



Quarterly Report  
January - September  
2022



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## Company Information

### Board of Directors

Mrs. Feriel Ali-Mehdi  
Chairman, Non-Executive Director

Mr. Mubashir Hasan Ansari  
Executive Director & Chief Executive Officer

Mr. Saad Amanullah Khan  
Non-Executive Director

Mr. Syed Hasnain Ali  
Non-Executive Director

Mr. Mir Muhammad Ali  
Independent, Non-Executive Director

Mr. Muhammad Salman H. Chawala  
Independent, Non-Executive Director

Mr. Ahsan Rashid  
Independent, Non-Executive Director

### Board Audit Committee

Mr. Muhammad Salman H. Chawala  
Chairman

Mrs. Feriel Ali-Mehdi  
Member

Mr. Mir Muhammad Ali  
Member

### Human Resource and Remuneration Committee

Mr. Ahsan Rashid  
Chairman

Mrs. Feriel Ali-Mehdi  
Member

Mr. Saad Amanullah Khan  
Member

Mr. Mubashir Hasan Ansari  
Member

### Statutory Auditors

EY Ford Rhodes  
Chartered Accountants

### Chief Financial Officer

Mr. Ata-ur-Rehman Shaikh

### Company Secretary

Mr. Muhammad Shahid

### Head of Internal Audit

Mr. Syed Abid Raza Rizvi

### Legal Advisors

Pinjani & Vadria Lawyers

### Registered Office

Ground Floor, Bahria Complex III,  
M. T. Khan Road, Karachi - Pakistan.  
Tel: +9221 35630251-60  
Fax: +9221 35630266  
Website: [www.zil.com.pk](http://www.zil.com.pk)  
Email: [Info@zil.com.pk](mailto:Info@zil.com.pk)

### Factory

Link Hali Road, Hyderabad - 71000

### Bankers

Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan Limited  
Standard Chartered Bank  
Soneri Bank Limited

### Shares Registrar

THK Associates (Pvt) Limited  
Plot No. 32, Jami Commercial Street 2,  
D.H.A., Phase VII,  
Karachi.  
Ph: (021) 111-000-322



## Directors' Review

The Board of Directors of ZIL Limited is pleased to present the unaudited financial results of the Company for the period ended September 30, 2022.

### Economy Overview:

On the domestic front the country has witnessed worst ever floods which have destroyed crops, livestock, made millions homeless, damaged the country's roads and communication network. Owing to these un-favourable conditions, businesses found difficulties managing daily operations.

Increase in utility and fuel prices, markup rates and foreign exchange fluctuations contributed to further hike in consumer prices during this period.

### Financial Performance at a Glance:

	2022		2021		Growth %	
	Nine month period Jan to Sep	3rd Quarter Jul to Sep	Nine month period Jan to Sep	3rd Quarter Jul to Sep	Nine month period Jan to Sep	3rd Quarter Jul to Sep
Gross Sales	<b>3,947M</b>	<b>1,678M</b>	2,658M	1,148M	49%	46%
Net Sales	<b>2,929M</b>	<b>1,239M</b>	1,968M	856M	49%	45%
Gross Profit	<b>383M</b>	<b>243M</b>	205M	85M	87%	186%
Gross Profit %	<b>13.1%</b>	<b>19.6%</b>	10.4%	9.9%	266 bps	968 bps
Profit/(Loss) after taxation	<b>(125)M</b>	<b>34M</b>	(149)M	(54)M	(16)%	163%

### Company's operating performance:

From the start of the current year, there has been continuous and enormous pressure on margins due to drastic increases in raw material prices and rupee devaluations. Palm Oil prices which serve as the primary raw material in soap making continued their upward trend reaching the highest-ever level in June 2022.

The company's gross sales value for the period ended increased by 48% as compared to last year's same period. Whereas, Net Sales Value increased by 49% which stood at Rs.2.93 billion vs 1.96 billion. Gross Profits also increased by 87%. This improvement was on account of higher sales volume achievement and multiple retail price increases in the market during the period. Due to enhanced working capital requirements along with increased markup rates, the financial cost increased three folds as compared to same period last year.

