



SAIF GROUP

KOHAT TEXTILE MILLS LIMITED

THIRD QUARTERLY REPORT
(UN-AUDITED)
MARCH 31, 2021



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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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Abdul Rehman Qureshi (Chairman)
Rana Muhammad Shafi
Sardar Aminullah Khan

HR & REMUNERATION COMMITTEE

Abdul Rehman Qureshi (Chairman)
Assad Saifullah Khan
Hoor Yousafzai

CHIEF FINANCIAL OFFICER

Nouman Ahmad

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

Askari Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank
First Habib Modaraba
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

HEAD OFFICE

4th floor, Kashmir Commercial Complex,
Fazal-e-Haq Road, Blue Area
Islamabad
Phone : (051) 5700824-8
Fax : (051) 5700829
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, 862091
Fax : (0922) 862057-58
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' REVIEW 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, 2021.

Performance review

During the period under review, your Company has achieved the following:

- Turnover grew by 31% to Rs. 2.5 billion (2020:Rs. 1.9 billion).
- Gross profit increased to Rs.448 million-margin 18% (2020:Rs.231 million-margin 12%).
- EBITDA increased to Rs.401 million (2020:Rs. 211 million).
- Finance cost declined to Rs.74 million (2020:Rs.140 million).
- Profit before taxation increased to Rs.256 million (2020:Rs.8 million).
- Earnings per share increased to Rs.8.9 (2020:Rs.0.9).
- Plant capacity increased by 9% to 38,460 spindles & operated at FULL.
- Regular in debt servicing with ALL banks.

Future outlook

The world is struggling to combat the third wave of coronavirus. With the availability and administration of COVID-19 vaccine, it is expected that economic activities will be restored to normal in the near future.

On the domestic front, the CCOE has approved the proposal for discontinuation of natural gas supply to captive power plants of the export-oriented industry. This decision, if implemented, will adversely affect the production costs of industrial units. In view of such frequent policy changes, we have been continuously adjusting our energy mix with increasing reliance on solar energy. We believe our investments in solar will lower our energy costs. On account of the recent decision by ECC of removal of regulatory duty on import of cotton yarn, the Company may face competition selling these yarns in the local market; however, the Company believes that it has built a strong customer base through its improved product quality and sales services over the period of five decades. These strong factors will help the Company to remain competitive in such a dynamic market.

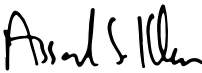
The Management of the Company has always made strong efforts to sustain cost through maximum capacity utilization, cost rationalization, investment in automated & energy-efficient machines and effective procurement strategy etc. We are optimistic to witness reasonable profitability in the last quarter of the current financial year as well.

Acknowledgement

The Directors of the Company would like to thank all stakeholders for their continuous cooperation and support during the period.

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 and hope that they will continue to do so in the future.

For and on Behalf of the Board



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director

Place : Islamabad
Dated : April 29, 2021

ڈائریکٹرز کی جائزہ رپورٹ برائے تھخص یافتگان

معزز تھخص یافتگان

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو نو ماہی اختتامی مارچ 2021، 31 کی مالیاتی رپورٹ پیش کرتے ہوئے خوش محسوس ہو رہی ہے۔ کارکردگی کا جائزہ زیر جائزہ مدت کے دوران آپ کی کمپنی نے ذیل نتائج حاصل کیے:-

- فروخت 31 فیصد اضافے کے ساتھ 2.5 بلین روپے تک جا پہنچی (2020 میں 1.9 بلین روپے)
- مجموعی منافع بڑھ کر 448 ملین روپے تک جا پہنچا جو کہ 18 فیصد ہے (2020 میں 231 ملین روپے جو کہ 12 فیصد تھا)
- EBITDA بڑھ کر 401 ملین روپے تک جا پہنچا (2020 میں 211 ملین روپے)
- قرضے کی لاگت کم ہو کر 74 ملین روپے (2020 میں 140 ملین روپے)
- ٹیکس سے پہلے کا منافع 256 ملین روپے تک بڑھ گیا (2020 میں 8 ملین روپے)
- فی تھخص منافع بڑھ کر 8.9 روپے ہو گیا (2020 میں 0.9 روپے)
- پائنت کی استطاعت 9 فیصد اضافے کے ساتھ 38,460 ہینڈلز تک بڑھ گئی اور پلانٹ مکمل استطاعت پر چلا۔
- قرضے کی ادائیگی میں تمام بینکوں میں باقاعدگی رہی۔

