

MERIT PACKAGING LIMITED



**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
MARCH 31, 2019**



A Lakson Group Company

MERIT PACKAGING LIMITED
THIRD QUARTER REPORT
MARCH 31, 2019

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**MERIT PACKAGING LIMITED
THIRD QUARTER REPORT
MARCH 31, 2019**

CORPORATE INFORMATION

Board of Directors

Iqbal Ali Lakhani Chairman
Amin Mohammed Lakhani
Anushka Zulfiqar Lakhani
Tasleemuddin Ahmed Batlay
Shaikh Muhammad Barinuddin
Sheikh Asim Rafiq
Farrukh Shauket Ansari
Moin M. Fudda

Advisor

Sultan Ali Lakhani

Chief Executive Officer

Shahid Ahmed Khan

Audit Committee

Shaikh Muhammad Barinuddin Chairman
Amin Mohammed Lakhani
Tasleemuddin Ahmed Batlay

Human Resource and Remuneration Committee

Shaikh Muhammad Barinuddin Chairman
Iqbal Ali Lakhani
Tasleemuddin Ahmed Batlay
Shahid Ahmed Khan

Company Secretary

Mansoor Ahmed

Auditors

BDO Ebrahim & Co., Chartered Accountants

Bankers

Al-Baraka Bank (Pakistan) Limited
Askari Bank Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Bank Limited - Islamic Banking
JS Bank Limited

Bankers (Continued)

MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
United Bank Limited - Ameen

Shares Registrar

FAMCO Associates (Pvt) Ltd
8-F, Near Hotel Faran, Nursery Block-6,
P.E.C.H.S., Shakra-e-Faisal, Karachi.
Email : info.shares@famco.com.pk
Phone : (021) 34380101 - 2
Fax : (021) 34380106
Website : www.famco.com.pk

Registered Office

Lakson Square, Building No. 2
Sarwar Shaheed Road
Karachi-74200

Karachi Factory

17-B, Sector 29, Korangi Industrial Township
Karachi

Lahore Factory

224/B, Sunder Industrial Estate, Sundar
Raiwind Road, Lahore

Website

www.meritpack.com

**THIRD QUARTER REPORT
MARCH 31, 2019
DIRECTORS' REVIEW**

Directors of your Company are pleased to present the condensed interim un-audited financial statements of the Company for the period ended March 31, 2019.

FINANCIAL AND OPERATIONAL PERFORMANCE

Comparison of the un-audited financial results for the nine months and quarter ended March 31, 2019 is as follows:

	Nine months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	<i>(Rupees in thousand)</i>		<i>(Rupees in thousand)</i>	
Net sales	2,282,288	1,778,253	770,153	702,312
Gross profit	14,294	167,485	6,806	59,582
Operating (loss) / profit	(52,747)	99,214	(14,979)	33,067
(Loss) / Profit after tax	(174,618)	9,862	(64,816)	2,972

During the period under review, the net sales amounted to Rs. 2.282 billion as compared to Rs. 1.778 billion for corresponding period of last year, showing an increase of Rs.504 million or 28%. After-tax loss for the period under review is Rs. 174.618 million as compared to Rs. 9.862 million after-tax profit recorded for the same period last year.

In spite of increase in sales, the Company witnessed loss due to the following reasons:

- The continuously increasing input costs of basic raw material which could not be fully recovered from customers to the identical extent immediately due to the competition in the printing industry.
- Operational breakdown of offset printing machines installed in Karachi Factory in the first quarter and shifting of machine to a new location to install new printing machine at its location.
- Low performance of old machines and lower order from customers led to less capacity utilization during the period.
- Due to the power crises at Lahore factory, the Company is using diesel generator. The cost per unit of electricity generated is very high as compare to WAPDA which eroded the margin.

Current year 2018-19 has been a challenging year as it was the start of the full year after completion of all type of projects at different locations. However despite efforts by the Company, bottom line margins remained depressed during the year due to less capacity utilization. Our selling prices could not keep up with the significant upsurge in input costs. This increased our overheads together with high financial charges due to rising markup rates and higher borrowings required for CAPEX and working capital requirements. All these factors have culminated in a after-tax loss of Rs. 174.618 million during the period under review.

Future Outlook

The recent capital expenditure in the Company's assets and infrastructure will generate avenues of business consequent to which in the long run it is expected that commercial operations, at full throttle, in Lahore and Gravure will generate the much needed additional revenue that will improve financial position of your Company and bring in the financial stability in terms of future prospects. The installation and trial production process of recently imported state of the art seven colors Heidelberg double coater offset printing machine from Germany is under near to complete.

This machine will increase the operational capabilities of the company besides replacing some old machines and will ensure uninterrupted production with more value added jobs, besides reduction in production overheads. The Company is making full efforts to pass impact of cost escalation to customers despite severe competition in the printing industry.

The Company is shifting its Lahore operations from current rented premises to a new location. This decision has been taken to accommodate larger volume and requirement of our major customers .

It is expected that all these efforts will help to consolidate overall financial position of the Company in the coming financial years.

Acknowledgments

The Directors of your Company are pleased to place on record their appreciation to all the shareholders, customers, banks, vendors and employees for their continued support.

