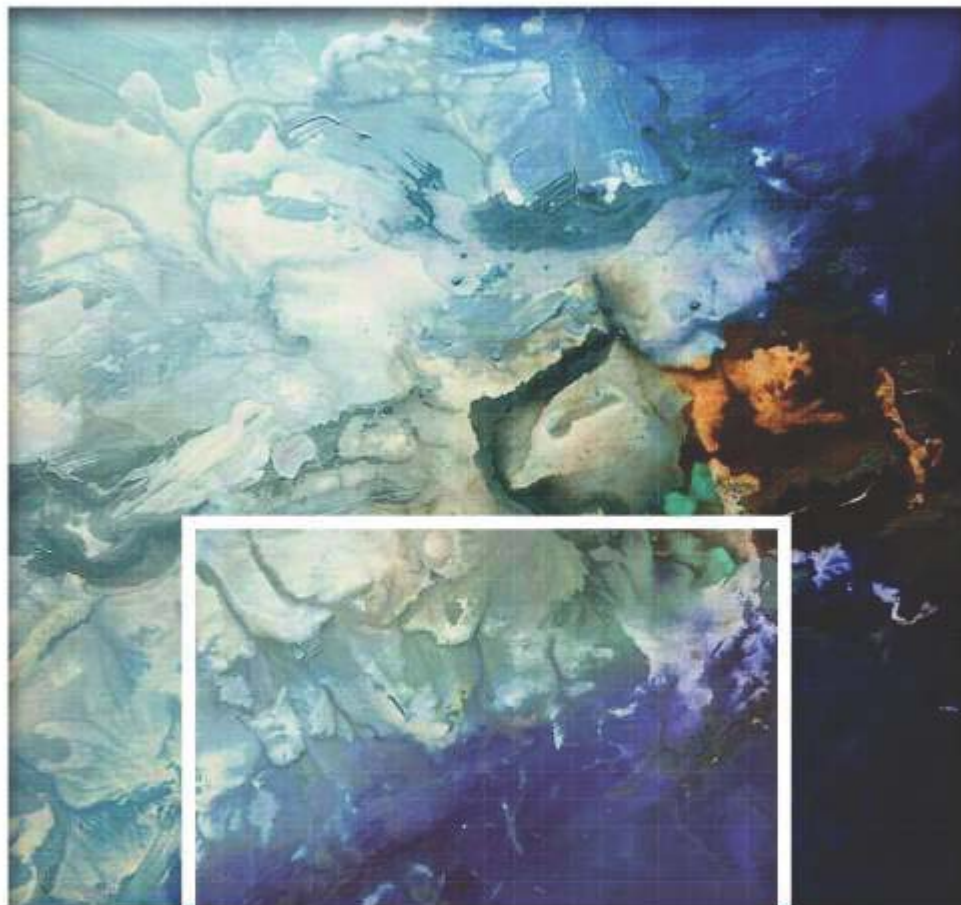




Feroze1888 Mills Limited

Manufacturers & Exporters of Specialized Yarn & Textile Terry Products



Condensed Interim Financial Information for the
Half year ended December 31, 2019

UNLOCKING
— KEYS OF OUR —
POTENTIAL

CONTENTS

Company's information	02
Directors' Report (English & Urdu)	03-06
Auditors' Review Report	07
Statement of Financial Position	08
Statement of Profit or Loss Account	09
Statement of Comprehensive Income	10
Statement of Cash Flow	11
Statement of Changes in Equity	12
Notes to the Financial Information	13-21



COMPANY INFORMATION

Board of Directors

Mr. Jonathan R. Simon	Director/Chairman
Mr. Khaleequr Rahman	Director
Mr. Shabbir Ahmed	Director
Mr. Perwez Ahmed	Director
Mr. Nasim Hyder	Director
Ms. Huma Pasha	Director
Mr. Asim Shabbir Patka	Director
Mr. Usama Rehman	Director
Mr. Rehan Rahman	Chief Executive Officer

Board Audit Committee

Mr. Nasim Hyder	Chairman
Mr. Khaleequr Rehman	Member
Mr. Perwez Ahmed	Member
Ms. Huma Pasha	Member

Board HR & Remuneration Committee

Ms. Huma Pasha	Chairperson
Mr. Shabbir Ahmed	Member
Mr. Nasim Hyder	Member

Chief Financial Officer

Mr. Muhammad Faheem

Company Secretary

Mr. Muhammad Usama Siddiqui

Bankers

Bank Al Habib Limited
 Faysal Bank Limited
 Habib Bank Limited
 Habib Metropolitan Bank Limited
 Meezan Bank Limited
 Standard Chartered Bank (Pakistan) Limited
 Bank Alfalah Limited
 Allied Bank Limited

Auditors

EY Ford Rhodes,
 Chartered Accountants Progressive Plaza,
 Beaumont Road, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
 1st Floor, Dime Centre BC-4,
 Block-9, Kehkashan, Clifton, Karachi.

Registered Office

H-23/4A, Scheme # 3, Landhi Industrial Area,
 Landhi, Karachi.

Office Building

K&N Centre, 160 Banglore Town, Shahrah -e-Faisal,
 Karachi

Factory

Sindh

Plot # H-23/4-A & H-23-/4-B, Scheme # 3,
 Landhi Industrial Area, Landhi, Karachi.
 B-4/A, SITE, Karachi.
 Plot # A-5, SITE, Karachi.
 Plot # C-3, SITE, Karachi.
 Plot # C-31 SITE, Karachi.
 Plot # F-89, SITE, Karachi.
 Plot # F-125, SITE, Karachi.
 Plot # F-342, SITE, Karachi.
 Plot # D-202, SITE, Karachi.
 Plot # 342/A, Haroonabad, SITE, Karachi.
 Survey # 81, 242, 72 to 75, 165, 166, 171, 172, 176 to
 181,
 186 to 190, N.C # 92, 156, 210, 211, 243, Deh Moachko,
 Tapo Gabopat, Keamari Town, Karachi.

