



SAIF GROUP



# KOHAT TEXTILE MILLS LIMITED

THIRD QUARTERLY REPORT  
(UN-AUDITED)  
MARCH 31, 2023



# 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  
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

## 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 Board of Directors of your company is pleased to present the financial information of the Company for nine months ended on March 31, 2023.

## Financial highlights

Company's sales improved from Rs.3,346 million to Rs.4,021 million depicting an improvement of 20% over the last period. Sale increased mainly due to increase in rates. However, the growth in topline was more than offset by increase in raw materials and energy costs, which resulted in a decline in gross profitability (Rs.540 million in the current period, against Rs.604 million for the same period last year). Moreover, the net profitability was adversely impacted by steep rise in KIBOR rates. Financial cost increased by Rs.200 million. Resultantly, the Company posted a pre-tax profit of Rs.48 million as against Rs.324 million same period last year. The Company is regular in debt servicing with all banks and plant operated at full capacity during the period.

## Future outlook

Driven by energy inflation, higher borrowing costs and stringent IMF requirements, the cost of doing business is expected to increase further. It will require strong Government resolve and support to ensure that textile remains a priority sector in the economy.

The demand in local yarn market has been improving since March 2023 and we are optimistic to achieve better results in 4th quarter of current financial year InshaAllah.

## 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 corporation 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 27, 2023

# ڈائریکٹرز کی رپورٹ برائے ممبران

عزیز ممبران:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کمپنی کی نو ماہی اختتامی مارچ 31، 2023 کی مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی جائزہ:

کمپنی کی فروخت 3,346 ملین روپے سے بڑھ کر 4,021 ملین روپے ہو گئی جو کہ تقابلی عرصہ کے مقابل 20 فیصد اضافہ ظاہر کرتی ہے۔ فروخت میں اضافہ زیادہ تر قیمتوں میں اضافے کے باعث ہوا۔ تاہم فروخت میں اضافے سے زیادہ خام مال اور توانائی کی لاگت میں زیادہ اضافہ ہوا جس سے مجموعی منافع میں کمی ہوئی (حالیہ عرصہ میں 340 ملین روپے بالمتقابل 604 ملین روپے تقابلی عرصہ میں)۔ مزید برآں خالص منافع KIBOR میں مسلسل اضافے سے متاثر ہوا۔ فنانس کی لاگت میں 200 ملین روپے کا اضافہ ہوا۔ نتیجتاً کمپنی نے ٹیکس سے قبل 48 ملین روپے کا منافع حاصل کیا جو کہ گزشتہ سال کے اسی عرصے میں 324 ملین روپے تھا۔ کمپنی تمام بینکوں کے ساتھ قرضوں کی ادائیگی میں باقاعدہ رہی۔ اور اس عرصہ میں پلانٹ مکمل استطاعت پر چلا۔

مستقبل کا نقطہ نظر:

توانائی کی لاگت میں اضافہ، قرضے کی لاگت میں اضافہ اور IMF کی سخت شرائط کے باعث کاروبار کی لاگت میں مزید اضافہ متوقع ہے۔

اس بات کو یقینی بنانے کے لیے کہ ٹیکسٹائل معیشت میں ترجیحی سیکٹر رہے گورنمنٹ کے مضبوط اعزاز اور حمایت کی ضرورت ہوگی۔

دھاگے کی مقامی طلب میں مارچ 2023 سے بہتر آ رہی ہے اور ہم پر امید ہیں کہ موجودہ مالی سال کے چوتھے سہ ماہی میں بہتر نتائج حاصل ہوں گے۔

اظہار تشکر:

ڈائریکٹرز کمپنی کے ممبران، مالی اداروں اور گاہکوں کے تعاون اور معاونت کے شکر گزار ہیں۔ ڈائریکٹرز ملازمین کی مستقل خدمات، وفاداری اور کاوشوں کی قدر دانی کرتے ہیں۔ ہم مستقل میں اسی تعاون اور لگن کی امید کرتے ہیں۔