On behalf of the Board of Directors



**SHAHID AHMED KHAN
CHIEF EXECUTIVE OFFICER**



**TASLEEMUDDIN AHMED BATLAY
DIRECTOR**

Karachi: April 24, 2019

تیسری سہ ماہی رپورٹ

مارچ 31، 2019ء

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز بڑی مسرت کے ساتھ 31 مارچ 2019ء کو قائم ہونے والی تیسری سہ ماہی کے لئے مختصر عبوری غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی اور آپریشنل کارکردگی

نو ماہہ و مختصر تیسری سہ ماہی 31 مارچ 2019ء کے لئے غیر آڈٹ شدہ مالیاتی نتائج کا موازنہ درج ذیل ہے:

مختصر سہ ماہی		مختصر نو ماہ		
31 مارچ 2019ء	31 مارچ 2018ء	31 مارچ 2019ء	31 مارچ 2018ء	
(ہزار روپے)		(ہزار روپے)		
702,312	770,153	1,778,253	2,282,288	خالص فروخت
59,582	6,806	167,485	14,294	مجموعی منافع
33,067	(14,979)	99,214	(52,747)	آپریٹنگ نقصان/منافع
2,972	(64,816)	9,862	(174,618)	بعد از ٹیکس نقصان/منافع

زیر جائزہ مدت کے دوران خالص فروخت گزشتہ سال اسی مدت کے لئے 1.778 بلین روپے کے مقابلے میں 2.282 بلین روپے رہی جو 504 ملین روپے یا 28% کا اضافہ دکھاتی ہے۔ گزشتہ سال اسی مدت میں ریکارڈ کئے گئے 9.862 بلین روپے بعد از ٹیکس منافع کے مقابلے میں زیر جائزہ مدت کے دوران 174.618 ملین روپے کا بعد از ٹیکس نقصان رہا۔

کمپنی کو بیگز میں اضافے کے باوجود نقصان اٹھانا پڑا جن کی وجوہات درج ذیل ہیں:

- ☆ پلپر ٹینگ کی صنعت میں مقابلے کی وجہ سے بنیادی خام مال کے دام میں مسلسل اضافہ کو مکمل طور پر فوری گاہکوں سے وصول نہیں کیا جاسکا۔
- ☆ پلپر کراچی فیکٹری میں نصب آفسیٹ (Offset) پر ٹینگ مشینوں کی آپریشنل خرابی اور نئی پر ٹینگ مشین کی تنصیب کے لئے پرانی مشینوں کی دوسری جگہ منتقلی۔
- ☆ پرانی مشینوں کی کم کارکردگی اور زیر جائزہ مدت میں کسٹرز کے کم آرڈرز کم پیداواری صلاحیت کا باعث بنی۔
- ☆ لاہور فیکٹری میں بجلی کے بحران کی وجہ سے کمپنی ڈیزل جنریٹر کا استعمال کر رہی ہے، جس کی وجہ سے فی یونٹ لاگت وا پڑا کے مقابلے میں بہت زیادہ ہے، جو کہ مارچن کو ختم کر دیتا ہے۔

حالیہ سال 2018-19 ایک مشکل سال رہا کہ یہ تمام پروفیکٹس کی تکمیل کے بعد پہلا مکمل سال تھا تاہم کمپنی کی کوششوں کے باوجود، گنجائش سے کم استفادے کی وجہ سے منافع جات سال کے دوران باؤ کا شکار رہے۔ ہماری قیمت فروخت، پیداواری لاگت میں نمایاں اضافے کا ساتھ نہ دے سکیں۔ اس سے ہمارے بڑھتے ہوئے شرح سود کی وجہ سے بلند مالیاتی چارجز اور CAPEX کے لیے درکار زیادہ قرضوں اور سرمایہ کار (Working Capital) کے تقاضوں کے ساتھ بالائی اخراجات میں اضافہ ہوا۔ ان تمام عوامل کا نتیجہ زیر جائزہ مدت کے دوران 174.618 ملین روپے کا بعد از ٹیکس نقصان کی صورت میں سامنے آیا۔

مستقبل کی توقعات

کمپنی کے اثاثوں اور بنیادی ڈھانچے میں حالیہ سرمایہ کاری سے کاروبار کی نئی راہیں پیدا ہوں گی جس کے نتیجے میں طویل مدت میں یہ امید کی جاتی ہے کہ لاہور اور گریٹر پراجیکٹ میں مکمل تجارتی آپریشن انتہائی ضروری اضافی آمدنی پیدا کرے گا جو کہ کمپنی کی مالیاتی پوزیشن کو بہتر اور مالی استحکام لائے گا۔ جرمنی سے درآمد شدہ جدید ترین 7 کلر ہیڈل برگ ڈبل کوڈ آفسیٹ پر ٹینگ مشین کی تنصیب اور آزمانشی پیداوار کا عمل مکمل ہونے کے قریب ہے۔

