

Pakistan Synthetics Limited

NINE MONTHS REPORT
MARCH 2023



BOARD OF DIRECTORS	MR. KHURSHID AKHTAR MR. YAKOOB HAJI KARIM MR. NOMAN YAKOOB MR. ABID UMER MR. MUBBASHIR AMIN MR. ALI KAMAL MR. FARAZ YOUNUS BANDUKDA MS. SADAF SHABBIR	CHAIRMAN - INDEPENDENT CHIEF EXECUTIVE EXECUTIVE NON- EXECUTIVE NON- EXECUTIVE INDEPENDENT INDEPENDENT INDEPENDENT
AUDIT COMMITTEE	MR. ALI KAMAL - CHAIRMAN MR. MUBBASHIR AMIN MR. FARAZ YOUNUS BANDUKDA	
HUMAN RESOURCE AND REMUNERATION COMMITTEE	MR. FARAZ YOUNUS BANDUKDA MR. MUBBASHIR AMIN MR. NOMAN YAKOOB	
CHIEF FINANCIAL OFFICER	MR. SHAHID YAQOOB	
COMPANY SECRETARY	MR. MUHAMMAD IMRAN	
BANKERS	ASKARI BANK LIMITED BANK AL HABIB LIMITED BANK OF PUNJAB LIMITED BANK AL-FALAH LIMITED BANK ISLAMII PAKISTAN LIMITED DUBAI ISLAMIC BANK PAKISTAN LIMITED HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED MEEZAN BANK LIMITED	
AUDITORS	BDO EBRAHIM & CO. CHARTERED ACCOUNTANTS	
HEAD OF INTERNAL AUDIT	MR. JAFFAR IQBAL	
REGISTRAR	F.D REGISTRAR SERVICES (PVT.) LTD. OFFICE # 1705, 17TH FLOOR, SAIMA TRADE TOWER-A, I.I. CHUNDRIGAR ROAD, KARACHI.	
LEGAL ADVISOR	TASAWUR ALI HASHMI ADVOCATE	
REGISTERED OFFICE	OFFICE # 1504, 15TH FLOOR, EMERALD TOWER, BLOCK 5, CLIFTON, KARACHI.	
FACTORY	F-1, 2, 3, & 13, 14 & 15 HUB INDUSTRIAL TRADING ESTATE DISTRICT LASBELLA, BALOCHISTAN. PLOT # A-5, N.W.I.Z, PORT QASIM AUTHORITY, KARACHI.	

DIRECTORS' REVIEW

The Board of Directors of Pakistan Synthetics Limited takes pleasure in presenting review of the performance of the Company together with the financial statements for the nine months period ended March 31, 2023:

OPERATING AND FINANCIAL PERFORMANCE

During the period under review, the Company recorded net sales revenue of Rs. 10,252.68 million as compared to Rs. 7,953.35 million during the same period last year. Growth in sales mainly is on account of rise in sales volume and prices. Increase in Administrative and general expenses are mainly on account of donation of Rs. 5.71 million for Flood relief activities besides severe inflation impact of more than 20%. Distribution and selling cost increased due to higher fuel prices and rise in sales volume as compared to corresponding period last year. Rise in other operating expenses is mainly on account of exchange loss of Rs. 243.44 million as against exchange loss of Rs. 57.714 million in the same period last year. Rise in finance cost is mainly attributable to the significant increase in KIBOR rates and due to higher utilization of short term borrowing facilities owing to increase in business volumes. After providing all the cost, the Company posted net profit after tax for the period amounting to Rs. 670.080 million (2022: 774.222 million). The profit is translated into earning per share of Rs. 7.25 (2022: Rs. 8.37).

FUTURE OUTLOOK

The country is facing extra ordinary economic challenges and its impacts are now visible on the industry. The economic challenge has further aggravated due to massive political uncertainty. The Government is striving to unlock the IMF tranche in order to stabilize rupee dollar parity and to save economy from complete collapse. Rising bench mark interest rate to highest levels and new financial measures under IMF conditions have opened the flood gate of inflation in short to medium term which may result into depleting margins. Your management is fully alive to the situation and is prudently managing situation against all the challenges to maintain existing market share in the industry while remain competitive and keeping the profit margins intact.

ACKNOWLEDGEMENT

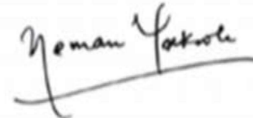
The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The management deeply acknowledges and recognizes the efforts put in by the employees and offers its sincere thanks to the support it is

constantly receiving from both Federal and Provincial Governments, regulatory bodies, its customers, bankers and suppliers.