Despite of all the market challenges, the management was able to achieve a significant turnaround in the company's financial performance and after seven consecutive quarters of losses, we are happy to report a profit in the third quarter of 2022. Healthy growth was observed in Net Sales value and Gross Profits witnessed almost a threefold rise. These results were made possible through swift implementation on price revisions, action on rationalization of SKUs, streamlining of trade promotions, modifications in the bill of materials and easing out of international commodity prices.

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**CSR Initiative:**

In light of its duty to support the community, ZIL Limited entered into an arrangement with one of its key business partners to donate HYPro soap to the flood victims via a renowned NGO.

**Future Outlook:**

The company has observed improved margins and profits in the third quarter mainly due to increased retail prices and a decline in global commodity rates. The management anticipates achieving further improvements in creating shareholder value in the balance of the year amid recent efforts to improve profitability. However, this is dependent on the rupee-dollar parity which may seriously affect raw material costs, the overall political eco-system and the effects of near hyperinflation atmosphere in the country.

The management continues to review consumer prices, remain vigilant about purchasing at favorable times, and improve overall product mix to deliver higher profits whilst keeping in mind its market share and position.

**Acknowledgement:**

The Board would like to place on record its sincere gratitude for the hard work and dedication shown by the employees of the Company during the period. The board is also thankful to our valued customers, suppliers, distributors, dealers, bankers, shareholders and all other stakeholders for their trust in our brands.

For and on behalf of the Board of Directors



**Mubashir Hasan Ansari**  
Director and CEO


Karachi: October 28, 2022

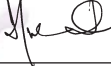


## Condensed Interim Statement of Financial Position As at September 30, 2022

		September 30 , 2022 (Un-audited)	December 31, 2021 (Audited)
	Note	(Rs. in '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,576,629	1,595,631
Intangible assets		2,451	4,597
Long-term deposits		5,161	2,256
Long-term loans to employees		480	494
		<u>1,584,721</u>	<u>1,602,978</u>
<b>CURRENT ASSETS</b>			
Stores and spares		6,068	6,467
Stock-in-trade	8	359,649	315,081
Trade debts	9	165,254	116,439
Loans and advances		131,793	93,700
Deposits, prepayments and other receivables		14,614	4,690
Short-term investments	10	50,000	90,000
Cash and bank balances	11	53,274	31,709
		<u>780,652</u>	<u>658,086</u>
<b>TOTAL ASSETS</b>		<u><b>2,365,373</b></u>	<u><b>2,261,064</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 40,000,000 (December 31, 2021: 40,000,000) ordinary shares of Rs. 10/- each		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid up capital		61,226	61,226
Capital reserve			
Surplus on revaluation of property, plant and equipment - net of tax		981,694	997,902
Revenue reserves			
General reserve		6,000	6,000
Accumulated losses		<u>(217,078)</u>	<u>(108,353)</u>
		831,842	956,775
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans	12	5,998	113,058
Deferred tax liability - net	13	208,603	212,183
Deferred staff liabilities		99,873	99,750
Lease liabilities		25,226	30,986
		<u>339,700</u>	<u>455,977</u>
<b>CURRENT LIABILITIES</b>			
Current maturity of non-current liabilities	14	124,940	72,312
Trade and other payables	15	893,761	540,704
Contract liabilities		69,960	51,914
Short-term borrowings		-	115,000
Taxation		103,707	66,919
Unclaimed dividends		1,463	1,463
		<u>1,193,831</u>	<u>848,312</u>
<b>TOTAL LIABILITIES</b>		<u><b>1,533,531</b></u>	<u><b>1,304,289</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,365,373</b></u>	<u><b>2,261,064</b></u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

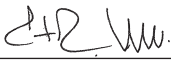
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**Condensed Interim Statement of Profit or Loss (Un-audited)**  
**For The Nine Months Ended September 30, 2022**