یہ مشین پرانی مشینوں کو بدلنے کے ساتھ کمپنی کی آپریشنل صلاحیتوں میں اضافہ کرے گی۔ یہ پیداواری اخراجات میں کمی کے ساتھ زیادہ Value ایڈیشن کے ساتھ بلا تعطل پیداوار کو یقینی بنائے گی۔ پرنٹنگ کی صنعت میں سخت مقابلے کے باوجود کمپنی پیداواری لاگت میں اضافے کے اثر کو کسٹمرز کو منتقل کرنے کے لیے کوشاں ہے۔ کمپنی اپنی لاہور فیکٹری کو موجودہ کرایہ کی جگہ سے دوسری جگہ منتقل کر رہی ہے، یہ فیصلہ کمپنی کے بڑے کسٹرز کی ضرورت اور بڑے حجم کو قابل عمل بنانے کے لیے کیا گیا ہے۔ اُمید ہے کہ یہ تمام کاوشیں آئندہ سالوں میں کمپنی کی مجموعی مالیاتی پوزیشن مستحکم بنانے میں معاون ثابت ہوں گی۔

اعتراف

آپ کی کمپنی کے ڈائریکٹرز تمام حصص یا فنڈنگ، کسٹرز، بنکس، سپلائرز اور ملازمین کے تعاون اور مسلسل حمایت کو سراہتے ہیں۔
بورڈ آف ڈائریکٹرز کی جانب سے



تسلیم الدین احمد باطلے
ڈائریکٹر



شاہد احمد خان
چیف ایگزیکٹو آفیسر

کراچی: 24 اپریل 2019

MERIT PACKAGING LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019 (UN-AUDITED)

		<u>(Un-audited)</u> March 31, 2019	<u>(Audited)</u> June 30, 2018
	Note	Rupees in 000's	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,209,686	2,153,549
Capital work in progress	9	708,897	107,526
		<u>2,918,583</u>	<u>2,261,075</u>
Intangible assets		887	1,092
Long-term loans and advances		589	514
Long-term deposits		13,802	13,763
Deferred taxation		97,390	63,293
		<u>3,031,251</u>	<u>2,339,737</u>
CURRENT ASSETS			
Stores and spares		123,532	97,316
Stock-in-trade		573,468	384,901
Trade debts (unsecured - considered good)	10	697,426	609,588
Loans and advances		12,382	3,403
Trade deposits and short-term prepayments		10,064	1,646
Other receivables	11	1,914	-
Tax refund due from Government	12	406,553	285,809
Taxation-net	13	37,812	35,888
Cash and bank balances		11,508	7,788
		<u>1,874,659</u>	<u>1,426,339</u>
		<u>4,905,910</u>	<u>3,766,076</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (June 30, 2018:100,000,000) ordinary shares of Rs.10/- each		1,000,000	1,000,000
Issued, subscribed and paid-up capital			
80,628,398 (June 30, 2018:80,628,398) ordinary shares of Rs.10/- each		806,284	806,284
Capital reserve			
Surplus on revaluation of property, plant and equipment	14	329,754	213,604
Equity portion of loan - associated company		208,830	-
Revenue reserve			
Accumulated losses		(197,377)	(23,788)
		<u>1,147,491</u>	<u>996,100</u>
NON-CURRENT LIABILITIES			
Sub-ordinated loan	15	78,975	100,000
Long-term financing	16	1,448,962	1,066,830
Long-term deposits		462	542
		<u>1,528,399</u>	<u>1,167,372</u>
CURRENT LIABILITIES			
Trade and other payables		806,693	544,054
Interest and markup accrued		69,240	24,709
Short-term borrowings	17	1,120,252	800,006
Un-claimed dividend		129	129
Current portion of long-term financing		233,706	233,706
		<u>2,230,020</u>	<u>1,602,604</u>
CONTINGENCIES AND COMMITMENTS			
	18		
TOTAL EQUITY AND LIABILITIES		<u>4,905,910</u>	<u>3,766,076</u>

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.



SHAHID AHMED KHAN
CHIEF EXECUTIVE OFFICER



TASLEEMUDDIN AHMED BATLAY
DIRECTOR



MUHAMMAD AAQIL JAH
CHIEF FINANCIAL OFFICER


MERIT PACKAGING LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees in 000's			
Sales - net	19	2,282,288	1,778,253	770,153	702,312
Cost of sales	20	(2,267,994)	(1,610,768)	(763,347)	(642,730)
Gross profit		14,294	167,485	6,806	59,582
General and administrative expenses		(38,197)	(39,287)	(13,052)	(14,118)
Selling and distribution expenses		(31,328)	(29,906)	(10,521)	(11,939)
Other income		5,673	3,063	2,261	451
Other operating expenses		(3,189)	(2,141)	(473)	(909)
		(67,041)	(68,271)	(21,785)	(26,515)
Operating (loss) / profit		(52,747)	99,214	(14,979)	33,067
Financial charges		(161,896)	(98,181)	(61,716)	(32,907)
(Loss) / profit before taxation		(214,643)	1,033	(76,695)	160
Taxation	21	40,025	8,829	11,879	2,812
(Loss) / profit after taxation		(174,618)	9,862	(64,816)	2,972
(Loss) / earnings per share - basic and diluted (Rs)	22	(2.17)	0.18	(0.80)	0.04

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.