For and on behalf of the Board of Directors



**YAKOOB HAJI KARIM
CHIEF EXECUTIVE**



**NOMAN YAKOOB
DIRECTOR**

Date: April 19, 2023

Karachi

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023**

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)	
Note	----- (Rupees in '000) -----		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,140,649	3,285,530
Right-of-use asset		24,718	32,133
Long term loan to employees		1,182	1,880
Long term deposits		8,705	8,705
Investment in Associate	6	1,050,000	-
		<u>4,225,254</u>	<u>3,328,248</u>
CURRENT ASSETS			
Stores and spares		382,320	340,896
Stock-in-trade	7	3,883,624	2,594,456
Trade debts	8	1,706,233	1,818,260
Loans and advances		116,694	318,507
Short term deposits and prepayments		30,530	8,815
Short term investments		3,372	5,889
Other receivables		130,693	91,113
Cash and bank balances	9	160,640	54,060
		<u>6,414,106</u>	<u>5,231,996</u>
TOTAL ASSETS		<u><u>10,639,360</u></u>	<u><u>8,560,244</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital of 140,000,000 (June 30, 2022: 140,000,000) ordinary shares of Rs. 10 each		<u>1,400,000</u>	<u>1,400,000</u>
Issued, subscribed and paid-up capital 92,466,000 (June 30, 2022: 92,466,000) ordinary shares of Rs. 10 each		924,660	924,660
Reserves		<u>2,860,153</u>	<u>2,190,073</u>
		3,784,813	3,114,733
NON-CURRENT LIABILITIES			
Long term borrowings	10	827,384	743,741
Lease liability		16,011	29,314
Deferred liabilities		166,963	129,761
Deferred government grant		91,859	115,618
Deferred taxation		66,873	18,124
		<u>1,169,090</u>	<u>1,036,558</u>
CURRENT LIABILITIES			
Trade and other payables		3,545,486	2,971,234
Short term borrowings	11	1,866,635	1,183,997
Accrued markup		52,886	19,390
Current portion of long term borrowings		91,185	139,107
Current portion of lease liability		15,831	9,495
Current portion of deferred government grant		37,931	28,821
Taxation - net		70,120	51,522
Unclaimed dividend		5,383	5,387
		<u>5,685,457</u>	<u>4,408,953</u>
TOTAL EQUITY AND LIABILITIES		<u><u>10,639,360</u></u>	<u><u>8,560,244</u></u>
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



Page 4 of 18



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023**

	Note	Nine months period ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Rupees in '000)					
Revenue from contracts with customers	13	10,252,679	7,953,351	4,442,284	2,937,592
Cost of sales		(8,344,522)	(6,337,419)	(3,584,890)	(2,421,433)
Gross profit		1,908,157	1,615,932	857,394	516,159
Administrative and general expenses		(95,947)	(79,639)	(36,473)	(33,370)
Reversal / (Provision) against expected credit losses		(17,508)	(13,580)	(32,000)	-
Distribution and selling costs		(221,269)	(119,870)	(96,245)	(44,920)
Other operating expenses		(322,294)	(166,152)	(194,326)	(39,509)
		(657,018)	(379,241)	(359,044)	(117,799)
Operating profit		1,251,139	1,236,691	498,350	398,360
Other income		19,787	19,548	148	(11,516)
Finance costs		(271,397)	(155,458)	(129,177)	(78,345)
Profit before taxation		999,529	1,100,781	369,321	308,499
Taxation	14	(329,449)	(326,559)	(109,964)	(98,296)
Profit for the period		670,080	774,222	259,357	210,203
Earnings per share - basic and diluted (Rupees)	15	7.25	8.37	2.80	2.27

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2023**

	<u>Nine months period ended</u>		<u>Quarter ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	----- (Rupees in '000) -----			
Profit for the period	670,080	774,222	259,357	210,203
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>670,080</u>	<u>774,222</u>	<u>259,357</u>	<u>210,203</u>