Balochistan

Plot# D-12 to D-17, K-1 to K-3, M-34,
 HITE, all in Mauza Pathra, Tehsil Hub,
 District Lasbela, Balochistan.

Share Registrar/Transfer Agent

FAMCO Associate (Pvt.) Ltd
 8-F, Next to Hotel Faran Nursery, Block-6,
 PECHS, Shahrah-e-Faisal, Karachi.

Website

<http://www.feroze1888.com>

DIRECTORS' REPORT

The Directors of Feroze1888 Mills Limited ('the Company') are pleased to present the performance review and the unaudited Financial Statements along with auditors' review report thereon for the half year ended 31 December 2019.

ECONOMIC OUTLOOK

Policy steps taken over the last two years continue to lead to improvement in the macros as the economy is showing signs of recovery in shape of decline in Current Account deficit, better FX reserves position and stable exchange rate. Although, GDP growth is likely to remain subdued at about 2.6% in FY2020, it is anticipated to improve around 3.6% in FY2021 and 4.2% in FY2022 driven by gradual recovery in manufacturing and agriculture sectors amid expected decline in interest rate, low base effect, and pick-up in development spending.

During CY20, inflation is projected to remain elevated mainly in the first half of CY20, driven by upward adjustments in utility prices and second round impact on food prices. However, inflation is estimated to fall sharply in second half of the year. As a consequence, interest rates are expected to fall by around 200bps in CY20, with the major decline projected to take place in second half of the year. Current Account Deficit (CAD) narrowed to USD 13.8 billion in FY2019 from USD 19.9 billion in FY2018. Continuing this trend, CAD has dropped massively and for 1HFY2020 has clocked-in at USD 2.2 billion versus USD 8.6 billion for the same period last year. CAD is expected to remain at manageable level of USD 5.3 billion for FY2020. Foreign exchange reserves of SBP improved from USD 7.3 billion at CY18 end to around USD 11 billion at CY19 end on account of start of IMF loan program and resumption of flows from multilateral agencies such as ADB & World Bank. In addition to this, the government has been able to attract sizable foreign portfolio investment in local government securities. FX reserves are expected to remain elevated due to the planned issuance of International Bonds in the first half of CY20.

INDUSTRY OVERVIEW

First five months of current fiscal year 2019-20 were more encouraging as textile shipments to overseas markets grew 4.68% to \$5.76 billion compared to the same period of the preceding year. On the other hand, investment in the textile sector for replacing and installing new imported machinery increased by 17% to \$480 million in the period under review against \$453 million in the same period of 2018. According to statistics, the industry is eyeing an export target of \$13.3 billion for FY20 with projected investment of \$1 billion. The readymade garment sub-sector is expected to take the lead in overseas shipments.

Alarming, cotton arrivals as of December 15, 2019 dropped to 7.86 million bales against 9.96 million bales at the same time last year. The drop in production of cotton – a key raw material for textile mills – is likely to cause its shortage and force the textile sector to increase cotton imports. The industry needs at least 15 million cotton bales in a year to meet its requirements. The industry has also lost its zero-rated status, along with four other major export sectors, in the 2019-20 budget and is required to pay sales tax from the current fiscal year, which has built-up liquidity pressure on the industry. However, the textile industry of Pakistan had high hopes for the announcement of a handful of favorable measures in Textile Policy 2020-25 by the government amid regionally competitive energy pricing fixed for five years, prompt sales tax refund system or restoration of zero-rating regime.

FINANCIAL PERFORMANCE OVERVIEW

During the half year ended under review, the Company's net sales revenue increased to Rs. 16,172 million with a growth of 24.64% over the corresponding period last year. On the other hand cost of sales and administrative expenses also increased proportionately to Rs. 12,036 million and Rs.588 million respectively in comparison with corresponding period of last year. Profit before tax is Rs. 1,831 million i.e. 22.13% lower than corresponding period last year and profit after tax is Rs. 1,654 million i.e. 26.77 % lower than corresponding period last year. The dip in profit is due to the immediate impact of the sharp rupee appreciation vis-a-vis US\$ since June 30, 2019 on export proceeds realization. The foreign exchange gain accrued in corresponding period of last year has now turned into exchange loss during the current half year. Another reason of decrease in profit is the withdrawal of tax credit under section 65B.

DIVIDEND AND APPROPRIATION

Considering Company's performance the Board of Directors has recommended, a dividend of Rs. 1.75 per share for the half year ended 31 December 2019.

LOOKING AHEAD

As we move forward to capture the new and emerging opportunities in our existing and new markets, it shall be our endeavor to expand our outreach, across our stakeholders, even more effectively and sustainably. Our industry-leading performance, led by our deep understanding of the consumer needs and aspirations, along with our innovation-led strategy, the quality edge of our products, as well as the state-of-the-art systems and processes at our manufacturing facilities, will continue to propel growth for the Company. This, in turn, will cascade into bigger positive impact on our stakeholders, thus translating into greater progress for all of us.

ACKNOWLEDGEMENT AND APPRECIATION

We acknowledge and appreciate the efforts of the employees and valuable support of our customers, financial institutions, shareholders and members of the board of directors. At Feroze1888, our strategic and enduring relationship with the customers is our asset. We are proud of our commitment to excellence in product safety, quality and providing value added solutions to our customers to grow our business and sustain customer confidence.