SHAHID AHMED KHAN
CHIEF EXECUTIVE OFFICER


TASLEEMUDDIN AHMED BATLAY
DIRECTOR


MUHAMMAD AAQIL JAH
CHIEF FINANCIAL OFFICER


MERIT PACKAGING LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees in 000's			
(Loss) / profit for the period	(174,618)	9,862	(64,816)	2,972
<u>Other comprehensive income:</u>				
Surplus on revaluation of property, plant and equipment	14.1 123,106	-	-	-
Deferred tax thereon	(5,927)	-	-	-
	117,179	-	-	-
Total comprehensive income / (loss) for the period	(57,439)	9,862	(64,816)	2,972

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.


SHAHID AHMED KHAN
CHIEF EXECUTIVE OFFICER


TASLEEMUDDIN AHMED BATLAY
DIRECTOR


MUHAMMAD AAQIL JAH
CHIEF FINANCIAL OFFICER


MERIT PACKAGING LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Note	Nine months ended	
		March 31, 2019	March 31, 2018
		Rupees in 000's	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations	23	(96,344)	(76,009)
Taxes paid		(37,812)	(19,717)
Financial charges paid		(79,886)	(57,834)
Long-term loans and advances		(75)	407
Long-term deposits		(116)	(755)
Net cash used in operating activities		(214,233)	(153,908)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(635,127)	(341,086)
Purchase of intangible assets		-	(1,243)
Proceeds from sale of operating fixed assets		377	122
Net cash used in investing activities		(634,750)	(342,207)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term financing		707,737	107,213
Repayment of long-term financing		(175,280)	(93,455)
Proceeds from short-term financing (excluding running finance)		340,000	-
Repayment of short term borrowings (excluding running finance)		(240,000)	(250,000)
Subscription against right issue, net of share issue cost		-	391,301
Net cash generated from financing activities		632,457	155,059
Net (decrease) / increase in cash and cash equivalents		(216,526)	(341,056)
Cash and cash equivalents at beginning of the period		(792,218)	(486,340)
Cash and cash equivalents at end of the period		(1,008,744)	(827,396)
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash and bank balances		11,508	9,325
Short-term running finances		(1,020,252)	(836,721)
		(1,008,744)	(827,396)

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.


SHAHID AHMED KHAN
CHIEF EXECUTIVE OFFICER


TASLEEMUDDIN AHMED BATLAY
DIRECTOR


MUHAMMAD AAQIL JAH
CHIEF FINANCIAL OFFICER


MERIT PACKAGING LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

	Capital Reserve			Revenue Reserve			Total
	Issued, subscribed and paid-up capital	Surplus on Revaluation of Property, Plant & Equipment	Equity portion of loan from associated company	General Reserves	Unappropriated profit / accumulated loss	Total	
	Rupees in 000's						
Balance as at July 1, 2017	403,142	214,347	-	106,800	(111,127)	(4,327)	613,162
Total comprehensive income for the period							
Profit for the period	-	-	-	-	9,862	9,862	9,862
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	9,862	9,862	9,862
Share issue costs	-	-	-	-	(11,841)	(11,841)	(11,841)
Issue of 40,314,199 ordinary shares of Rs 10/- each fully paid in cash	403,142	-	-	-	-	-	403,142
Incremental depreciation net of deferred tax effect charged during the period transferred from surplus on revaluation of property, plant and equipment	-	(663)	-	-	663	663	-
Balance as at March 31, 2018	806,284	213,684	-	106,800	(112,443)	(5,643)	1,014,325
Balance as at July 1, 2018	806,284	213,604	-	106,800	(130,588)	(23,788)	996,100
Total comprehensive income for the period							
Loss for the period	-	-	-	-	(174,618)	(174,618)	(174,618)
Other comprehensive income-net of tax	-	117,179	-	-	-	-	117,179
	-	117,179	-	-	(174,618)	(174,618)	(57,439)
Transactions with owners							
Equity portion of loan from associated company	-	-	208,830	-	-	-	208,830
Incremental depreciation net of deferred tax effect charged during the period transferred from surplus on revaluation of property, plant and equipment	-	(1,029)	-	-	1,029	1,029	-
Balance as at March 31, 2019	806,284	329,754	208,830	106,800	(304,177)	(197,377)	1,147,491

The annexed notes from 1 to 30 form an integral part of this condensed interim financial information.


SHAHID AHMED KHAN
CHIEF EXECUTIVE OFFICER


TASLEEMUDDIN AHMED BATLAY
DIRECTOR


MUHAMMAD AAQIL JAH
CHIEF FINANCIAL OFFICER

MERIT PACKAGING LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2019 (UN-AUDITED)

1. NATURE AND STATUS OF THE COMPANY

Merit Packaging Limited ("the Company") was incorporated on January 28, 1980 in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (now Company Act, 2017) and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi. The Company is mainly engaged in the manufacture and sale of printing and packaging materials.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan. The two factories of the Company are located at Plot No. 17-B, Sector 29, Korangi Industrial Township, Karachi, Pakistan, and Plot No. 224/B, Sunder Industrial Estate, Sunder, Raiwand Road, Lahore, Pakistan.

3. BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information is unaudited and being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

This condensed interim financial information has 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, 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.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2018, which have been prepared in accordance with approved accounting standards as applicable in Pakistan. 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 declared financial statements.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2018, whereas the comparative condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the period ended March 31, 2018.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for revaluation of certain property, plant and equipment, recognition of interest free loans obtained from associated companies and recognition of certain employees retirement benefits at present value.