مخائب بورڈ ہذا



رانا محمد شفیع  
ڈائریکٹر

Asad Khan

اسد سیف اللہ خان  
چیف ایگزیکٹو آفیسر

مقام: اسلام آباد

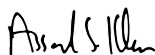
تاریخ: اپریل 27، 2023

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	Note	Un-audited March 31, 2023 (Rupees in thousand)	Audited June 30, 2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	5,055,433	4,985,146
Long term investment		4,906	2,375
Long term loans		1,002	1,022
Long term deposits		14,328	13,894
		<b>5,075,669</b>	<b>5,002,437</b>
<b>Current Assets</b>			
Stores, spare parts and loose tools		54,286	50,204
Stock-in-trade		1,476,739	1,156,684
Trade debts		1,010,542	1,055,353
Loans and advances		2,967	8,496
Deposits, other receivables and prepayments		14,624	15,477
Sales tax refundable		4,917	-
Cash and bank balances		8,112	4,176
		<b>2,572,187</b>	<b>2,290,390</b>
		<b>7,647,856</b>	<b>7,292,827</b>
<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		855,879	815,283
Capital reserve			
- Surplus on revaluation of Property, Plant and Equipment		2,588,583	2,601,724
Unrealised loss on financial assets at fair value through other comprehensive income		(94)	(125)
		<b>3,652,368</b>	<b>3,624,882</b>
<b>Non-Current Liabilities</b>			
Loan from the Holding Company		-	60,000
Long term financing		638,416	776,897
Long term deposits		5,009	3,756
Lease liabilities		2,745	4,426
Deferred Income - government grant		80,321	35,792
Deferred liability - staff retirement benefits		189,507	169,826
Deferred taxation - net		269,720	299,374
		<b>1,185,718</b>	<b>1,350,071</b>
<b>Current Liabilities</b>			
Trade and other payables		427,258	772,402
Contract liabilities		1,413	850
Accrued mark-up / profit		106,128	62,560
Short term borrowings		2,020,069	1,203,169
Current portion of non-current liabilities		242,778	246,048
Unpaid dividend		209	209
Unclaimed dividend		939	939
Taxation		10,976	31,697
		<b>2,809,770</b>	<b>2,317,874</b>
<b>Contingencies and commitments</b>	5	<b>7,647,856</b>	<b>7,292,827</b>

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, 2023**

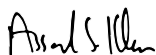
	Quarter ended		Nine months period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousand)			
Sales - net	1,476,513	1,147,073	4,020,662	3,345,902
Cost of sales	(1,289,399)	(965,675)	(3,480,588)	(2,742,020)
<b>Gross profit</b>	<b>187,114</b>	181,398	<b>540,074</b>	603,882
Distribution cost	(20,450)	(12,737)	(54,234)	(34,349)
Administrative expenses	(41,144)	(32,367)	(118,557)	(93,746)
Other expenses	(3,305)	(3,847)	(8,897)	(26,224)
Other income	1,470	(1,442)	17,408	1,145
<b>Profit from operations</b>	<b>123,685</b>	131,005	<b>375,794</b>	450,708
Finance cost	(112,880)	(53,941)	(327,742)	(127,101)
<b>Profit before taxation</b>	<b>10,805</b>	77,064	<b>48,052</b>	323,607
Taxation	(2,937)	(17,355)	(20,628)	(131,539)
<b>Profit after taxation</b>	<b>7,868</b>	59,709	<b>27,424</b>	192,068
Other comprehensive income	-	-	31	150
<b>Total comprehensive income</b>	<b>7,868</b>	59,709	<b>27,455</b>	192,218

----- Rupees -----

Earnings per share  
- basic and diluted

<b>0.38</b>	2.87	<b>1.32</b>	9.23
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The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