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	Reserves					Total
	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves		Total reserves	
			Share premium	General reserve		
----- (Rupees in '000) -----						
Balance as at July 1, 2021 (Audited)	840,600	224,160	292,450	987,669	1,504,279	2,344,879
Transaction with owners of the Company						
Bonus shares issued @ 10% of share capital	84,060	(84,060)	-	-	(84,060)	-
Final cash dividend for the year ended 30 June 2021 @ Rs. 2.5 per share	-	-	-	(210,150)	(210,150)	(210,150)
Total comprehensive income for the period ended March 31, 2022						
Profit for the period	-	-	-	774,222	774,222	774,222
Other comprehensive income	-	-	-	-	-	-
Balance as at March 31, 2022 (Un-audited)	924,660	140,100	292,450	1,551,741	1,984,291	2,908,951
Balance as at July 1, 2022 (Audited)	924,660	140,100	292,450	1,757,523	2,190,073	3,114,733
Total comprehensive Income for period ended March 31, 2023						
Profit for the period	-	-	-	670,080	670,080	670,080
Other comprehensive income	-	-	-	-	-	-
Balance as at March 31, 2023 (Un-audited)	924,660	140,100	292,450	2,427,603	2,860,153	3,784,813

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023**

	March 31, 2023	March 31, 2022
Note	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	1,103,960	(392,015)
Staff gratuity paid	(4,509)	(6,391)
Financial charges paid	(186,038)	(135,368)
Taxes paid	(262,102)	(61,033)
Net cash generated from / (used in) operating activities	651,311	(594,805)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(194,991)	(1,236,288)
Proceeds from disposal of property, plant and equipment	6,049	19,700
Net cash used in investing activities	(188,942)	(1,216,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	(9,497)	(8,739)
Repayments of long term borrowings	(107,518)	(157,555)
Proceeds from long term borrowings	128,588	686,264
Investment in Associates	(1,050,000)	-
Short term murabaha, salam and istisna - net	864,576	1,391,421
Dividend paid	-	(208,906)
Net cash (used in) / generated from financing activities	(173,851)	1,702,485
Net increase / (decrease) in cash and cash equivalents	288,518	(108,908)
Cash and cash equivalents at beginning of the period	(171,179)	(99,559)
Cash and cash equivalents at end of the period	117,339	(208,467)
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	9	53,884
Running Finance and Running Musharakah	11	(262,351)
	117,339	(208,467)

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

1. STATUS AND NATURE OF BUSINESS

Pakistan Synthetics Limited ("the Company") was incorporated on November 18, 1984 as a private limited company in Pakistan and subsequently converted into a public limited company on December 30, 1987. The shares of the Company are listed on Pakistan Stock Exchange with effect from June 27, 1995. The principal activity of the Company is manufacturing and sale of Plastic Caps, Crown Caps, PET resin, Preform and BOPET resin. The registered office of the Company is situated at office no. 1504, 15th floor, Emerald Tower, Block 5, Clifton, Karachi.

The manufacturing facility of the Company is situated at F-1,2,3 and 13,14 & 15, Hub Industrial Trading Estate, District Lasbella Balochistan and Plot No. A-5, N.W.I.Z, Port Qasim Authority, Karachi.

2. BASIS OF PREPARATION

2.1 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. 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 the International Accounting Standards Board (IASB) as notified under the Companies Act,
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.1.1 These condensed interim financial statements are unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

- 2.1.2 These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 2.1.3 The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2022 have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes thereto for the six month period ended March 31, 2022 have been extracted from the condensed interim financial statements of the company for the six month period ended March 31, 2022, which were subjected to a review but not audited.
- 2.1.4 The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended March 31, 2023 and March 31, 2021 included in these condensed interim financial statements were neither subjected to review nor audited.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except as stated otherwise.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees ("Rupees" or "Rs.") which is the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies adopted and the methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended June 30, 2022.

3.1 Initial application of standards, amendments or an interpretation to existing standards

- a) **Standards, amendments and interpretations to accounting standards that are effective in the current period**

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2022, but are considered not to be relevant or expected to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2022.

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
Note	(Rupees in '000)	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	3,026,952	3,181,503
Capital work-in-progress	5.2	113,697	104,027
		<u>3,140,649</u>	<u>3,285,530</u>

5.1 Operating fixed assets

Opening net book value		3,181,503	2,123,102
Additions / transfers during the period / year at cost	5.1.1	185,321	1,405,394
Disposals during the period / year at net book value	5.1.1	(5,610)	(15,510)
Depreciation charge for the period / year		<u>(334,262)</u>	<u>(331,483)</u>
Closing net book value		<u>3,026,952</u>	<u>3,181,503</u>

5.1.1 Following are the cost of operating fixed assets added and net book value of operating fixed assets disposed off during the period Page 16 of 18