This condensed interim financial information has been prepared following accrual basis of accounting except for statement of cash flows.

3.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

4. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE FINANCIAL POSITION AND PERFORMANCE

- a) During the period ended March 31, 2019, the Company has revalued its leasehold land, building, improvement on leasehold land and plant and machinery by an independent valuer M/s. Akbani and Javed Associates on the basis of market value. This revaluation resulted in net surplus aggregating to Rs. 329.754 million (2018: Rs. 213.604 million).
- b) During the period ended March 31, 2019, the Company has obtained long term loans amounting to Rs 150 million and Rs 100 million from associated undertaking M/s Premier Fashions (Private) Limited and SIZA (Private) Limited, respectively. Moreover, all long term loans due to associated undertakings specified above aggregating to Rs 790 million have been restructured, such that the mark-up payable on these loans, by the Company, has been waived with effect from July 1, 2018 until the expiry of the waiver period as stipulated in the agreement.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information is the same as those applied in the preparation of the financial statements for the year ended June 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial Instruments". The revised accounting policy adopted by the management are as follows

5.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company has assessed that significant performance obligation in contracts with customers are closely related and, therefore, are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

5.2 IFRS 9 - Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9 retrospectively, with the initial application date of July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

The Company's financial assets mainly include trade debts, long term deposits, bank balances held with commercial banks, other ancillary deposits, advances and receivables.

The adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking Expected Credit Loss (ECL) approach. ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest.

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using historical data and forward looking information. Based on such exercise, the Company has concluded that it is in compliance with the requirements of the new accounting standard and that the impact of impairment on its financial assets is immaterial to this condensed interim financial information.

6. TAXATION

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

7. ESTIMATES

The preparation of this condensed interim financial information requires management to make judgments, 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. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2018.

	Note	Un-audited March 31, 2019	Audited June 30, 2018
Rupees in 000's			
8. PROPERTY, PLANT AND EQUIPMENT			
Opening net book value (NBV)		2,153,549	1,386,982
Addition (at cost) during the period / year	8.1	33,756	859,731
Revaluation surplus recognized during the period / year	8.3 & 14.1	123,106	-
		<u>2,310,411</u>	<u>2,246,713</u>
Disposals (NBV) during the period / year	8.2	(352)	(13)
Depreciation charged during the period / year		(100,373)	(93,151)
		<u>(100,725)</u>	<u>(93,164)</u>
		<u>2,209,686</u>	<u>2,153,549</u>
8.1	Detail of additions (at cost) during the period / year are as follows:		
	Building / improvements on leasehold land	-	31,029
	Plant and machinery	32,478	799,875
	Furniture and fixtures	-	386
	Vehicles	491	1,459
	Office equipment	109	1,303
	Computer equipment	528	7,724
	Electrical installation	150	17,955
		<u>33,756</u>	<u>859,731</u>
8.2	Detail of disposals (net book value) during the period / year are as follows:		
	Vehicles	344	13
	Computer equipment	8	-
		<u>352</u>	<u>13</u>

8.3 Fair value measurement

8.3.1 The Company has revalued its leasehold land, building and improvement on leasehold land and plant and machinery on September 01, 2004, June 25, 2009, June 30, 2012, May 27, 2016 and July 2, 2018 by an independent valuer M/s. Akbani and Javed Associates on the basis of market value.

The incremental value of the leasehold land, building and improvement on leasehold land and plant and machinery so revalued are being depreciated over the remaining useful lives of these assets at the date of revaluation.

Out of the revaluation surplus, an amount of Rs. 329.754 million (2018: Rs. 213.604 million) including revaluation surplus on land, remains undepreciated as at March 31, 2019.

8.3.2 Fair value of land and building is based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation, while fair value of plant and machinery are considered to be level 3 in the fair value hierarchy due to significant unobservable inputs used in the valuation.

Valuation techniques used to derive level 2 fair values - Land and Building

Fair value of land and building has been derived using a sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. Moreover value of building also depends upon the type of construction, age and quality. The most significant input in this valuation approach is price / rate per square foot in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

Valuation techniques used to derive level 3 fair values - Plant and Machinery

In the absence of current prices in an active market, the fair value is determined by taking into account the following factors:

- Make, model, country of origin and etc.;
- Operational capacity;
- Present physical condition;
- Resale prospects; and
- Obsolescence.

The valuation is considered to be level 3 in the fair value hierarchy due to the above unobservable inputs used in the valuation. Most significant input in this valuation is the current replacement cost which is adjusted for factors above.