مستقبل کا نقطہ نظر

دنیا کو روٹاؤ اور انس کی تیسری لہر سے مقابلے کی کوشش کر رہی ہے۔ کووڈ-19 کی ویکسین کی فراہمی اور انتظام کے ساتھ، یہ امید کی جاسکتی ہے کہ معاشی سرگرمیاں مستقبل قریب میں باقاعدگی سے بحال ہو جائیں گی۔

مقامی سطح پر، سی ای او ای نے ایک سپورٹ اور ایفڈ صنعت کو بجلی پیدا کرنے کے لیے گیس کی فراہمی معطل کرنے کا فیصلہ کیا ہے۔ یہ تجویز اگر لاگو ہو گئی تو صنعتی پوائنٹس کی پیداوار کی لاگت میں منفی اثر مرتب کرنے گی۔ پالیسی میں بار بار تبدیلی کے مد نظر، ہم اپنی توانائی کے مرکب کو بدلتے رہتے ہیں اور تھخصی توانائی پر زیادہ انحصار کر رہے ہیں۔ ہم امید کرتے ہیں کہ تھخصی توانائی میں سرمایہ کاری ہماری توانائی کی لاگت میں کمی لائے گی۔ ای سی سی کی جانب سے کاشن کے دھاگے کی کمپورٹ پر موجود رگولٹری ڈیوٹی ہٹانے جانے پر، کمپنی کو مقامی مارکیٹ میں دھاگہ فروخت کرنے میں مشکل درپیش آسکتی ہے۔

تاہم ہم یہ یقین رکھتے ہیں کہ کمپنی نے پروڈکٹ کے بہتر معیار اور فروخت کی خدمات کے ذریعے سے گاہکوں کی ایک مضبوط بنیاد قائم کی ہے۔ یہ مضبوط عوامل کمپنی کو ای متحرک مارکیٹ میں کھینچو رہنے میں مدد کرتے ہیں۔


کمپنی کی مینجمنٹ نے ہمیشہ لاگت کو محدود کرنے کیلئے استطاعت کا مکمل استعمال خود کار اور توانائی کے موثر استعمال والی مشینیں اور موثر خرید کی حکمت عملی کی بھرپور کوششیں کی ہیں۔ ہم پر امید ہیں کہ موجودہ سال کے آخری سہ ماہی میں بھی ایک مناسب منافع دیکھنے کو ملے گا۔

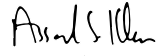
اظہار تشکر

کمپنی کے ڈائریکٹرز تمام اہل ذمہ داران کی اس مدت کے دوران مستقل تعاون اور حمایت کی شکر گزار ہے۔

ڈائریکٹرز مینجمنٹ کی خدمات، وفاداری اور کاوش کی جو مستقبل طور پر دی جاتی ہیں خوب قدر دانی کرتی ہے اور امید کرتی ہے کہ یہ مستقبل میں بھی جاری رہیں گی۔

منجانب بورڈ ہذا


رانا منیر شیخ
ڈائریکٹر


اسد سیف اللہ خان
چیف ایگزیکٹو آفیسر

مقام: اسلام آباد

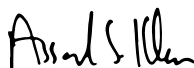
تاریخ: 29 اپریل 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	Note	Un-audited March 31, 2021	Audited June 30, 2020
(Rupees in thousand)			
Assets			
Non-Current Assets			
Property, plant and equipment	4	2,766,074	2,477,022
Intangible assets		295	649
Long term investment		2,350	2,450
Long term loans		1,222	1,527
Long term deposits		4,139	1,816
		<u>2,774,080</u>	<u>2,483,464</u>
Current Assets			
Stores, spare parts and loose tools		38,583	34,544
Stock-in-trade		612,048	398,667
Trade debts		344,703	610,367
Loans and advances		4,345	11,031
Deposits, other receivables and prepayments		16,657	14,726
Taxation - net		29,958	46,323
Sales tax refundable		20,703	-
Cash and bank balances		9,622	12,997
		<u>1,076,619</u>	<u>1,128,655</u>
		<u>3,850,699</u>	<u>3,612,119</u>
Equity and Liabilities			
Share Capital and Reserves			
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		418,207	218,766
Capital reserve			
- Surplus on revaluation of Property, Plant and Equipment		1,209,503	1,224,529
		<u>1,835,710</u>	<u>1,651,295</u>
Non-Current Liabilities			
Loan from the Holding Company		100,000	100,000
Long term financing		515,268	442,192
Long term deposits		3,477	2,280
Lease liabilities		6,599	9,081
Deferred Income - government grant		237	1,996
Deferred liability - staff retirement benefits		121,890	111,585
Deferred taxation - net		151,167	117,790
		<u>898,638</u>	<u>784,924</u>
Current Liabilities			
Trade and other payables		372,680	411,343
Contract liabilities		3,713	7,377
Accrued mark-up / profit		23,066	44,292
Short term borrowings		504,673	649,517
Current portion of non-current liabilities		211,129	62,242
Unpaid dividend		138	166
Unclaimed dividend		952	963
		<u>1,116,351</u>	<u>1,175,900</u>
Contingencies and commitments	5	<u>3,850,699</u>	<u>3,612,119</u>