ASSAD SAIFULLAH KHAN  
Chief Executive Officer



RANA MUHAMMAD SHAFI  
Director



ABID HUSSAIN  
Chief Financial Officer

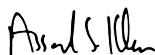


# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Nine months period ended	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	
<b>Cash flows from operating activities</b>		
Profit for the period - before taxation	48,052	323,607
Adjustments for non-cash charges and other items:		
Depreciation	113,454	75,574
Staff retirement benefits - gratuity (net)	19,681	8,576
Unclaimed payable balances written-back	(1,521)	-
Loss on sale of operating fixed assets	115	1,879
Finance cost	327,742	127,101
<b>Profit before working capital changes</b>	<b>507,523</b>	<b>536,737</b>
<b>Effect on cash flows due to working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(4,082)	(4,394)
Stock-in-trade	(320,055)	(627,579)
Trade debts	44,811	(350,999)
Loans and advances	5,529	(8,106)
Deposits, other receivables and prepayments	853	48
Sales tax refundable	(4,917)	(13,032)
(Decrease) / increase in current liabilities:		
Trade and other payables	(343,623)	119,389
Contract liabilities	563	(108)
	(620,921)	(884,781)
<b>Cash used in operating activities</b>	<b>(113,398)</b>	<b>(348,044)</b>
Income taxes paid	(71,002)	(40,114)
Long term loans - net	20	(64)
<b>Net cash used in operating activities</b>	<b>(184,380)</b>	<b>(388,222)</b>
<b>Cash flow from investing activities</b>		
Additions in property, plant and equipment	(189,725)	(639,196)
Sale proceeds of operating fixed assets	5,869	13,152
Long term investment made	(2,500)	-
<b>Net cash used in investing activities</b>	<b>(186,356)</b>	<b>(626,044)</b>
<b>Cash flows from financing activities</b>		
Long term financing - obtained	116,454	436,688
- repaid	(213,646)	(175,155)
Loan from the Holding Company- repaid	(60,000)	(10,000)
Lease liabilities	(1,681)	(2,720)
Long term deposits	819	991
Short term borrowings - net	816,900	878,496
Dividend paid	-	(20,734)
Finance cost paid	(284,174)	(89,842)
<b>Net cash generated from financing activities</b>	<b>374,672</b>	<b>1,017,724</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,936</b>	<b>3,458</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>8,112</b>	<b>9,458</b>

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



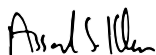
ABID HUSSAIN  
Chief Financial Officer

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

## FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	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)					
<b>Balance as at July 01, 2021 (audited)</b>	208,000	535,375	1,205,777	(150)	1,949,002
<b>Transaction with owners</b>					
Cash dividend for the year ended June 30, 2021 at the rate of Re.1 per share	-	(20,800)	-	-	(20,800)
<b>Total comprehensive income for the Nine months period ended March 31, 2022</b>	-	192,068	-	150	192,218
Surplus on revaluation of property, plant and equipment for the nine months realised (net of deferred taxation)					
- On account of incremental depreciation	-	10,415	(10,415)	-	-
- upon sale of revalued assets	-	2,656	(2,656)	-	-
<b>Balance as at March 31, 2022 (un-audited)</b>	<b>208,000</b>	<b>719,714</b>	<b>1,192,706</b>	<b>-</b>	<b>2,120,420</b>
Balance as at July 01, 2022 (audited)	208,000	815,283	2,601,724	(125)	3,624,882
<b>Total comprehensive income for the Nine months period ended March 31, 2023</b>	-	27,455	-	31	27,486
Surplus on revaluation of property, plant and equipment for the nine months realised on account of incremental depreciation (net of deferred taxation)	-	13,141	(13,141)	-	-
<b>Balance as at March 31, 2023 (un-audited)</b>	<b>208,000</b>	<b>855,879</b>	<b>2,588,583</b>	<b>(94)</b>	<b>3,652,363</b>

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, 2023

### 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:

<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, Fazal-e-haq road, Blue Area	Head office
<b>Karachi</b>	
Plot No. 36, New Karachi Cooperative Housing 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% (June 30,2022: 77.98%) of the Company's issued, subscribed and paid-up capital is held by the Holding Company.