8.3.3 A reconciliation from opening balances to closing balances of fair value measurements categorized in level 3 is provided below:

	Un-audited March 31, 2019	Audited June 30, 2018
	Rupees in 000's	
Opening balance (level 3 recurring fair values)	1,698,382	976,775
Additions - Cost	32,478	799,875
Revaluation Surplus	20,029	-
Depreciation charge	(85,393)	(78,268)
Closing balance (level 3 recurring fair values)	<u>1,665,496</u>	<u>1,698,382</u>

8.3.4 There were no transfers between levels 2 and 3 for recurring fair value measurements during the period.

	Note	Un-audited March 31, 2019	Audited June 30, 2018
Rupees in 000's			
9. CAPITAL WORK-IN-PROGRESS			
This comprises of:			
Civil works		86,225	64,990
Plant and machinery		622,672	42,536
	9.1	<u>708,897</u>	<u>107,526</u>
9.1 Movement of carrying amount is as follows:			
Opening balance		107,526	513,570
Additions (at cost) during the period / year	9.2	635,127	453,687
		<u>742,653</u>	<u>967,257</u>
Transfer to operating fixed assets during the period / year		(33,756)	(859,731)
Closing balance		<u>708,897</u>	<u>107,526</u>
9.2	This includes borrowing cost capitalized amounting to Rs. 30.033 million (June 30, 2018: Rs. 36.264 million) as per IAS 23. The rate of capitalization is 9.67% (June 30, 2018: 7.15%) per annum.		
10. TRADE DEBTS			
(Unsecured - considered good)			
Due from associated companies		15,665	53,565
Others		681,761	556,023
		<u>697,426</u>	<u>609,588</u>
(Unsecured - considered doubtful)			
Others		398	3,258
Provision for doubtful debts	10.1	(398)	(3,258)
		<u>-</u>	<u>-</u>
		<u>697,426</u>	<u>609,588</u>
10.1 Provision for doubtful debts			
Balance at beginning of the period / year		3,258	2,317
Provision for doubtful debts during the period / year		19	3,258
Bad debts written off during the period / year		(2,879)	(2,317)
Balance at end of the period / year		<u>398</u>	<u>3,258</u>
11. OTHER RECEIVABLES			
Due from associated company	11.1	<u>1,914</u>	<u>-</u>
11.1	This represents insurance agency commission and employee's medical claim receivable from Century Insurance Company Limited, an Associated Company.		
12. TAX REFUND DUE FROM GOVERNMENT			
Sales tax and special excise duty receivable		283,765	198,909
Income tax refundable		122,788	86,900
		<u>406,553</u>	<u>285,809</u>

	Note	Un-audited March 31, 2019	Audited June 30, 2018
		Rupees in 000's	
13. TAXATION - NET			
Advance tax		37,812	35,888
Provision for taxation		-	-
		37,812	35,888
13.1	The income tax assessments of the Company have been finalized by the tax authorities upto Tax Year 2018 (accounting year ended June 30, 2018).		
14. SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT			
Gross surplus:			
Opening balance		217,231	218,471
Surplus recognized during the period / year	14.1	123,106	-
		340,337	218,471
Transfer to unappropriated profit in respect of incremental depreciation charged during the period / year - (net of deferred tax)		(1,029)	(880)
Related deferred tax liability		(420)	(360)
		(1,449)	(1,240)
Closing balance		338,888	217,231
Related deferred tax effect:			
Balance as at July 01,		(3,627)	(4,124)
Effect of changes in tax rate		-	137
Effect of surplus recognized during the period / year		(5,927)	-
Incremental depreciation charge during the period / year		420	360
		(9,134)	(3,627)
		329,754	213,604
14.1 Surplus recognized during the period on:			
Leasehold land		102,667	-
Building / Improvements on leasehold land		410	-
Plant and machinery		20,029	-
		123,106	-
15. SUBORDINATED LOAN - UNSECURED			
Opening Balance		100,000	100,000
Add: Notional markup		5,271	-
Less: Present value adjustment		(26,296)	-
Closing balance	15.1	78,975	100,000
15.1	This subordinated loan has been obtained from an associated undertaking. The rate of markup is 0.5% over last business day of three months KIBOR of preceding quarter. During the period, the effective mark-up rate was 8.84% per annum (2018: 6.74% per annum).		

- 15.2 During the period this subordinated loan was restructured, resulting in waiver of markup payment at the rates stipulated in the agreement. The waiver in the payment of markup has been provided for a period of three years from the date of the agreement, resulting in reduction in fair value of this financial loan instrument, due to presence of a below market element. This financial loan instrument has now been measured at fair value, determined by discounting future cash flows, which is determined to be the transaction price at which a similar transaction could be executed between unrelated parties.
- 15.3 This loan shall remain sub-ordinated to the financing facilities extended by the banks to the Company. The loan shall not be repaid until the entire amount of financing facilities and any payments due in respect of financing facilities or any other finance extended / provided by the banks to the Company, have been paid in full by the Company to the banks and the banks have notified to the sponsors of such payments; and / or the banks otherwise give any permission in writing to the Company to make full or part of the payments due under the long term financing to the associated undertakings.

	Note	Un-audited March 31, 2019	Audited June 30, 2018
Rupees in 000's			
16. LONG TERM FINANCING			
Secured			
From banking companies	16.1	1,142,993	860,536
Less: Current portion shown under current liabilities		(233,706)	(233,706)
		909,287	626,830
Unsecured			
From associated undertaking	16.2	539,675	440,000
Less: Current portion shown under current liabilities		-	-
		539,675	440,000
		1,448,962	1,066,830

16.1 These loans have been obtained from financial institutions for the purpose of financing capital expenditure and secured against first pari passu charge on specific property, plant and equipment of the Company. The effective rate of mark-up was 9.06% to 10.02% (2018: 6.73% to 7.91%) payable quarterly. The tenure of these financing facilities is five to six years including one year grace period.