	(Unaudited)		(Audited)	
	March 31, 2023		June 30, 2022	
	Additions (at cost)	Disposals (at net book value)	Additions (at cost)	Disposals (at net book value)
----- (Rupees in '000) -----				
Land-Leasehold	-	-	41,635	-
Building on leasehold land	-	-	239,049	-
Plant and machinery	174,398	-	1,069,587	-
Vehicles	10,923	5,610	51,553	15,510
Furniture and office equipment	-	-	3,182	-
Computer accessories	-	-	388	-
	<u>185,321</u>	<u>5,610</u>	<u>1,405,394</u>	<u>15,510</u>

March 31,
2023
(Unaudited)
(Rupees in '000)

June 30,
2022
(Audited)
(Rupees in '000)

5.2 Capital work-in-progress

Opening balance	104,027	85,916
Additions (at cost) during the period / year	<u>67,447</u>	<u>309,370</u>
	171,474	395,286
Transfer to operating fixed assets during the period / year	<u>(57,777)</u>	<u>(291,259)</u>
Closing balance	<u>113,697</u>	<u>104,027</u>

6. INVESTMENT IN ASSOCIATE

This represents advance against equity investment in Associated Company i.e. Petpak Films (Private) Limited. The shareholders of Pakistan Synthetics Limited in extraordinary general meeting held on January 23, 2023 had accorded approval through special resolution to make an equity investment upto Rs. 1,500,000,000 (Pak Rupee One thousand, five hundred million) by way of purchase of upto 150,000,000 (One hundred fifty million) ordinary shares of Petpak Films (Private) Limited, an associated company, at Rs. 10 or the Issue/offer price including through subscription to right shares. As at reporting date, the Company has invested Rs. 1,050,000,000/- which constitute around 18% of the total share capital of associated company.

7. STOCK IN TRADE

Raw and packing material		
- in hand	2,204,458	1,204,123
- in transit	<u>244,164</u>	<u>265,670</u>
	2,448,622	1,469,793
Work-in-process	505,266	55,774
Finished goods	<u>929,736</u>	<u>1,068,889</u>
	<u>3,883,624</u>	<u>2,594,456</u>

		March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
		(Rupees in '000)	
8.	TRADE DEBTS		
	Unsecured - considered good	1,706,233	1,818,260
	Unsecured - considered doubtful	297,052	279,544
	Less: allowance for expected credit loss	(297,052)	(279,544)
		<u>1,706,233</u>	<u>1,818,260</u>
9.	CASH AND BANK BALANCES		
	With Islamic banks		
	- current accounts	11,565	1,821
	- saving accounts	23,814	80
		<u>35,379</u>	<u>1,901</u>
	With conventional banks		
	- current accounts	37,169	3,076
	- saving accounts	84,005	48,324
		<u>121,174</u>	<u>51,400</u>
		156,553	53,301
	Cash in hand	4,087	759
		<u>160,640</u>	<u>54,060</u>
9.1	This carries profit at 7.5% per annum (June 30, 2022: 5.5% per annum)		
9.2	This carries markup at the rate of 12.25% to 14.50% per annum (June 30, 2022: 12.25% per annum).		
10.	LONG TERM BORROWINGS - SECURED		
	Loans from Islamic financial institutions		
	Long Term Finance Facility - Diminishing Musharakah	330,858	268,560
	Islamic SBP Refinance Scheme - payroll	-	34,978
	Islamic Temporary Economic Refinance Facility (ITERF)	717,500	723,749
		<u>1,048,358</u>	<u>1,027,287</u>
	Less: deferred income - government grant	(129,789)	(144,439)
	Less: current portion of long term borrowings		
	Long Term Finance Facility - Diminishing Musharakah	(71,185)	(87,879)
	Islamic SBP Refinance Scheme - payroll	-	(34,328)
	Islamic Temporary Economic Refinance Facility (ITERF)	(20,000)	(16,900)
		<u>(91,185)</u>	<u>(139,107)</u>
		<u>827,384</u>	<u>743,741</u>

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
	(Rupees in '000)	
11. SHORT TERM BORROWINGS - SECURED		
Conventional		
Running finance under mark-up arrangement	-	104,771
Islamic		
Murabaha	155,287	372,934
Istisna	1,668,047	585,824
Running Musharaka	43,301	120,468
	<u>1,866,635</u>	<u>1,183,997</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no change in the status of contingencies as disclosed in the annual financial statements for the year ended June 30, 2022.