### 2. BASIS OF PREPARATION AND SIGNIFCANT 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, 2023**

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.

### **2.1.3 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

### **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, 2022.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT	Un-audited March 31, 2023	Audited June 30, 2022
Note	(Rupees in thousand)	
Operating fixed assets - tangible	5,002,524	4,892,551
Capital work-in-progress	-	46,883
Right-of-use assets	6,294	9,270
Stores held for capital expenditure	46,615	36,442
	<b>5,055,433</b>	<b>4,985,146</b>
<b>4.1 Operating fixed assets - tangible</b>		
Book value at beginning of the period / year	4,892,551	2,735,572
Revaluation adjustments during the period / year	-	1,452,628
Additions during the period / year	229,411	860,646
Transfer from right of use to own	-	2,065
Disposals costing Rs.7.408 million (June 30, 2022: Rs.134.235 million)		
- at net book value	(5,984)	(51,097)
Depreciation charge for the period / year	(113,454)	(107,263)
Book value at end of the period / year	<b>5,002,524</b>	<b>4,892,551</b>
<b>4.1.1 Additions during the period / year:</b>		
Buildings on freehold land		
- factory	61,003	143,369
- non - factory	1,540	705
- residential	4,009	11,677
Plant & machinery	74,526	607,015
Gas fired power plant	8,004	25,109
Electric installations	79,310	49,455
Equipment & appliances	761	1,761
Fire extinguishing equipment	210	255
Furniture & fixtures	48	4,322
Vehicles	-	16,978
	<b>229,411</b>	<b>860,646</b>
<b>4.1.2 Borrowing cost during the current financial period ranged from 4.00% to 16.71% (June 30, 2022: 4.00% to 15.56%) per annum amounting Rs.5.526 million (June 30, 2022: Rs.14.207 million) has been included in the cost of electric installations (June 30, 2022: Plant and machinery).</b>		
	Un-audited March 31, 2023	Audited June 30, 2022
	(Rupees in thousand)	
<b>4.2 Right-of-Use Assets</b>		
Book value at beginning of the period / year	9,270	14,998
Reassessment due to mark-up rate change	150	378
Depreciation charge for the period / year	(3,126)	(4,041)
Transferred to own assets	-	(2,065)
Book value at end of the period / year	<b>6,294</b>	<b>9,270</b>

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

## FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

### 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, 2022.

#### 5.2 Commitments

5.2.1 Commitments against irrevocable letters of credit outstanding at the period-end were Rs.333 million (June 30, 2022: Nil).

5.2.2 Commitments against ijarah rentals under ijarah agreements at the period-end were Rs.54.525 million (June 30, 2022: Rs.66.908 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,	
		2023	2022
<b>(Rupees in thousand)</b>			
<b>i) Holding Company</b>			
	- dividend paid	-	16,220
	- mark-up charged on loan	5,100	5,308
	- sale of fixed assets	2,450	-
	- loan repaid	60,000	10,000
<b>ii) Associated Companies</b>			
	- sale of fixed assets	-	5,000
	- sale of goods & services	3,126	6,468
	- Purchase of fixed assets	78,033	-
	- Purchase of raw material	174,464	-
	- Donation	5,220	3,366
<b>iii) Key management personnel</b>			
		28,527	20,901
		<b>Un-audited</b>	Audited
		<b>March 31,</b>	June 30,
		<b>2023</b>	2022
<b>(Rupees in thousand)</b>			
6.2	<b>Period / year end balances are as follows:</b>		
	Capital work-in-progress - advances	-	4,000
	Loan from the Holding Company	-	60,000
	Accrued mark-up / profit	733	2,184

### 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, 2022, 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, 2022.

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

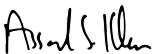
The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

## 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, 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 nine months period ended March 31, 2022.

## 10. GENERAL

- 10.1 These condensed interim financial statements were approved by the Board of Directors and authorised for issue on April 27, 2023.
- 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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