16.2	Opening Balance	440,000	440,000
	Financing obtained during the period	250,000	-
		690,000	440,000
	Add: Notional markup	32,209	-
	Less: Present value adjustment	(182,534)	-
	16.2.1 & 16.2.2	539,675	440,000

16.2.1 This loan has been obtained from associated undertakings. An aggregate amount of Rs. 790 million (2018: Rs 540 million) was received out of which Rs. 100 million has been converted into subordinated loan (note 15). The rate of markup is 0.5% over last business day of three months KIBOR of preceding quarter. During the period, the effective mark-up rate was 8.84% per annum (2018: 6.74% per annum).

16.2.2 During the period, the repayment of loan and markup thereon has been rescheduled, resulting in a complete waiver of markup at the rates stipulated in the agreement. The waiver in the payment of markup has been provided for a period of three years from the date of the agreements, resulting in reduction in fair value of this loan, due to presence of a below market element. This loan has now been measured at fair value, determined by discounting future cash flows, which is determined to be the transaction price at which a similar transaction could be executed between unrelated parties.

	Note	Un-audited March 31, 2019	Audited June 30, 2018
Rupees in 000's			
17. SHORT TERM BORROWINGS			
Secured			
From banking companies			
Running finance	17.1	1,020,252	800,006
Secured			
From associated undertakings	17.2	100,000	-
		<u>1,120,252</u>	<u>800,006</u>

17.1 The Company has short term running finance facilities from various banks under mark-up arrangements in aggregate amount of Rs. 1,170 million (2018: Rs. 1,170 million) having mark-up at rates ranging from 8.91% to 10.49% (2018: 7.15% to 7.70%) per annum calculated on a daily product basis and payable quarterly. The unutilized balance as at March 31, 2019 was Rs. 147.967 million (2018: Rs. 369.995 million).

The Company also has a facility for opening letters of credit under mark-up arrangements as at March 31, 2019 amounting to Rs. 490 million (2018: Rs. 490 million) from various commercial banks. The unutilized balance as at March 31, 2019 was Rs. 484.523 million (2018: Rs. 94.420 million).

These arrangements are secured by pari passu hypothecation charge on stores and spares, stock-in-trade and trade debts.

17.2 This short term borrowing facility has been obtained from an associated undertaking. The rate of markup was 0.50% over last business day of three months KIBOR of preceding quarter.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There were no significant changes in the contingent liabilities of the Company since the last annual balance sheet date.

18.2 Commitments

The Company was committed as at the balance sheet date as follows:

Capital expenditure under letter of credit

-

395,518

Stores, spares and raw materials under letter of credit

5,476

-

Stores, spares and raw materials under contractual obligations

6,051

9,547

	Nine months ended		Quarter ended	
	March 31, 2019 Un-audited	March 31, 2018 Un-audited	March 31, 2019 Un-audited	March 31, 2018 Un-audited
Rupees in 000's				
19. SALES - NET				
Gross sales	2,665,942	2,077,483	898,847	820,092
Less: Sales tax	(383,654)	(299,230)	(128,694)	(117,780)
	<u>2,282,288</u>	<u>1,778,253</u>	<u>770,153</u>	<u>702,312</u>

	Nine months ended		Quarter ended	
	March 31, 2019 Un-audited	March 31, 2018 Un-audited	March 31, 2019 Un-audited	March 31, 2018 Un-audited
	Rupees in 000's			
20. COST OF SALES				
Materials consumed	1,873,567	1,293,339	604,370	543,365
Salaries, wages and other benefits	149,537	127,729	52,898	50,239
Packing material consumed	46,233	39,919	16,247	14,331
Outsourced services	22,891	17,990	9,389	6,517
Stores and spares consumed	51,013	45,093	17,094	16,784
Power and fuel	76,462	46,937	25,648	17,642
Depreciation	98,452	62,868	34,495	21,779
Amortization	60	43	20	20
Rent, rates and taxes	21,697	18,093	7,522	7,148
Repairs and maintenance	11,568	8,141	4,399	2,813
Vehicle running expenses	1,953	1,115	668	501
Insurance	11,428	8,251	3,621	3,132
Ijara lease rentals	149	143	51	48
Printing and stationery	1,000	1,162	402	577
Communication charges	1,392	945	456	417
Travelling and conveyance	1,511	1,399	476	610
Fee and subscription	477	415	86	210
Software license fee	753	1,258	252	409
Other expenses	1,878	2,717	517	730
Manufacturing cost	2,372,021	1,677,557	778,611	687,272
Opening work-in-process	61,446	42,882	147,143	61,213
Closing work-in-process	(128,526)	(90,178)	(128,526)	(90,178)
	(67,080)	(47,296)	18,617	(28,965)
Cost of goods manufactured	2,304,941	1,630,261	797,228	658,307
Opening stock of finished goods	57,414	52,056	60,480	55,972
Closing stock of finished goods	(94,361)	(71,549)	(94,361)	(71,549)
	(36,947)	(19,493)	(33,881)	(15,577)
	2,267,994	1,610,768	763,347	642,730