12.2 Commitments

12.2.1 The Company has facilities of Rs. 3,250 million (June 30, 2022: Rs. 3,050 million) for opening letters of credit. At March 31, 2023, the open letters of credits for stock in trade, stores and spares and capital commitment amounted to Rs. 612.463 million (June 30, 2022: Rs. 372.84 million).

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- (Rupees in '000) -----			
Gross sales	12,103,487	9,366,672	5,263,520	3,469,139
Less: sales tax	(1,850,808)	(1,413,321)	(821,236)	(531,547)
	<u>10,252,679</u>	<u>7,953,351</u>	<u>4,442,284</u>	<u>2,937,592</u>

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

----- (Rupees in '000) -----

14. TAXATION

Current	280,700	188,942	47,818	54,069
Deferred	48,749	137,617	62,146	44,227
	<u>329,449</u>	<u>326,559</u>	<u>109,964</u>	<u>98,296</u>

15. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. There is no dilutive effect on the basic earnings per share of the Company:

Profit for the period	<u>670,080</u>	<u>774,222</u>	<u>259,357</u>	<u>210,203</u>
	----- (Number) -----			
Weighted average number of ordinary shares	<u>92,466,000</u>	<u>92,466,000</u>	<u>92,466,000</u>	<u>92,466,000</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>7.25</u>	<u>8.37</u>	<u>2.80</u>	<u>2.27</u>

March 31, 2023
(Un-audited)
(Rupees in '000)

March 31, 2022
(Un-audited)
(Rupees in '000)

16. CASH GENERATED FROM OPERATIONS

Profit before tax	999,529	1,100,781
Adjustment for non cash charges and other items:		
Depreciation on property, plant and equipment	335,320	227,729
Depreciation on right of use asset	7,416	7,414
Charge for staff gratuity	30,000	27,973
Gain on disposal of property, plant and equipment	(439)	(4,191)
Finance costs	234,183	152,298
Interest expense on lease liability	2,530	3,160
Unrealised loss on remeasurement of investment	2,517	2,600
Amortisation of deferred income - government grant	(14,649)	-
Net remeasurement gain on provision of GIDC	(2,281)	-
Interest expense on GIDC	13,992	-
(Reversal) / provision against expected credit losses	17,508	-
	<u>626,097</u>	<u>416,983</u>

March 31, March 31,
2023 2022
(Un-audited) (Un-audited)
(Rupees in '000)

Working capital changes

Decrease / (increase) in current assets:

Stores and spares	(41,424)	(10,120)
Stock in trade	(1,289,168)	(1,262,456)
Trade debts	94,519	(908,015)
Loans and advances	201,813	25,380
Short term deposits and prepayments	(21,715)	(811)
Other receivables	(39,580)	(205,798)
Short term investment	-	(45,572)
Long-term deposits and prepayments - net	-	718
	(1,095,555)	(2,406,674)

(Decrease) / increase in current liabilities:

Trade and other payables	573,191	496,787
	(522,364)	(1,909,887)
Long-term loans to employees	698	108
Cash generated from operations	1,103,960	(392,015)

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of entities over which the Company is able to exercise significant influence, entities with common directors, major shareholders, staff retirement benefits, directors and key management personnel. Transactions with related parties are entered into at commercial terms, as per the terms of employment and actuarial advice, as the case may be. The name, nature and basis of relationships are:

Name of related party	Nature of relationship	Basis of relationship
Amna Industries (Private) Limited	Associated Company	Common directorship
Petpak Films (Private) Limited	Associated Company	Common directorship
3M Industries (Private) Limited	Associated Company	Common directorship
Al-Hilal Shariah Advisors (Private) Limited	Associated Company	Common directorship
Al-Hilal Securities Advisors (Private) Limited	Associated Company	Common directorship
Akaz Brands (Private) Limited	Associated Company	Common directorship
Key management personnel	Related parties	Executives

Details of transactions with and balances from / to related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

Nine months period ended	
March 31,	March 31,
2023	2022
(Rupees in '000)	

17.1. Transactions during the year

Key management personnel compensation

Managerial remuneration	52,269	39,012
Others	7,344	5,926

Investment in Associates

- 17.1.1 The directors and most of the executives of the Company are provided with free use of the Company maintained cars.

17.2. Period end balances

There are no period end balances with related parties.

18. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements as at and for the year ended June 30, 2022.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As of the reporting date, except for short term investment none of the financial instruments of the Company are carried at fair value.

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

20. GENERAL

These condensed interim financial statements have been authorised for issue on April 19, 2023 by the Board of Directors of the Company.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER