand) | Audited<br>June 30,<br>2022 |
|--|-------|---|-----------------------------|
|  | Note  |   |                             |
| Operating fixed assets - tangible  | 5.1   | 4,870,342   | 4,892,551                   |
| Right-of-use assets  |       | 8,719   | 9,270                       |
| Capital work-in-progress   |       | 123,973   | 46,883                      |
| Stores and spares held for capital expenditure                                   |       | 32,568  | 36,442                      |
|  |       | <b>5,035,602</b>  | <b>4,985,146</b>            |
| <b>5.1 Operating fixed assets - tangible</b>                                     |       |   |                             |
| Book value at beginning of the period / year                                     |       | 4,892,551   | 2,735,572                   |
| Additions during the period / year   | 5.1.1 | 18,040  | 866,158                     |
| Revaluation Surplus  |       | -   | 1,452,628                   |
| Disposals costing Rs.Nil (June 30,2022<br>Rs.134.24 million) - at net book value |       | -   | (51,097)                    |
| Depreciation charge for the period / year  |       | (40,249)  | (110,710)                   |
| Book value at end of the period / year   |       | <b>4,870,342</b>  | <b>4,892,551</b>            |
| <b>5.1.1 Additions during the period / year:</b>                                 |       |   |                             |
| Buildings on freehold land   |       |   |                             |
| - factory  |       | 8,820   | 143,369                     |
| - non - factory  |       | -   | 705                         |
| - residential  |       | 670   | 11,677                      |
| Plant & machinery  |       | 7,855   | 607,015                     |
| Gas fired power plant  |       | -   | 25,109                      |
| Electric installations   |       | -   | 49,455                      |
| Equipment & appliances   |       | 647   | 1,761                       |
| Fire extinguishing equipment   |       | -   | 255                         |
| Furniture & fixtures   |       | 48  | 4,322                       |
| Vehicles   |       | -   | 22,490                      |
|  |       | <b>18,040</b>   | <b>866,158</b>              |

## 6. CONTINGENCIES AND COMMITMENTS

- 6.1 There has been no significant change in the status of contingencies as disclosed in note 18.1 of the audited annual financial statements for the year ended June 30, 2022.

## 7. TRANSACTIONS WITH RELATED PARTIES

- 7.1 Significant transactions with related parties are as follows:

|  | Quarter ended September 30,<br>2022                      2021<br>(Rupees in thousand) |       |
|--|---|-------|
| <b>i) The Holding Company</b>              |   |       |
| - Mark-up accrued on loan                  | 2,400   | 1,646 |
| <b>ii) An Associated Company</b>           |   |       |
| - Sales of goods, store items and services | 3,126   | 6,468 |
| <b>iii) Key management<br/>personnel</b>   |   |       |
| - Salary and other employment benefits     | 9,509   | 6,139 |

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

## FOR THE QUARTER ENDED SEPTEMBER 30, 2022

### 8. 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 have been no significant changes in the risk management policies since the year ended June 30, 2022.

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, 2022.

### 9. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

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 value.

### 10. CORRESPONDING FIGURES

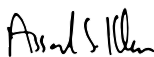
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2022, whereas, 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 three months period ended September 30, 2021.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison.

### 11. GENERAL

11.1 These condensed interim financial statements were approved by the Board of Directors and authorised for issue on October 28, 2022.

11.2 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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