	Nine Months ended		Quarter ended	
	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
<i>Note</i> ----- (Rupees in '000) -----				
Sales - net	17 2,929,580	1,968,335	1,239,443	855,528
Cost of sales	18 (2,546,668)	(1,763,078)	(996,659)	(770,689)
<b>Gross profit</b>	<b>382,912</b>	<b>205,257</b>	<b>242,784</b>	<b>84,839</b>
Selling and distribution expenses	(271,952)	(238,975)	(108,215)	(86,370)
Administrative expenses	(130,749)	(113,002)	(48,873)	(38,437)
	<b>(402,701)</b>	<b>(351,977)</b>	<b>(157,088)</b>	<b>(124,807)</b>
	<b>(19,789)</b>	<b>(146,720)</b>	<b>85,696</b>	<b>(39,968)</b>
Other income	6,132	6,509	1,397	4,220
Operating loss	<b>(13,657)</b>	<b>(140,211)</b>	<b>87,093</b>	<b>(35,748)</b>
Other charges	(22,669)	(1,766)	(17,184)	(2,936)
Finance costs	(54,706)	(16,727)	(24,499)	(6,829)
	<b>(77,375)</b>	<b>(18,493)</b>	<b>(41,683)</b>	<b>(9,765)</b>
<b>Profit/(Loss) before taxation</b>	<b>(91,032)</b>	<b>(158,704)</b>	<b>45,410</b>	<b>(45,513)</b>
Taxation	(33,901)	9,715	(11,680)	(8,326)
<b>Profit/(Loss) for the period</b>	<b>(124,933)</b>	<b>(148,989)</b>	<b>33,730</b>	<b>(53,839)</b>
	<b>(Rupees)</b>		<b>(Rupees)</b>	
Profit/(Loss) per share - basic and diluted	<b>(20.41)</b>	<b>(24.34)</b>	<b>5.51</b>	<b>(8.79)</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

  
 Chief Financial Officer

  
 Chief Executive Officer

  
 Director



**Condensed Interim Statement of  
Comprehensive Income (Un-audited)  
For The Nine Months Ended September 30, 2022**

	Nine Months ended		Quarter ended	
	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
	----- (Rupees in '000) -----			
Profit/(Loss) for the period	(124,933)	(148,989)	33,730	(53,839)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(124,933)</u>	<u>(148,989)</u>	<u>33,730</u>	<u>(53,839)</u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial statements.



  
Chief Financial Officer

  
Chief Executive Officer

  
Director

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**Condensed Interim Statement of  
Changes in Equity (Un-audited)  
For The Nine Months Ended September 30, 2022**

	Capital Reserves		Revenue reserves		Total	
	Issued, subscribed and paid up capital	Surplus on revaluation of property, plant and equipment - net of tax	General reserve	Unappro- priated profit / (Accumu- lated losses)		Total Revenue Reserve
	(Rs. in '000)					
<b>Balance as at December 31, 2020 (audited)</b>	61,226	354,672	6,000	184,390	190,390	606,288
Loss after taxation	-	-	-	(148,989)	(148,989)	(148,989)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(148,989)	(148,989)	(148,989)
Cash dividend for the year ended December 31, 2020 (Rs. 1.25 per share) - approved in annual general meeting held on March 31, 2021	-	-	-	(7,653)	(7,653)	(7,653)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(4,184)	-	4,184	4,184	-
<b>Balance as at Sept 30, 2021 (un-audited)</b>	<u>61,226</u>	<u>350,488</u>	<u>6,000</u>	<u>31,932</u>	<u>37,932</u>	<u>449,646</u>
<b>Balance as at December 31, 2021 (audited)</b>	61,226	997,902	6,000	(108,353)	(102,353)	956,775
Loss after taxation	-	-	-	(124,933)	(124,933)	(124,933)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(124,933)	(124,933)	(124,933)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(16,208)	-	16,208	16,208	-
<b>Balance as at Sept 30, 2022 (un-audited)</b>	<u>61,226</u>	<u>981,694</u>	<u>6,000</u>	<u>(217,078)</u>	<u>(211,078)</u>	<u>831,842</u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