For and on behalf of the Board of Directors

Rehan Rahman
Chief Executive Officer

Huma Pasha
Director

Karachi
Date: 26 February 2019

ڈائریکٹر رپورٹ

فیروز ۱۸۸۸ ملز لمیٹڈ (کمپنی) کے مجلس نظاماء بہ مسرت کمپنی کے اختتام پذیر ہونے والے ششماہی سال ۳۱ دسمبر ۲۰۱۹ء کے غیر اشتهال شدہ مالیاتی گوشوارے بشمول آڈیٹر کی جائزہ شدہ کارکردگی رپورٹ پیش کر رہے ہیں۔

اقتصادی جائزہ

پچھلے دوسالوں سے اٹھائے گئے پالیسی اقدامات کی وجہ سے عمومی طور پر معیشت بہتری کی طرف گامزن ہے جس کی نشاندہی کرنٹ اکاؤنٹ خسارے میں کمی، بہتر زرمبادلہ کے ذخائر اور مستحکم زرمبادلہ کی شرح کی صورت میں ہو رہی ہے۔ اگرچہ مالی سال ۲۰۲۰ء میں جی ڈی پی کی شرح نمو تقریباً ۲.۶ فیصد رہے تاہم مالی سال ۲۰۲۱ء میں یہ ۳.۶ فیصد اور مالی سال ۲۰۲۲ء میں ۴.۲ فیصد بتدریج بہتر ہونے کا امکان ہے اس کی وجہ شرح سود میں متوقع کمی، ترقیاتی اخراجات میں اضافہ اور زرعی و صنعتی بحالی ہوگی۔ رواں سال (CY20) کے دوران افراط زر بدستور نصف سال تک بڑھے رہنے کا امکان ہے جس کی بنیادی وجہ غذائی اجناس و توانائی کی قیمتوں میں اضافہ ہے جبکہ رواں سال کے آخری نصف حصے میں افراط زر میں قابل قدر گراؤ کی امید ہے جس کے نتیجے میں توقع ہے کہ سود کی شرح CY20 کے آخری حصے میں تقریباً ۲۰۰ BPS تک کم ہو جائے گی۔ مالی سال ۲۰۱۹ء میں کرنٹ اکاؤنٹ کا خسارہ (CAD) کم ہو کر ۱۳.۸ بلین ڈالر رہ گیا جو مالی سال ۲۰۱۸ء میں ۱۹.۹ بلین ڈالر تھا۔ اسی روایت کو برقرار رکھتے ہوئے کرنٹ اکاؤنٹ خسارہ مالی سال ۲۰۲۰ء کے پہلے چھ ماہ میں کمی کے بعد ۲.۲ بلین ڈالر رہا جو کہ اسی مدت میں ۲۰۱۸ء میں ۸.۸ بلین ڈالر تھا۔ توقع ہے کہ مالی سال ۲۰۲۰ء کے لئے CAD ۵.۳ بلین امریکی ڈالر کی مناسب سطح پر رہے گا۔ زرمبادلہ کے ذخائر میں اضافہ آئی ایم ایف قرضہ پروگرام اور ADB جیسے اداروں کے ذریعہ زرمبادلہ کے بحالی پروگرامز کی وجہ سے ہوا۔ زرمبادلہ CY18 کی اختتام پر ۷.۳ بلین ڈالر تھا جبکہ CY19 کے آخر میں ۱۱ بلین ڈالر ہو گیا۔ اس کے علاوہ حکومت، مقامی حکومت کی Securities اور بانڈز میں غیر ملکی پورٹ فولیو کی بڑی سرمایہ کاری کو راغب کرنے میں کامیاب رہی۔ توقع ہے کہ CY20 کے پہلے نصف حصے میں بین الاقوامی بانڈز کا اجراء منظم منصوبہ بندی کے تحت ہونے کی وجہ سے زرمبادلہ کے ذخائر میں اضافہ ہوگا۔

صنعتی جائزہ

رواں مالی سال ۲۰۱۹-۲۰ء کے پہلے پانچ ماہ زیادہ حوصلہ افزا تھے کیونکہ بیرونی منڈیوں میں ٹیکسٹائل کی ترسیل گزشتہ سال کی اسی مدت کے مقابلے میں ۲.۶۸ فیصد اضافے کے بعد ۵.۷۶ بلین ڈالر ہو گئی دوسری جانب ٹیکسٹائل کی صنعت میں نئی مشینوں کی تنصیب و تبدیلی میں ۱۷ فیصد اضافہ جو کہ ۲۸۰ بلین ڈالر ہے دیکھنے میں آیا جو کہ اسی عرصے میں سال ۲۰۱۸ء میں یہ ۲۵۳ بلین ڈالر تھا۔ اعداد و شمار کے مطابق اس صنعت کا ۲۰۲۰ء کے لئے برآمدی ہدف ۱۳۳ بلین ڈالر ہے جس کے لئے ۱ بلین ڈالر سرمایہ کاری متوقع ہے۔ امید کی جا رہی ہے کہ ٹیکسٹائل انڈسٹری کا ذیلی شعبہ ریڈی میڈ گارمنٹس بیرون ملک ترسیل میں سبقت لے جائے گا۔

واضح طور پر ۱۵ دسمبر ۲۰۱۹ء تک کاٹن کی آمد گھٹ کر ۷.۸۶ بلین گنا تھیں ہوئی جب کہ گزشتہ سال اسی مدت میں ۹.۹۶ بلین گنا تھیں تھیں ٹیکسٹائل کی اہم ترین خام مال کاٹن کی پیداوار میں کمی اس بات کا عندیہ ہے کہ ٹیکسٹائل سیکٹر کو اس کمی کی وجہ سے زیادہ کاٹن درآمد کرنا ہوگی۔ اس صنعت کو اپنی ضروریات پوری کرنے کے لئے ۱۵ ملین کپاس کی گانٹھوں کی ضرورت ہوتی ہے۔ اس انڈسٹری نے چار دوسری برآمدی انڈسٹریز کے ساتھ ۲۰۱۹-۲۰ء کے بجٹ میں Zero rated status کھودیا ہے اور اب اس سال سے سیلز ٹیکس ادا کرنا ہوگا جس سے ٹیکسٹائل انڈسٹری کو مالی دباؤ کا سامنا ہے۔ تاہم پاکستان کی ٹیکسٹائل انڈسٹری کو حکومت کی جانب سے ٹیکسٹائل پالیسی ۲۵-۲۰۲۰ء میں چند ضروری سازگار اقدامات کی توقع ہے جس میں علاقائی طور پر مسابقتی توانائی کی قیمتوں کا ۵ سالوں تک تعین، فوری سیلز ٹیکس کی واپسی کا نظام یا صفر ریٹنگ والے نظام کی بحالی سمجھا جا رہا ہے۔