21. TAXATION

- 21.1 The current period's total tax liability of the Company amounting to Rs. 28.576 million is covered under Section 113 "Minimum tax" of the Income Tax Ordinance, 2001. This has been fully adjusted against tax credit under section 65B at the rate of 10% on the cost of plant and machinery capitalized. Unadjusted tax credit of Rs. 56.708 million is available for adjustment against two subsequent years' tax charge.
- 21.2 Deferred tax asset has only been recognized to the extent of excess deductible temporary differences over and above taxable temporary differences, capable of being reversed in the ensuing years. The computation for deferred taxation incorporates assumptions regarding utilization of tax losses carried forward, turnover taxes and tax credits. Deferred tax is computed at the rate of 29% on account of changes made to Income Tax Ordinance, 2001 through Finance Act 2018, applicable to the expected period when temporary differences are expected to be reversed / utilized.

22. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Nine months ended		Quarter ended	
	March 31, 2019 Un-audited	March 31, 2018 Un-audited	March 31, 2019 Un-audited	March 31, 2018 Un-audited
	Rupees in 000's			
(Loss) / profit for the period	(174,618)	9,862	(64,816)	2,972
Weighted average number of ordinary shares (in thousands)	80,628	53,344	80,628	73,983
(Loss) / Earnings per share (Rs)	(2.17)	0.18	(0.80)	0.04

	Note	Un-audited Nine months ended	
		March 31, 2019	March 31, 2018
		Rupees in 000's	
23. CASH GENERATED FROM OPERATIONS			
(Loss) / Profit before taxation		(214,643)	1,033
Adjustment for non-cash items and other items:			
Gain on disposal of Property, plant and equipment		(25)	(109)
Provision for doubtful debts		19	-
Financial charges		161,896	98,181
Depreciation		100,373	64,640
Amortization		205	131
		262,468	162,843
Profit before working capital changes		47,825	163,876
Working capital changes	23.1	(144,169)	(239,885)
		(96,344)	(76,009)
23.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		(26,217)	718
Stock-in-trade		(188,567)	(234,004)
Trade debts		(87,857)	(213,005)
Loans and advances		(8,979)	78
Trade deposits and short term prepayments		(8,418)	(3,402)
Other receivables		(1,914)	(439)
Tax refund due from Government		(84,856)	(48,625)
		(406,808)	(498,679)
Increase in current liabilities:			
Trade and other payables (excluding unclaimed dividend)		262,639	258,794
		(144,169)	(239,885)

24. TRANSACTIONS WITH RELATED PARTIES

24.1 The related parties comprise of related group companies, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

Relation with the Company	Nature of transaction	Nine months ended		Quarter ended	
		March 31, 2019 Un-audited	March 31, 2018 Un-audited	March 31, 2019 Un-audited	March 31, 2018 Un-audited
		Rupees in 000's			
Associated Companies	Sales of goods and services	357,738	223,502	114,769	96,108
	Purchases of goods and services	1,356,446	1,150,953	436,501	447,776
	Rent and allied charges	253	160	62	47
	Insurance agency commission income	1,863	1,489	778	-
	Insurance claim	767	1,024	423	339
	Mark-up on short-term financing	1,219	9,378	874	1,003
	Mark-up on long-term financing	-	26,957	-	8,868
	Notional mark-up on long-term loans	32,209	-	13,768	-
	Notional mark-up on subordinated loan	5,271	-	2,015	-
	Long-term financing obtained	250,000	-	-	-
	Short-term financing obtained	340,000	-	100,000	-
	Repayment of short-term financing	240,000	250,000	100,000	250,000
	Capital contribution	208,830	-	24,020	-
Retirement benefit plans	Contribution towards employees retirement benefit plans	8,677	6,293	2,814	2,217
Key management personnel	Compensation in respect of:				
	Short term employee benefits	16,309	16,689	4,894	6,769
	Retirement benefits	1,237	956	381	374

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
		Rupees in 000's	
24.2	Period / year end balances:		
	Receivable from related parties	17,579	53,565
	Payable to related parties	479,238	281,846
	Long-term financing payable to associated undertaking	539,675	440,000
	Sub-ordinated loan	78,975	100,000
	Short-term financing payable to associated undertaking	100,000	-
	Mark-up payable	1,219	-

25. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is 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.

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 operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

During the period ended March 31, 2019, there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements.

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

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instruments it holds.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2018.

27. CAPITAL RISK MANAGEMENT

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders through the optimization of the debt and equity balance.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of dividends paid to shareholders.

The Company management believes on maintaining appropriate mix of debt and equity capital and monitors capital on the basis of the net debt to equity ratio. The net debt is defined as long and short term borrowings offset by cash and bank balances. The equity includes ordinary share capital and reserves.

The Company is not subject to any externally imposed capital requirements.

28. CORRESPONDING FIGURES


Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. However, no significant reclassifications has been made during the period.

29. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on April 24, 2019.

30. GENERAL

Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



SHAHID AHMED KHAN
CHIEF EXECUTIVE OFFICER



TASLEEMUDDIN AHMED BATLAY
DIRECTOR










MUHAMMAD AAQIL JAH
CHIEF FINANCIAL OFFICER










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