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## Condensed Interim Statement of Cash Flow (Un-audited) For The Nine Months Ended September 30, 2022

	Nine Months ended	
	Sept 30, 2022	Sept 30, 2021
	(Rs. in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(91,032)	(158,704)
<b>Adjustments for non-cash changes and other items:</b>		
Finance Costs	54,706	16,727
Depreciation and amortization	64,072	47,669
Provision against staff gratuity	14,975	12,931
Provision against other staff retirement benefits	1,378	972
Provision against slow-moving of stores and spares	72	-
Amortization of deferred government grant	(2,115)	(2,115)
Return on bank deposits	(917)	(99)
Dividend Income	(1,597)	(368)
Liability no longer payable written off	(1,330)	-
Gain on early termination of lease	(250)	-
Impairment loss on operating fixed assets	-	-
Provision against slow-moving and obsolete stock	1,498	2,126
(Gain) / loss on disposal of operating fixed assets	(461)	87
	130,031	77,930
	38,999	(80,774)
<b>(Increase) / decrease in assets:</b>		
Stores and spares	326	781
Stock-in-trade	(46,063)	(209,447)
Trade debts	(48,815)	(67,285)
Loans to employees	(1,134)	791
Long-term deposits	(2,905)	-
Advances to suppliers	(1,209)	(1,003)
Advances, prepayments and other receivables	(7,510)	(345)
	(107,310)	(276,508)
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	356,870	103,656
Contract liabilities	18,046	(34,327)
	374,916	69,329
	306,605	(287,953)
Income tax paid	(38,845)	(17,550)
Staff gratuity paid	(14,853)	(6,534)
Other staff retirement benefits paid	(8,448)	(3,097)
Return received on bank deposits	917	99
Dividend received	1,598	368
Finance costs paid	(52,651)	(10,714)
	(112,282)	(37,428)
<b>Net cash generated from / (used in) operating activities</b>	<b>194,323</b>	<b>(325,381)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(39,189)	(85,334)
Short-term investment	40,000	60,000
Proceeds from disposal of operating fixed assets	6,415	6,916
Net cash (used in) / generated from investing activities	7,226	(18,418)

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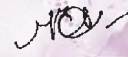
**Condensed Interim Statement of Cash Flow (Un-audited)  
For The Nine Months Ended September 30, 2022**

	Nine Months ended	
	Sept 30, 2022	Sept 30, 2021
	(Rs. in '000)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(7,576)
Lease repayment	(17,885)	(14,391)
Long-term loan repaid	(47,099)	(21,830)
Short-term borrowings repaid	(115,000)	150,000
<b>Net cash (used in) / generated from financing activities</b>	<b>(179,984)</b>	106,203
Net increase / (decrease) in cash and cash equivalents during the period	<u>21,565</u>	<u>(237,596)</u>
Cash and cash equivalents at beginning of the period	<u>31,709</u>	<u>103,230</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>53,274</u></b>	<b><u>(134,366)</u></b>
<b>Cash and cash equivalents at end of the period comprises of:</b>		
- Cash and bank balances	53,274	(154,417)
- Short term borrowing - running finance	-	20,051
	<u>53,274</u>	<u>(134,366)</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