مالی کارکردگی کا جائزہ

موجودہ نصف سال کے دوران کمپنی کی خالص فروخت کی آمدنی ۱۶،۱۷۲ ملین روپے رہی جو کہ پچھلے سال اسی عرصہ وقت کے مقابلے میں ۲۲،۶۳ فیصد بڑھی ہے۔ دوسری طرف فروخت اور انتظامی اخراجات کی لاگت بھی متناسب طور پر بڑھ کر گزشتہ سال کے اسی عرصے کے مقابلے میں بالترتیب ۱۲،۰۳۶ ملین روپے اور ۵۸۸ ملین روپے رہی۔ ٹیکس سے پہلے کا منافع ۱،۸۳۱ ملین روپے جو کہ پچھلے سال اسی مدت کے مقابلے میں ۲۲،۱۳ فیصد کم ہے منافع میں یہ کمی ۳۰ جون ۲۰۱۹ء کے بعد ڈالر کے مقابلے میں روپے کی قدر میں اضافے کی وجہ سے ہوئی جس پر برآمدی رقوم کی وصولی منحصر تھی۔ گزشتہ سال کے اسی عرصے میں حاصل ہونے والا زائد زر مبادلہ کا حصول موجودہ سال کے اسی عرصے میں زر مبادلہ کے خسارے میں تبدیل ہو گیا۔ منافع میں کمی کی ایک اور وجہ سیکشن ۶۵ بی کے تحت ٹیکس کے کریڈٹ کی دستبرداری بھی ہے۔

منافع کی تقسیم

کمپنی کی کارکردگی کو مد نظر رکھتے ہوئے ناظمین نے مبلغ ۱.۷۵ روپے پر حصص منافع نصف سال ۳۱ دسمبر ۲۰۱۹ء کے اختتام پر شراکت داروں کو دینے کا مشورہ دیا ہے۔

مستقبل پر نظر

جب ہم اپنی موجودہ اور نئی منڈیوں میں نئے اور ابھرتے ہوئے مواقع کو حاصل کرنے کے لئے آگے بڑھ رہے ہیں تو ہماری کوشش ہے کہ ہمارا دائرہ اثر اپنے موجودہ اسٹیک ہولڈر سے آگے بڑھے، زیادہ موثر اور پائیدار انداز میں ٹیکسٹائل صنعت میں ہماری کمپنی کی بتدریج بہتر کارکردگی کی وجہ ہماری صارفین کی ضروریات و خواہشات کے بارے میں گہری سوچ کے ساتھ ساتھ جدید ترین پیداواری نظام و سہولیات، مصنوعات کا بہترین معیار، جدت طرزی کی حکمت عملی ہے جو کہ ہماری مسلسل ترقی کا موجب ہے۔ یہ ہمارے اسٹیک ہولڈرز پر بڑے مثبت اثرات مرتب کرتے ہیں اور یہی ہم سب کے لئے اور زیادہ ترقی کی وجہ بنے گی۔

اظہار تشکر و اعتراف

ہم ملازمین کی کاوشوں اور صارفین، مالیاتی اداروں، شیئر ہولڈر اور بورڈ آف ڈائریکٹرز کے ممبران کے گراں قدر تعاون کو تسلیم کرتے ہیں اور قدر کی نگاہ سے دیکھتے ہیں۔ فیروز ۱۸۸۸ میں ہماری حکمت عملی اور کسٹمرز کے ساتھ تعلق ہمارا اثنا ہے۔ ہم اپنے کاروبار کو فروغ دینے اور صارفین کے اعتماد کو برقرار رکھنے کے لئے اپنے صارفین کو پروڈکٹ سیفٹی، کوالٹی اور ویلویو ایڈڈ سروسز فراہم کرنے کے لئے اپنے وعدے پر فخر محسوس کرتے ہیں۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

ہما پاشا
ڈائریکٹر

ریحان رحمان
چیف ایگزیکٹو آفیسر

کراچی

تاریخ ۲۶ فروری ۲۰۲۰ء

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF FEROZE1888 MILLS LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Feroze1888 Mills Limited** (the Company) as at **December 31, 2019** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 31 December 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's review report is Mr. Shaikh Salman.



Chartered Accountants

Place: Karachi

Date: 27 February 2020

Condensed Interim Statement of Financial Position
As at December 31, 2019

		Un-audited	Audited
		December 31,	June 30,
		2019	2019
	Note	----- (Rupees in '000) -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	15,800,373	13,458,882
Intangible assets		28,239	1,852
Long term investments	6	-	186,153
Long term deposits		16,380	16,380
		15,844,992	13,663,267
Current assets			
Stores and spares		1,064,187	908,514
Stock in trade	7	9,143,336	6,411,087
Trade debts - considered good		7,205,636	7,629,994
Advances, deposits, prepayments and other receivables	8	2,944,488	1,604,581
Taxation - net		448,750	482,195
Cash and bank balances		497,677	3,267,698
		21,304,074	20,304,069
Total assets		37,149,066	33,967,336
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
400,000,000 (2018: 400,000,000) ordinary shares of Rs 10/- each		4,000,000	4,000,000
Issued, subscribed and paid-up capital		3,768,009	3,768,009
Reserves		16,726,914	16,335,440
		20,494,923	20,103,449
Liabilities			
Non-current liabilities			
Deferred liability		198,717	143,494
Lease liabilities		242,592	-
Long term financing	9	3,289,647	1,991,546
		3,730,956	2,135,040
Current liabilities			
Trade and other payables	10	5,020,948	4,910,688
Short term borrowings	11	7,206,197	6,490,000
Accrued mark-up		62,763	50,898
Current portion of lease liabilities		115,326	-
Current portion of long term financing		424,213	275,388
Unclaimed dividend		1,659	1,873
Unpaid dividend		92,081	-
		12,923,187	11,728,847
CONTINGENCIES AND COMMITMENTS			
	12		
Total equity and liabilities		37,149,066	33,967,336

