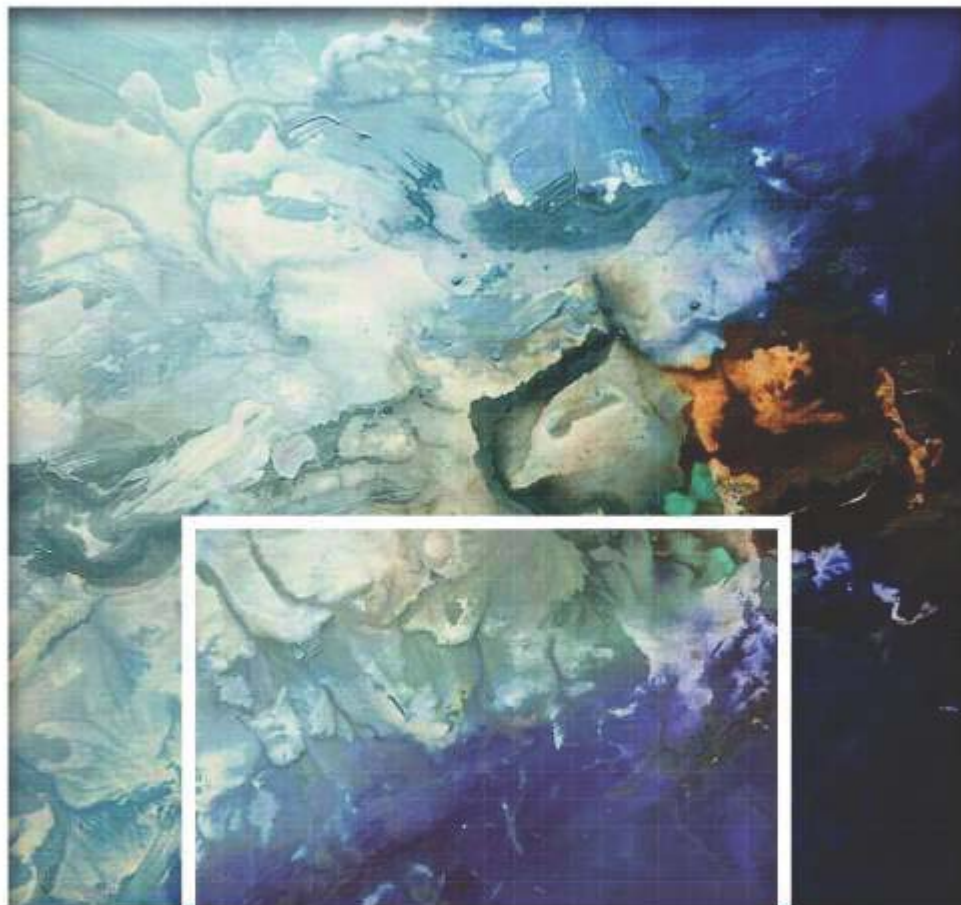




# Feroze1888 Mills Limited

Manufacturers & Exporters of Specialized Yarn & Textile Terry Products



Condensed Interim Financial Information for the  
Nine months ended March 31, 2020

**UNLOCKING**  
— KEYS OF OUR —  
**POTENTIAL**

## CONTENTS

Company's information	02
Directors' Report (English & Urdu)	03-06
Statement of Financial Position	07
Statement of Profit or Loss Account	08
Statement of Comprehensive Income	09
Statement of Cash Flow	10
Statement of Changes in Equity	11
Notes to the Financial Information	12-20



## 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. 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 un-audited Financial Statements for the nine months period ended 31 March 2020.