Quarterly Report September 30, 2022

## Notes to the Condensed Interim Financial Statements (Un-audited) For The Nine Months Ended September 30, 2022

### 1. THE COMPANY AND ITS OPERATIONS

- 1.1** ZIL Limited ("the Company") was incorporated as a private limited company in February 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into a public limited company in November 1986. Its shares are listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sale of home and personal care products. The registered office of the Company is situated at Ground Floor, Bahria Complex III, M.T. Khan Road, Karachi.
- 1.2** During the period, the Board of Directors in their meeting held on January 12, 2022 has discussed and reviewed the operational difficulties of existing manufacturing facility (comprising of freehold land, building and plant and machinery) located at Hyderabad due to housing society built in its surrounding area and approved the closure of factory, offering of Voluntarily Separation Scheme to factory staff and shifting of all manufacturing operations to toll manufacturing through third party arrangements. The above decisions to be executed upon final approval of the shareholders under section 183 (3) of Companies Act, 2017. The management and Board of the Company firmly believes that such regulatory approval from shareholder is necessary and till the same is not done the Company does not meet the requirements of classifying related assets as "non-current asset held for sale " under the requirement of IFRS 5.
- 1.3** As at the period end, the current liabilities of the Company exceeds its current assets by Rs. 413.179 million and its accumulated losses aggregate to Rs. 217.078 million. However, the management of the Company is of the view that in pursuance of positive net equity and continuance of normal operating activities, there are no issues in terms of continuity of operations and accordingly, these condensed interim financial statements are prepared on going concern basis.
- 1.4** The geographical location and addresses of the Company's business units / immovable properties are as under:

Location	Address
Head office	Bahria Complex 3, plot no. MISC-2, M.T. Khan Road, Karachi.
Factory	Link Hali Road, Hyderabad (Refer note 1.3 above).
Factory - under construction	Plot # G-1 Located In Chemical Area Of Eastern Industrial Zone, Port Qasim Authority, Karachi.
Warehouse	1st Part of Plot No. 21-B, Industrial Estate, Multan.
Warehouse and sales office	Khewat No. 55, situated at 16-KM, Multan Road, Lahore.
Regional sales office	House No. 522, Street No. 18, Chaklala Scheme 3, Rawalpindi.
QA Laboratory	Plot No, 2/1 RY – 16, old Queens Road, Karachi.

## Notes to the Condensed Interim Financial Statements (Un-audited) For The Nine Months Ended September 30, 2022

### 2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the 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.

### 3. BASIS OF PREPARATION

**3.1** This condensed interim financial statements are un-audited but subject to limited scope review by the statutory auditors and is being submitted to the shareholders as required under Section 237 of the Act. These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2021.

**3.2** The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2021, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements of the Company for the period ended Sept 30, 2021.

**3.3** These condensed interim financial statements are presented in Pak Rupees which is the functional and presentation currency of the Company.

## Notes to the Condensed Interim Financial Statements (Un-audited) For The Nine Months Ended September 30, 2022

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements made by the management in the preparation of this condensed interim financial statements are the same as those that were applied to the audited financial statements of the Company for the year ended December 31, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2021. The carrying value of all financial and non-financial assets and liabilities, measured at other than amortised cost, approximate their fair value.

### 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2021, except for the adoption of and the amendments to approved accounting standards adopted during the period as disclosed in note 6.

### 6. NEW AMENDMENTS AND IMPROVEMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Following are the amendments and improvements to International Financial Reporting Standards (IFRSs) which became effective during the current period:

#### Amendments

IFRS 3 - Reference to the Conceptual Framework  
IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use  
IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract

#### Improvement

IFRS 9 - Financial Instruments - Fees in the '10 percent' test for the derecognition of financial liabilities  
IAS 41 - Agriculture - Taxation in fair value measurement  
IFRS 16 - Leases: Lease incentives

The adoption of the above amendments and improvements to IFRSs did not have any material effect on these condensed interim financial statements.

**Notes to the Condensed Interim  
Financial Statements (Un-audited)  
For The Nine Months Ended September 30, 2022**

	Note	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
<b>(Rs. in '000)</b>			
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	<b>1,469,193</b>	1,479,884
Capital work-in-progress	7.2	<b>71,603</b>	76,986
Right-of-use assets	7.3	<b>35,833</b>	38,761
		<u><b>1,576,629</b></u>	<u>1,595,631</u>
<b>7.1 Operating fixed assets</b>			
Opening Net Book Value (NBV)		<b>1,479,884</b>	659,570
Additions including transfers			
during the period / year - at cost	7.1.1	<b>44,572</b>	41,297
Revaluation surplus		-	837,427
		<u><b>1,524,456</b></u>	<u>1,538,294</u>
Disposals during the period / year - at NBV	7.1.1	<b>(5,953)</b>	(11,047)
Depreciation charged during the period / year		<b>(49,310)</b>	(47,363)
Closing NBV		<u><b>1,469,193</b></u>	<u>1,479,884</u>