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

Muhammad Faheem
Chief Financial Officer

Rehan Rahman
Chief Executive Officer

Huma Pasha
Director

Condensed Interim Statement of Profit or Loss (Un-audited)
For the Half year ended December 31, 2019

		Half year Ended		Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Note		----- (Rupees in '000) -----			
Sales – net		16,172,485	12,975,716	8,522,158	6,861,038
Cost of sales	13	(12,036,829)	(9,780,160)	(6,445,560)	(5,037,292)
Gross profit		4,135,656	3,195,556	2,076,598	1,823,746
Administrative cost		(588,405)	(509,307)	(293,798)	(250,879)
Distribution cost		(1,106,996)	(899,918)	(587,612)	(511,453)
Other expenses	14	(551,085)	(142,176)	(132,993)	(95,382)
		(2,246,486)	(1,551,401)	(1,014,403)	(857,714)
		1,889,170	1,644,155	1,062,195	966,032
Other income	15	94,929	776,344	27,968	630,984
Operating profit		1,984,099	2,420,499	1,090,163	1,597,016
Finance cost		(152,962)	(69,098)	(93,964)	(40,883)
Profit before taxation		1,831,137	2,351,401	996,199	1,556,133
Taxation		(177,380)	(93,004)	(86,358)	(44,513)
Profit after taxation		1,653,757	2,258,397	909,841	1,511,620
Earning per share basic & diluted (Rupees)		4.39	5.99	2.41	4.01

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

Muhammad Faheem
Chief Financial Officer

Rehan Rahman
Chief Executive Officer

Huma Pasha
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the Half year ended December 31, 2019

	Half year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----			
Profit after taxation	1,653,757	2,258,397	909,841	1,511,620
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,653,757	2,258,397	909,841	1,511,620

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

Muhammad Faheem
 Chief Financial Officer

Rehan Rahman
 Chief Executive Officer

Huma Pasha
 Director

Condensed Interim Statement of Changes in Equity (Un-audited)
For the Half year ended December 31, 2019

Share capital	Reserves					Total equity
	Capital			Revenue	Total	
	Merger reserve	Share premium	Revaluation surplus on property, plant and equipment	Accumulated profit		

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

Balance as at June 30, 2018 (Audited)	3,768,009	543,413	215,250	1,499,008	10,141,524	12,399,195	16,167,204
Final cash dividend for the year ended June 30, 2018 @ Rs.2.45 per share	-	-	-	-	(923,162)	(923,162)	(923,162)
Net profit for the period	-	-	-	-	2,258,397	2,258,397	2,258,397
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period ended December 31, 2018	-	-	-	-	2,258,397	2,258,397	2,258,397
Balance as at December 31, 2018	3,768,009	543,413	215,250	1,499,008	11,476,759	13,734,430	17,502,439
Balance as at June 30, 2019 (Audited)	3,768,009	543,413	215,250	1,499,008	14,077,769	16,335,440	20,103,449
Final cash dividend for the year ended June 30, 2019 @ Rs.3.35 per share	-	-	-	-	(1,262,283)	(1,262,283)	(1,262,283)
Net profit for the period	-	-	-	-	1,653,757	1,653,757	1,653,757
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period ended December 31, 2019	-	-	-	-	1,653,757	1,653,757	1,653,757
Balance as at December 31, 2019	3,768,009	543,413	215,250	1,499,008	14,469,243	16,726,914	20,494,923

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

Muhammad Faheem
Chief Financial Officer

Rehan Rahman
Chief Executive Officer

Huma Pasha
Director

Condensed Interim Statement of Cash Flows (Un-audited)
For the Half year ended December 31, 2019

	December 31, 2019	December 31, 2018
	------(Rupees in '000)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,831,137	2,351,401
Adjustment for:		
Depreciation on:		
- Operating fixed assets	565,359	429,405
- Right of use assets	67,276	-
Amortization	259	236
Write-off of property, plant and equipment	13,218	-
Finance cost of:		
- Lease liabilities	26,030	-
- Others	126,932	69,098
Deferred liability	55,840	-
Interest income	(38,952)	-
Dividend Income	(55,977)	-
Loss on disposal of property, plant and equipment - net	31,721	3,427
	791,706	502,166
(Increase) / decrease in current asset		
Stores and spares	(155,673)	6,565
Stock in trade	(2,732,249)	(3,249,793)
Trade debt	424,358	(984,549)
Advances, deposits, prepayments and other receivables	(1,153,868)	(745,920)
	(3,617,432)	(4,973,697)
Increase in current liability		
Trade and other payables	110,260	699,404
Net cash used in operations	(884,329)	(1,420,727)
Finance cost paid	(115,065)	(50,660)
Income tax paid	(143,935)	(81,860)
Deferred liability paid	(617)	-
Long term deposits	-	(687)
Net cash used in operating activities	(1,143,946)	(1,553,933)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,692,485)	(1,112,733)
Proceeds from disposal of operating fixed assets	53,014	28,431
Interest income received	39,008	-
Dividend Income received	56,033	-
Net cash used in investing activities	(2,544,430)	(1,084,302)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(1,170,416)	(922,094)
Lease rental paid	(74,352)	-
Short term borrowings – net	716,197	3,487,679
Long term finance - net	1,446,926	243,796
Net cash generated from financing activities	918,355	2,809,382
Net (decrease) / increase in cash and cash equivalent	(2,770,021)	171,147
Cash and cash equivalent at beginning of the period	3,267,698	203,364
Cash and cash equivalent at end of the period	497,677	374,511