### ECONOMIC OUTLOOK

Pakistan's fragile path towards an economic recovery has been dented by the spread of COVID-19 infection, and it is likely that situation will get worse before it starts to get better. After taking various precautionary measures to curb the pandemic, provincial governments initiated lockdown in their respective jurisdictions from 23 March, which hampered economic activities across the country. Pakistan's GDP growth rate that clocked in at 3.3% in FY2019 is anticipated to fall to 2.4% in FY20, according to IMF estimates. However, the World Bank has now revised the growth outlook to a bleaker 1.1% in FY2020 due to the COVID-19 outbreak. Foreign exchange reserves decreased by ~US\$ 1,494 mn during the month to close at US\$ 17.39 bn as of 27 March 2020 on the back of a net outflow of \$1.9 billion of foreign investments from government treasury bills, equity and bonds. Consequently, PKR came under pressure, depreciating by 8.1% against USD during the month.

The headline inflation for March came in at 10.2%, much lower as compared to 12.4% in the previous month. The primarily reason for the softer reading was drop in transport index (-4.4%MoM) due to downward revision in retail fuel prices and decline in some food item prices. During March 2020, SBP cut interest rates twice cumulatively by 225bp, in view of extraordinary circumstances and challenges faced by the economy from Covid-19. The central bank has also allowed regulatory forbearance on loans with measures including reduction in capital buffers, extension in loan repayment period, relaxation in provisioning rules etc. To combat the current crisis, Government has approved a fiscal stimulus package of PKR 1.2 tn to mitigate the impact of the lockdown by focusing on social safety nets for low income groups as well as providing businesses with various reliefs.

### INDUSTRY OVERVIEW

Government has started to release tax refunds to the export sector. Government has set aside up to PKR 100 billion to expedite the release of legacy stuck up refunds to the industrial sector to support companies during the crisis resulting from the COVID- 19 pandemic, a total of PKR 47 billion would be paid to the textiles sector in the next few months to support the major exports sector. Going forward, due to Covid-19 driven halt in global economic activity, exports are likely to decline as many textile export orders from EU and USA have been cancelled due to the economic slowdown and other applicable travel restrictions.

In March 2020, Prime Minister of Pakistan has accorded in principle approval to the country's Textile Policy 2020-25 to be presented to federal cabinet for final approval.

### FINANCIAL PERFORMANCE OVERVIEW

During the nine month ended March 31, 2020, the Company's profit after tax has decreased by Rs. 1,135 million i.e. by 29% in comparison with corresponding period of last year. The company's net sales revenue is increased to Rs. 25,751 million i.e. by 20% in comparison with corresponding period of last year. This increase is mainly attributable to the USD exchange rate difference as compare to CPLY and increased sales volumes. On the cost side, inflationary pressure on cost of sales and other expenses offsets this increment up to major extent. The cost of sales, administrative cost and distribution cost has increased by 21%, 19% and 22% respectively in comparison with corresponding period of last year.

However the net profit was further affected by the higher finance cost due to first time application of International Financial Reporting Standard on Leases and higher debt level during the period. Withdrawal of tax credit on investments under section 65(B) of the Income Tax Ordinance, 2001 remained another reason for reduction in net profit.

## **LOOKING AHEAD**

IMF in its latest World Economic Outlook, projects global growth in 2020 to fall to negative 3 percent. This is a downgrade by 6.3 percentage points from 3.3 percent in January 2020, a major revision over a very short period. This makes the Great Lockdown the worst recession since the Great Depression, and far worse than the Global Financial Crisis. Trade globally is on a downward trajectory and is expected to decline further due to slowdown in demand on the back of lockdowns. With global economy set to suffer from the pandemic, Pakistan will also be adversely impacted by the same mainly on the exports front and in exports, textile sector is the major contributor with around 60 percent of all Pakistan exports. Hence, textile sector would be affected in a big way out of this pandemic in periods to come. Pakistan's largest export partners are the USA, UK, China, Germany, and the Netherlands contributing to about 40% in total exports. All trading partners have been impacted due to the COVID-19 outbreak. According to the Ministry of Commerce estimates, the decline in exports of Pakistan could be up to 20%, translating into a dollar value of USD 3 to 4 bn fall in exports by June 2020, on account of export order cancellations.