Additions at cost / Transfers		Disposals at NBV	
September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
----- (Rupees in '000) -----			

**7.1.1 Additions and disposals of operating fixed assets**

Building on freehold land	-	76	-	-
Plant, machinery and equipment	<b>8,439</b>	3,021	<b>268</b>	217
Dies and change parts	<b>5,475</b>	7,958	-	-
Capital spares	-	3690	-	273
Furniture and fixtures	<b>11,084</b>	1,214	<b>39</b>	19
Computers	<b>813</b>	4,050	<b>654</b>	532
Vehicles	<b>21,763</b>	21,288	<b>4,993</b>	10,006
	<u><b>47,574</b></u>	<u>41,297</u>	<u><b>5,954</b></u>	<u>11,047</u>

**Notes to the Condensed Interim  
Financial Statements (Un-audited)  
For The Nine Months Ended September 30, 2022**

	Note	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
<b>(Rs. in '000)</b>			
<b>7.2 Capital work-in-progress</b>			
Building on leasehold land		69,663	63,097
Plant, machinery and equipment		10	3,320
Dies and change parts		-	2,200
Furniture and fixtures		1,930	124
Vehicles		-	8,245
		<u>71,603</u>	<u>76,986</u>
<b>7.2.1 Movement in capital work-in-progress</b>			
Balance at beginning of the period / year		76,986	10,084
Additions during the period / year		39,189	108,212
Transfers to operating fixed assets	7.1.1	(44,572)	(41,310)
Balance at end of the period / year		<u>71,603</u>	<u>76,986</u>
<b>7.3 Right-of-use assets</b>			
<b>Cost</b>			
Balance at the beginning of the period / year		82,387	75,779
Additions during the period / year		15,441	6,608
Disposal during the period / year		(6,608)	-
Balance at end of the period / year		<u>91,220</u>	<u>82,387</u>
<b>Accumulated Depreciation</b>			
Balance at beginning of the period / year		43,626	28,717
Depreciation charged during the period / year		12,618	14,909
Disposal during the period / year		(857)	-
Balance at end of the period / year		<u>55,387</u>	<u>43,626</u>
<b>Net Book Value</b>		<u>35,833</u>	<u>38,761</u>



**Notes to the Condensed Interim  
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	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rs. in '000)	
<b>8. STOCK-IN-TRADE</b>		
Raw material - in hand	120,895	108,289
- in transit	<u>10,391</u>	<u>19,653</u>
	<b>131,286</b>	<b>127,942</b>
Packing material	73,115	48,174
Work-in-progress	10,867	13,085
Finished goods	<u>172,195</u>	<u>152,198</u>
	<b>387,463</b>	<b>341,399</b>
Provision against slow moving items of stock-in-trade	<u>(27,814)</u>	<u>(26,318)</u>
	<b>359,649</b>	<b>315,081</b>
<b>9. TRADE DEBTS</b>		
Considered good	165,254	116,439
Considered doubtful	<u>9,397</u>	<u>9,397</u>
	<b>174,651</b>	<b>125,836</b>
Allowance for expected credit loss	<u>(9,397)</u>	<u>(9,397)</u>
	<b>165,254</b>	<b>116,439</b>
<b>10. SHORT-TERM INVESTMENT</b>		
<b>At amortised cost:</b>		
Term deposit receipts (TDRs)	30,000	30,000
<b>At fair value through profit or loss:</b>		
Money market funds	<u>50,000</u>	<u>60,000</u>
	<b>50,000</b>	<b>90,000</b>

**10.1** Represents 1,000,000 units (2021: 1,200,000 units) of Meezan Rozana Amdani Fund having net asset value of Rs. 50 (2021: Rs.50) per unit as of reporting date. The fair value falls under level 1 of fair value hierarchy (i.e. Quoted price).