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

Muhammad Faheem
Chief Financial Officer

Rehan Rahman
Chief Executive Officer

Huma Pasha
Director

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Half year ended December 31, 2019

1 THE COMPANY AND ITS OPERATIONS

Feroze1888 Mills Limited (the Company) was incorporated in Pakistan as a Public Limited Company in October 1972 . The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the production and export of towels. The registered office of the company is situated at H-23/4-A Scheme # 3, Landhi Industrial Area, Karachi.

2 BASIS OF PREPARATION

2.1 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 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 requirement if IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019. These condensed interim financial statements are unaudited, however have been subject to limited scope review by the auditors, and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

2.3 The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2019 and December 31, 2018.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the Company's annual audited financial statements for the year ended June 30, 2019 except as disclosed below;

3.1 New / Revised Standards, Amendments, Interpretation and Improvements

The Company has adopted the following accounting standards, amendments and interpretation of IFRSs and the improvements to accounting standards which became effective for the current period:

Standards, amendments and Interpretation

IFRS 16 - Leases

IFRIC 23 - Uncertainty over income tax treatments

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

Improvements to Accounting Standards Issued by the IASB in December 2017

IFRS 3 - Business Combinations - Previously held Interests in a joint operation

IFRS 11 - Joint Arrangements - Previously held Interests in a joint operation

IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalization

The adoption of the above standards, amendments, interpretation and improvements did not have any effect on the accounting policies of the Company except for IFRS 16. The impact of adoption of IFRS 16 is explained in note 3.2 to these condensed interim financial statements.

3.2 Impact of adoption of IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', 'IFRIC 4' Determining whether an Arrangement contains a Lease, 'SIC-15' Operating Leases Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. Under IFRS 16, distinction between operating and finance leases has been removed and all lease contracts, with limited exceptions and will be recognized in statement of financial position by way of right-of-use assets along with their corresponding lease liabilities.

Lease obligations of the Company comprises of lease arrangements giving it the right-of-use over premises utilized as office building, mill and production plants.

The Company adopted IFRS 16 with effect from July 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application with no restatement of comparative information. The Company elected to use the transition practical expedient allowing the Company to use a single discount rate to a portfolio of leases with the similar characteristics.

The right-of-use assets were recognized based on the amount equal to lease liabilities, adjusted for any related prepaid lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company did not have any sub-lease or finance leases as on July 1, 2019.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

	(Rupees in '000)
Operating lease commitments as at June 30, 2019	495,653
Impact of discounting	(89,413)
Prepayments	(32,423)
Lease liabilities at July 01, 2019	373,817
Weighted average incremental borrowing rate as at July 01, 2019	14.47%

The impact of adoption of IFRS 16 as at July 01, 2019 [increase/ (decrease)] is as follows:

	(Rupees in '000)
Assets	
Property, plant and equipment	406,240
Prepayments	(32,423)
Total assets	373,817
Liabilities	
Lease liabilities	291,594
Current portion of lease liabilities	82,223
	373,817

The impact of adoption of IFRS 16 for the period ended December 31, 2019 is as follows:

Condensed interim statement of profit and loss

Depreciation charge on right-of-use assets	67,276
Interest expense on lease liabilities	26,030

3 Amendment to accounting and reporting standards that are not yet effective

The following amendment to the accounting and reporting standards as applicable in Pakistan are relevant to the Company and would be effective from the date mentioned below:

	Effective date (annual periods beginning on or after)
IAS1 / IAS 8 Definition of Material	January 01,2020

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements is in conformity with the approved accounting standards which requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2019, except as disclosed otherwise.

		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
		----- Rupees in '000 -----	
5 PROPERTY, PLANT AND EQUIPMENT	<i>Note</i>		
Operating fixed assets	5.1	12,648,387	11,388,151
Capital work-in-progress	5.2	2,813,022	2,070,731
Right of use asset		338,964	-
		15,800,373	13,458,882

5.1 Operating fixed assets

Balance at the beginning of the period / year		11,388,151	8,939,671
Addition during the period / year	5.1.1	1,923,634	3,469,875
		13,311,785	12,409,546
Disposals during the period / year - net book value (NBV)	5.1.1	(84,735)	(88,300)
Write-off during the period (NBV)		(13,218)	-
Depreciation charged during the period / year		(565,445)	(933,095)
		(663,398)	(1,021,395)
Balance at the end of the period / year		12,648,387	11,388,151

5.1.1 Details of addition and disposal are as follows:

	Additions (Cost)		Disposal (NBV)	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2019	June 30, 2019	December 31, 2019	June 30, 2019
	----- Rupees in '000 -----			
Land - Leasehold	-	949	-	-
Building on leasehold land	808,857	1,079,894	-	-
Leasehold improvement	-	9,011	-	-
Plant and machinery	1,079,440	2,166,202	(70,192)	(61,205)
Electric fittings / equipment	8,902	151,230	-	-
Office equipment	5,790	17,711	(712)	(109)
Computers	11,187	15,275	(918)	(1)
Furniture and fixtures	1,280	5,582	(594)	(53)
Vehicles	8,178	24,021	(12,319)	(26,932)
	1,923,634	3,469,875	(84,735)	(88,300)

5.1.2 Depreciation on operating fixed assets for the period amounted to Rs. 565.45 million (December 31, 2018: Rs. 429.41 million).