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



NOUMAN AHMAD
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, 2021

	Quarter ended		Nine months period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	(Rupees in thousand)			
Sales - net	906,479	630,861	2,553,326	1,942,958
Cost of sales	(700,572)	(549,615)	(2,105,073)	(1,711,591)
Gross profit	205,907	81,246	448,253	231,367
Distribution cost	(8,536)	(8,204)	(24,913)	(20,111)
Administrative expenses	(29,080)	(20,276)	(73,212)	(61,277)
Other expenses	(11,718)	(900)	(21,062)	(2,864)
Other income	55	-	714	1,210
Profit from operations	156,628	51,866	329,780	148,325
Finance cost	(24,874)	(46,997)	(73,777)	(140,169)
Profit before taxation	131,754	4,869	256,003	8,156
Taxation	(17,847)	12,943	(71,488)	11,450
Profit after taxation	113,907	17,812	184,515	19,606
Other comprehensive income	-	-	(100)	-
Total comprehensive income	113,907	17,812	184,415	19,606

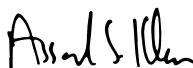
----- Rupees -----

Earnings per share

- basic and diluted

	5.48	0.86	8.87	0.94
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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



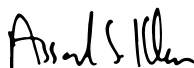
NOUMAN AHMAD
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended	
	March 31, 2021	March 31, 2020
	(Rupees in thousand)	
Cash flows from operating activities		
Profit for the period - before taxation	256,003	8,156
Adjustments for non-cash charges and other items:		
Depreciation	71,203	61,957
Amortisation	354	530
Staff retirement benefits - gratuity (net)	10,305	21,519
loss / (gain) on sale of operating fixed assets	3,287	(7)
Finance cost	73,777	140,169
Profit before working capital changes	414,929	232,324
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(4,039)	(1,833)
Stock-in-trade	(213,381)	8,807
Trade debts	265,664	(187,017)
Loans and advances	6,686	(6,357)
Deposits, other receivables and prepayments	(1,931)	(1,144)
Sales tax refundable	(20,703)	18,522
Decrease in current liabilities:		
Trade and other payables	(38,663)	(112,575)
Contract liabilities	(3,664)	(1,676)
	(10,031)	(283,273)
Cash generated / (used in) operating activities	404,898	(50,949)
Income taxes paid	(21,745)	(7,535)
Long term loans - net	305	(201)
Net cash generated / (used in) operating activities	383,458	(58,685)
Cash flow from investing activities		
Additions in property, plant and equipment	(368,342)	(67,417)
Sale proceeds of operating fixed assets	4,800	629
Net cash used in investing activities	(363,542)	(66,788)
Cash flows from financing activities		
Long term financing - obtained	269,398	102,199
- repaid	(49,195)	(59,374)
Lease liabilities	(4,805)	3,786
Long term deposits	1,197	86
Short term borrowings - net	(144,844)	217,988
Dividend paid	(39)	(20,791)
Finance cost paid	(95,003)	(118,954)
Net cash (used in) / generated from financing activities	(23,291)	124,940
Net decrease in cash and cash equivalents	(3,375)	(533)
Cash and cash equivalents - at beginning of the period	12,997	7,305
Cash and cash equivalents - at end of the period	9,622	6,772

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



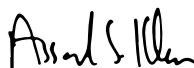
NOUMAN AHMAD
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Share capital	Revenue reserves	Capital reserve	Total
		Unappropriated profit	Revaluation surplus on property, plant and equipment	
(Rupees in thousand)				
Balance as at July 01, 2019 (audited)	208,000	259,507	1,240,388	1,707,895
Transaction with owners				
Cash dividend for the year ended June 30, 2019 at the rate of Re.1 per share	-	(20,800)	-	(20,800)
Total comprehensive income for the Nine months period ended March 31, 2020	-	19,606	-	19,606
Surplus on revaluation of property, plant and equipment for the nine months realised during the period on account of incremental depreciation (net of deferred taxation)	-	11,894	(11,894)	-
Balance as at March 31, 2020 (un-audited)	208,000	270,207	1,228,494	1,706,701
Balance as at July 01, 2020 (audited)	208,000	218,766	1,224,529	1,651,295
Transaction with owners				
Total comprehensive income for the Nine months period ended March 31, 2021	-	184,415	-	184,415
Surplus on revaluation of property, plant and equipment for the nine months realised during the period on account of incremental depreciation (net of deferred taxation)	-	15,026	(15,026)	-
Balance as at March 31, 2021 (un-audited)	208,000	418,207	1,209,503	1,835,710