**Notes to the Condensed Interim  
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	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
Note	(Rs. in '000)	
<b>11. CASH AND BANK BALANCES</b>		
Cash in hand	168	210
Cash at banks		
- current / collection accounts	49,047	8,610
- saving accounts	4,059	22,889
11.1	<u>53,106</u>	<u>31,499</u>
	<u>53,274</u>	<u>31,709</u>

**11.1** These carry profit at the rates ranging from 4% to 12% (December 31, 2021: 5.5% to 7.25%).

**12. LONG-TERM LOANS**

Diminishing musharaka	12.1	9,740	11,944
Loan from director	12.2	100,000	100,000
Refinance scheme for the payment of salaries and wages		-	44,895
		<u>109,740</u>	<u>156,839</u>
Less: current maturity shown under current liability	14	<u>(103,742)</u>	<u>(43,781)</u>
		<u>5,998</u>	<u>113,058</u>

**12.1** The Company has acquired vehicles under diminishing musharaka agreement from First Habib Modaraba. The loan is for a period of four years expiring on September 17, 2025, with an option to purchase the asset at nominal amount. This carries profit at the rate 3 months' KIBOR + 2% per annum (December 31, 2021: 3 months' KIBOR + 2% per annum).

**12.2** The Company has acquired Rs. 100 million unsecured loan from the director of the company as per agreed terms and conditions. The loan carries markup rate of 1 month KIBOR - 1% per annum payable monthly and has been obtained to meet working capital requirements. The loan is repayable in four equal installments of Rs. 25 million each with principal repayments starting from January 05, 2023 and ending on July 05, 2023.

**13. DEFERRED TAX LIABILITY - NET**

As at the reporting date, the Company has unrecognized deferred tax on unused tax losses amounted to Rs. 21.124 million (December 31, 2021: Rs. 73.557 million).

**Notes to the Condensed Interim  
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Note	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rs. in '000)	
<b>14. CURRENT MATURITY OF NON-CURRENT LIABILITIES:</b>		
Loan from director	100,000	-
Refinance scheme for the payment of salaries and wages	-	40,321
Diminishing musharaka	3,742	3,460
	<u>103,742</u>	<u>43,781</u>
Deferred government grant	-	2,115
Lease liabilities	20,107	18,253
Other staff retirement benefits scheme	1,091	8,163
	<u>124,940</u>	<u>72,312</u>

**15. TRADE AND OTHER PAYABLES**

Trade creditors	735,274	421,587
Accrued expenses	90,350	93,890
Sales tax payable	57,735	17,268
Deductions on account of vehicles for the employees	1,069	779
Accrued mark-up	1,340	3,823
Workers' welfare fund	1,833	1,834
Workers' profit participation fund	112	112
Other liabilities	6,048	1,411
	<u>893,761</u>	<u>540,704</u>

**16. CONTINGENCIES AND COMMITMENTS**

**16.1** There has been no change in the status of contingencies as disclosed in note 23 and 24 to the annual financial statements of the Company for the year ended December 31, 2021.

**16.2** Bank guarantees have been issued in favour of Sui Southern Gas Company Limited for the supply of gas aggregating to Rs. 7.02 million (2021: Rs 7.02 million) In addition to which security deposit of Rs. 2.786 million has also been given to Sui Southern Gas Company Limited. Bank guarantee has also been issued in favour of Pakistan State Oil for issuance of PSO fleet card aggregating to Rs. 1.3 million (2021: Rs. 1.3 million) against which security deposit of Rs. 0.715 million has been given.

**16.3** Commitment under letters of credit for the import of stock-in-trade items amounted to Rs. 98.1 million (December 31, 2021: Rs. 19.18 million).