	(Un-audited)	(Audited)
	December 31, 2019	June 30, 2019
	----- Rupees in '000 -----	
5.2 Capital work-in-progress		
Balance at the beginning of the period / year	1,776,058	1,727,930
Addition during the period / year		
Building on leasehold land	429,653	1,180,931
Plant and machinery	1,551,972	1,942,313
Computers	-	5,408
Furniture and fixtures	2,341	3,457
Equipment	75,946	194,284
Leasehold improvement	-	28,023
	2,059,912	3,354,417
	3,835,970	5,082,347
Transferred to Operating fixed assets		
Building on leasehold land	(808,857)	(1,079,416)
Plant and machinery	(1,026,291)	(1,967,151)
Computers	-	(5,408)
Furniture and fixtures	-	(3,752)
Equipment	-	(159,498)
Leasehold improvements	-	(9,011)
	(1,835,147)	(3,224,237)
Adjustments	-	(82,052)
	2,000,822	1,776,058
Fixed assets in transit and stand-by equipment	812,200	294,673
Balance at the end of the period / year	2,813,022	2,070,731

6 LONG TERM INVESTMENTS

6.1 The shareholders of the Company through a special resolution in the annual general meeting held on October 27, 2018, approved the voluntary winding up of its subsidiary, Xublimity (Private) Limited. All the relevant legal formalities and filing requirements under the Companies Act, 2017 were fulfilled on March 29, 2018 and the same were acknowledged and registered by SECP through its letter dated April 18, 2019. Consequently, the subsidiary company stood dissolved on July 17, 2019 i.e. after a period of 90 days of aforesaid letter.

6.2 Includes Sales Tax Refund Bonds issued by the Federal Board of Revenue amounting to Nil (June 30, 2019: Rs. 186.15 million).

		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
		----- Rupees in '000 -----	
7 STOCK-IN-TRADE	<i>Note</i>		
Raw material		5,031,145	2,982,549
Work-in-progress		2,450,535	2,330,145
Finished goods	7.1	1,661,656	1,098,393
		<u>9,143,336</u>	<u>6,411,087</u>

7.1 Includes finished goods costing Rs. 505.21 million (June 30, 2019: Rs. 352.86 million) written down to NRV amounting to Rs. 370.19 million (June 30, 2019: Rs.261.96 million).

		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
		----- Rupees in '000 -----	
8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	<i>Note</i>		
Advances			
- suppliers		357,600	145,802
- employees		352	465
		<u>357,952</u>	<u>146,267</u>
Deposits		39,756	46,268
Prepayments		76,793	161,378
Other receivables			
Sales tax refundable		1,283,830	181,568
Export rebate / duty drawback		612,110	501,959
Due from Government		538,029	507,931
Others		36,018	59,210
		<u>2,469,987</u>	<u>1,250,668</u>
		<u>2,944,488</u>	<u>1,604,581</u>

9 LONG TERM FINANCING

Long term financing facilities (LTFF)	9.1	3,713,860	2,266,934
Current portion		(424,213)	(275,388)
		<u>3,289,647</u>	<u>1,991,546</u>

- 9.1** During the period, the Company made further draw downs on its existing long term finance facilities (LTFF) from various commercial banks amounting to Rs. 1,560.50 million for the import of plant and machinery. These carry mark-up at the rates ranging from State Bank of Pakistan (SBP) LTFF rate plus 0.5% to 1% (June 30, 2019: 0.5%) per annum. These facilities are secured against specific charge on plant and machinery of the Company. The principal portion of the loan is repayable in five to six years through semi-annual and quarterly installments after a grace period of one year. The unutilized portion of these facilities is Rs. 1,123.42 million (June 30, 2019: Rs. 1,571 million).

		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
		----- Rupees in '000 -----	
10	TRADE AND OTHER PAYABLES		
	<i>Note</i>		
		1,479,828	1,545,488
		3,338,941	2,966,013
		83,330	300,626
		12,822	22,706
		26,911	10,625
		22,856	19,297
		56,260	45,933
		5,020,948	4,910,688

- 10.1** Includes Gas Infrastructure Development Cess amounting to Rs. 1,399.13 million (June 30, 2019: 1,263.55 million).

11 SHORT TERM BORROWINGS

During the period, the Company obtained a new Export Refinance Facility from a commercial bank. This carries markup at SBP rate plus 1% per annum and is secured against first Pari Passu charge on all present and future current assets of the Company. The portion of the facility utilized during the period amounted to Rs. 416 million and is renewable/repayable within a maximum validity of 180 days.

During the period, the Company obtained a new FE25 facility from a commercial bank. This carries markup at 2.70% per annum. The portion of facility utilized during the period amounts to Rs. 300.20 million and is repayable on demand within a maximum validity of 180 days.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

No contingencies exist as at the reporting date.

		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
		----- Rupees in '000 -----	
12.2	Commitments		
	<i>Note</i>		
		1,624,283	1,193,693
		1,142,373	975,308
		1,497,193	1,235,205
		2,728,854	2,366,618

- 12.2.1** This represents the post dated cheques issued to Custom Authorities in respect of duties on imported items.