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



NOUMAN AHMAD
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

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:

Kohat	Purpose
Saifabad	Mills / factory
Peshawar	
APTMA House, Tehkal Payan, Jamrud Road	Registered office
Islamabad	
4th floor, Kashmir Commercial Complex, Fazal-e-Haq Road	Head office
Karachi	
Room # 03, 5th Floor KDLB, Building 58-West Wharf Road,	Marketing / Sales office
Faisalabad	
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% (2020: 77.98%) of the Company's issued, subscribed and paid-up capital is held by the Holding Company.

2. BASIS OF PREPARATION AND SIGNIFICANT 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
- Provisions of and directives issued under the Companies Act, 2017.

Where 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.

- 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, 2020. These condensed interim financial statements are being submitted to the shareholders as required by the section 237 of the Companies Act, 2017.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

2.2 Standards, amendments to published standards, interpretations and guidelines that are effective in the current period

Certain standards, amendments and interpretations to IFRSs are effective for accounting periods beginning on July 01, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed financial statements.

2.3 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, 2020 and as disclosed in half yearly financial statements for the period ended December 31, 2020.

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, 2020.

4. PROPERTY, PLANT AND EQUIPMENT

		Un-audited March 31, 2021 (Rupees in thousand)	Audited June 30, 2020
	Note		
Operating fixed assets - tangible	4.1	2,657,473	2,295,191
Capital work-in-progress		48,138	151,292
Right-of-use assets	4.2	13,341	13,341
Stores held for capital expenditure		47,122	17,198
		2,766,074	2,477,022
4.1 Operating fixed assets - tangible			
Book value at beginning of the period / year		2,295,191	2,305,073
Additions during the period / year	4.1.1	441,572	87,462
Disposals costing Rs.29.401 million (June 30, 2020: Rs.4.845 million)		(8,087)	(2,525)
- at net book value		-	(14,994)
Transition effect on initial application of IFRS 16	4.2	-	(14,994)
Depreciation charge for the period / year		(71,203)	(79,825)
		2,657,473	2,295,191

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

4.1.1 Additions during the period / year:

(including transfer from right-of-use assets):

Buildings on freehold land

- factory

- non - factory

- residential

Plant & machinery

Gas fired power plant

Electric installations

Equipment & appliances

Fire extinguishing equipment

Furniture & fixtures

Vehicles

	Un-audited March 31, 2021	Audited June 30, 2020
	(Rupees in thousand)	
	56,364	7,398
	2,574	827
	6,059	2,125
	332,328	52,802
	12,565	18,794
	29,306	307
	1,372	2,231
	-	69
	869	463
	135	2,446
	411,572	87,462
	13,341	-
	-	14,994
	2,690	4,229
	(495)	-
	(2,195)	(3,980)
	-	(1,902)
	13,341	13,341

4.2 Right-of-Use Assets

Opening balance

Transition effect on initial application

Recognition due to adoption of IFRS 16

Reassessment due to mark-up rate change

Depreciation for the period

Transferred to own assets

Closing balance

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 interim financial statements for the period ended December 31, 2020.

5.2 Commitments

Commitments against irrevocable letters of credit outstanding at the period-end were Rs.Nil million (June 30, 2020: Rs.113.034 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, 2021	March 31, 2020
		(Rupees in thousand)	
i) Holding Company			
- dividend paid		-	13,787
- mark-up charged on loan		6,231	11,662
- shared expenses		249	194
ii) Associated Companies			
- sale of goods & services		56,406	-
iii) Key management personnel		34,462	26,639

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Un-audited March 31, 2021	Audited June 30, 2020
(Rupees in thousand)		
6.2 Period / year end balances are as follows:		
Loan from the Holding Company	100,000	100,000
Trade and other payables	-	171
Accrued mark-up / profit	1,988	3,145

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, 2020, 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, 2020.

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.

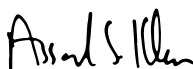
9. CORRESPONDING FIGURES

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, 2020, 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, 2020.

10. GENERAL

10.1 These condensed interim financial statements were approved by the Board of Directors and authorised for issue on April 29, 2021.

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



NOUMAN AHMAD
Chief Financial Officer



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