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Note	Nine months ended		Quarter ended	
	Sept 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021
----- (Rupees in '000) -----				
<b>17. SALES - net (un-audited)</b>				
Gross sales	3,946,779	2,658,296	1,677,540	1,148,109
Sales tax	(630,606)	(424,547)	(267,951)	(183,581)
Trade discount	(386,153)	(262,089)	(169,927)	(105,675)
Sales return and rebate	(440)	(3,325)	(219)	(3,325)
	(1,017,199)	(689,961)	(438,097)	(292,581)
	<u>2,929,580</u>	<u>1,968,335</u>	<u>1,239,443</u>	<u>855,528</u>
<b>18. COST OF SALES (un-audited)</b>				
Raw material consumed	2,142,744	1,505,609	900,008	596,652
Packing material consumed	178,059	153,066	71,677	64,637
Salaries, wages and other benefits	106,128	82,893	21,491	28,416
Goods purchased for resale	65,790	41,748	27,035	16,126
Depreciation and amortisation	38,733	24,980	13,167	8,657
Fuel and power	5,226	10,222	1,697	4,093
Freight and handling charges	1,920	6,807	905	2,286
Stores and spares consumed	543	4,003	181	1,142
Rent, rates and taxes	12,002	3,818	3,839	999
Travelling and conveyance	4,280	2,827	1,872	1,136
Insurance	1,310	1,499	328	494
Repair and maintenance	67	451	28	208
Postage and telephones	383	444	127	151
Others	4,938	2,374	1,450	608
Legal and professional charges	72	219	-	80
Printing and stationery	108	121	56	25
Subscription charges	165	164	103	104
Provision for slow moving stock-in-trade	1,498	2,126	1,498	-
Product research and development	409	7,950	63	7,317
Provision for slow moving stores and spares	72	-	-	-
	<u>2,564,447</u>	<u>1,851,321</u>	<u>1,045,525</u>	<u>733,131</u>
Opening stock of work-in-process	13,085	9,554	9,414	12,135
Closing stock of work-in-process	8 (10,867)	(15,904)	(10,867)	(15,904)
Cost of good manufactured	<u>2,566,665</u>	<u>1,844,971</u>	<u>1,044,072</u>	<u>729,362</u>
Opening stock of finished goods	152,198	108,548	124,782	231,768
Closing stock of finished goods	8 (172,195)	(190,441)	(172,195)	(190,441)
	(19,997)	(81,893)	(47,413)	41,327
	<u>2,546,668</u>	<u>1,763,078</u>	<u>996,659</u>	<u>770,689</u>

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**Notes to the Condensed Interim  
Financial Statements (Un-audited)  
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**19. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise of associated companies, major shareholder, staff retirement funds, directors and key management personnel. Transactions with the related parties are at the agreed terms approved by the Board of Directors of the Company, if any. Details of transactions with related parties and balances with them, unless disclosed elsewhere are as:

		<b>Nine months ended</b>	
		<b>Sept 30, 2022</b>	<b>Sept 30, 2021</b>
		<b>(Rs. in '000)</b>	
<b>Other related parties</b>			
Contribution to the employees' provident fund	19.1	<u>7,227</u>	<u>6,739</u>
<b>Directors and Chief Executive Officer (key management personnel)</b>			
Remuneration	19.2	<u>27,140</u>	<u>25,308</u>
Other directors remuneration - meeting fee	19.2	<u>900</u>	<u>900</u>
Interest on loan from director	12.2	<u>9,269</u>	<u>-</u>
<b>Other key management personnel</b>			
Managerial remuneration (excluding directors and Chief Executive Officer)		<u>63,745</u>	<u>59,422</u>

**19.1** Contribution to the provident fund is made in accordance with the requirements of staff service rules.

**19.2** Remuneration of the key management personnel is in accordance with the terms of their employment. Directors meeting fee is as approved by the Board of Directors.

**20. DATE OF AUTHORISATION**

**20.1** This condensed interim financial information were authorised for issue on 28 October 2022 by the Board of Directors of the Company.

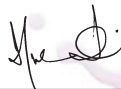
**Notes to the Condensed Interim  
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**21. GENERAL**

- 21.1** Certain corresponding figures have been rearranged and reclassified for better presentation. However, there are no material reclassifications to report in these condensed interim financial statements, except an amount of Rs. 34.896 million pertained with trade discount is reclassified from selling and distribution expense to sales-net in the comparative financial information of the condensed interim statement of profit and loss.
- 21.2** Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Chief Financial Officer



Chief Executive Officer



Director





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