			(Un-audited)		(Un-audited)	
			Half year Ended		Quarter Ended	
			December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
13	COST OF SALES	Note	----- Rupees in '000 -----			
	Opening stock of finished goods		1,098,393	846,471	1,369,523	903,363
	Add: Cost of goods manufactured	13.1	12,600,092	10,100,765	6,737,693	5,301,005
			13,698,485	10,947,236	8,107,216	6,204,368
	Less: Closing stock of finished goods		(1,661,656)	(1,167,075)	(1,661,656)	(1,167,075)
			12,036,829	9,780,160	6,445,560	5,037,292

13.1 Cost of goods manufactured

Raw material consumed	13.1.1	7,086,774	6,198,961	3,662,258	3,274,110
Stores and spares consumed		1,815,289	1,367,039	1,036,125	747,156
Salaries, wages and other benefits	13.1.2	1,913,133	1,519,954	989,271	724,969
Fuel, power and water		1,179,998	922,230	597,029	473,906
Insurance expense		26,643	13,794	18,617	7,487
Repair and maintenance		38,825	30,272	23,991	18,222
Vehicle running expenses		8,378	10,062	4,508	6,305
Communication and transportation		41,816	33,147	20,890	19,076
Rent		127	56,346	127	28,664
Depreciation		576,306	385,572	289,697	197,445
Amortization		259	236	123	118
Entertainment		1,561	1,096	751	530
Quality control and inspection		24,900	16,697	15,187	8,019
Other manufacturing expenses		6,472	2,244	5,484	1,257
		12,720,482	10,557,649	6,664,058	5,507,265
Opening work-in-process		2,330,145	1,470,271	2,524,170	1,720,894
Closing work-in-process		(2,450,535)	(1,927,155)	(2,450,535)	(1,927,155)
		12,600,092	10,100,765	6,737,693	5,301,005

13.1.1 Raw material consumed

Opening stock	2,982,549	1,575,528	4,959,959	3,383,593
Purchases during the period	9,135,370	8,671,266	3,733,444	3,938,349
	12,117,919	10,246,794	8,693,403	7,321,942
Less: closing stock	(5,031,145)	(4,047,833)	(5,031,145)	(4,047,833)
	7,086,774	6,198,961	3,662,258	3,274,110

13.1.2 This includes an amount of Rs. 40.23 million (December 31, 2018: Rs. 33.92 million) in respect of staff provident fund and Rs. 55.84 million in respect of staff gratuity expense (December 31, 2018: Rs. Nil).

			(Un-audited)		(Un-audited)	
			Half year Ended		Quarter Ended	
			December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
14	OTHER EXPENSES	Note	----- Rupees in '000 -----			
	Loss on disposal of operating fixed asset - net		31,721	3,427	31,451	5,506
	Property, plant and equipment - writeoff		13,218	-	13,218	-
	Workers' profit participation fund		83,330	112,920	45,830	70,784
	Workers' welfare fund		12,837	10,381	6,762	5,489
	Donations	14.1	3,842	10,895	3,342	9,613
	Auditors' remuneration		5,417	4,553	4,359	3,991
	Exchange differences on realization of export receivables		400,720	-	22,733	-
	Reversal of markup accrued		-	-	5,298	-
			551,085	142,176	132,993	95,382

14.1 This includes donations of Rs. 1.54 million (December 31, 2018 Rs. 7.02 million) paid to Indus Hospital and Rs. Nil (December 31, 2018 Rs. 0.76 million) paid to Citizen police liaison committee in which directors have interests.

			(Un-audited)		(Un-audited)	
			Half year Ended		Quarter Ended	
			December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
15	OTHER INCOME		----- Rupees in '000 -----			
	Exchange differences on realization of export receivables		-	776,344	-	630,984
	Interest income		38,952	-	9,454	-
	Dividend income		55,977	-	18,514	-
			94,929	776,344	27,968	630,984

16 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associates, directors, major shareholders of the Company, key management personnel and staff provident fund. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

		(Un-audited)		(Un-audited)	
		Half year Ended		Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Nature of transaction	Note	----- Rupees in '000 -----			
<i>Transactions with associates</i>					
Sale of goods		702,690	670,902	406,491	283,499
Purchases		2,879	2,075	1,930	1,099
Marketing Fee		627,338	525,805	325,499	216,307
Disposal of fixed asset	16.1	6,383	-	-	-
Lease rental paid		59,933	57,079	29,966	28,482
Donation		1,542	7,023	1,542	5,815

	(Un-audited) Half year Ended		(Un-audited) Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Transaction with directors	----- Rupees in '000 -----			
Meeting fee	<u>6,120</u>	<u>2,640</u>	<u>1,920</u>	<u>1,730</u>
Transaction with key management personnel				
Remuneration paid	<u>27,653</u>	<u>24,923</u>	<u>13,608</u>	<u>9,169</u>
Post-employment benefits	<u>1,631</u>	<u>1,449</u>	<u>816</u>	<u>590</u>
Transaction with other related party				
Contribution to staff provident fund	<u>63,483</u>	<u>9,402</u>	<u>31,329</u>	<u>4,352</u>

16.1 These fixed assets sold to a related party carried at NBV of Rs. 4.79 million.

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2019. There have been no change in any risk management policies since the year end.

18 FAIR VALUE OF ASSETS AND LIABILITIES

There were no transfers amongst level of fair value analysis of financial assets and liabilities during the period.

19 OPERATING SEGMENTS

- These condensed interim financial statements have been prepared on the basis of a single reportable segment.
- Revenue from export sales represents 99% (December 31, 2018: 99%) of the total gross revenue of the Company.
- All non-current assets of the Company as at December 30, 2019 and 2018 are located in Pakistan.
- Sales made by the Company to its two major customers during the period constituted 52% (December 31, 2018: 59%) of total sales.

20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 26, 2020 by the Board of Directors of the Company.

21 GENERAL

- 21.1** Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.
- 21.2** All figures have been rounded-off to the nearest thousand rupees, unless otherwise stated.
- 21.3** The Board of Directors in its meeting held on February 26, 2020 has proposed interim cash dividend @ Rs. 1.75 per share amounting to Rs. 659.40 million (2018: Rs.3 per share amounting to Rs.1,130.40 million). These condensed interim financial statements for the period ended December 31, 2019 do not include the effect of the above interim cash dividend which will be accounted for as a subsequent event.

Muhammad Faheem
Chief Financial Officer

Rehan Rahman
Chief Executive Officer

Huma Pasha
Director