## **ACKNOWLEDGEMENT AND APPRECIATION**

In wake of current havoc created by COVID -19, for Feroze1888, safety and wellness of its employees and customers are as always the top priority and all possible required safety precautions have been proactively adapted. Feroze1888 acknowledges and appreciates the cooperation and valuable support of its employees, customers, financial institutions, shareholders and members of the board of directors in this difficult time. We at Feroze1888, are proud of our commitment to excellence in product safety, quality and providing value added solutions to our customers in all times and are hopeful to sail through the rough waters successfully with our customary zeal.

For and on behalf of the Board of Directors

**Rehan Rahman**  
Chief Executive Officer

**Nasim Hyder**  
Director

**Karachi**  
**Date: 23 April 2020**



## ڈائریکٹر رپورٹ

فیروز ۱۸۸۸ ملز لمیٹڈ کمپنی کے ناظمین مورخہ ۳۱ مارچ ۲۰۲۰ء تک اختتام پزیر ہونے والے نو ماہ کی مدت کی کارکردگی کا جائزہ اور غیر اشتمال شدہ مالیاتی نتائج پیش کرتے ہوئے مسرور ہیں۔

## اقتصادی منظر نامہ

پاکستان کے معاشی ترقی کی طرف پہلے سے مشکل سفر میں (COVID-19) کی وباء نے اور کاوٹیں کھڑی کر دی ہیں۔ ایسا محسوس ہوتا ہے کہ اس سے پہلے کے معاشی حالات بہتر ہوں یہ مزید خراب ہو جائیں گے۔ وبائی مرض کو روکنے کے لئے مختلف احتیاطی اقدامات کرنے کے بعد، صوبائی حکومتوں نے ۲۳ مارچ سے اپنے اپنے دائرہ اختیار میں مکمل بندش (Lockdown) پر عمل درآمد شروع کر دیا جس نے ملک بھر کی معاشی سرگرمیوں کو متاثر کیا۔ پاکستان کی جی ڈی پی کی شرح نمو سال ۲۰۱۹ء میں ۳.۳ تھی جبکہ اب آئی ایم ایف کے تخمینے کے مطابق سال ۲۰۲۰ء میں شرح نمو ۲.۴ فیصد تک ہونا متوقع تھی۔ تاہم عالمی بینک نے اب کرونا کی وباء پھیلنے کی وجہ سے مالی سال ۲۰۲۰ء میں شرح نمو کو ۱.۱ فیصد تک کر دیا ہے۔ مارچ ۲۰۲۰ء میں غیر ملکی زرمبادلہ ذخائر ۱۰،۴۹۴ ملین امریکی ڈالر کی بعد ۲۷ مارچ ۲۰۲۰ء کو ۱۱،۳۹۹ امریکی ڈالر رہے جس کی بنیادی وجہ غیر ملکی سرمایہ کاری میں ۱.۹ بلین ڈالر کی کمی تھی۔ ان تمام صورتحال کی وجہ سے پاکستانی روپیہ دباؤ میں آگیا اور ایک ماہ کے دوران اس کی قدر میں امریکی ڈالر کے مقابلے میں ۸.۱ فیصد کمی ہوئی۔

مارچ کے مہینے میں افراط زر ۱۰.۲ فیصد رہی جو کہ گزشتہ ماہ کے ۱۲.۴ فیصد کے مقابلے میں کم ہے اس بہتر نتیجے کی بنیادی وجہ خوردہ ایندھن (MoM -4.4%) اور کھانے پینے کی اشیاء کی قیمتوں میں کمی بنی۔ مارچ کے مہینے میں مرکزی بینک نے معیشت کو درپیش غیر معمولی حالات و چیلنجز جو کہ COVID-19 کی صورت میں درپیش تھے کو مد نظر رکھتے ہوئے شرح سود کو مجموعی طور پر ۲۲.۵ فی پی ٹی تک دو مرتبہ کم کیا۔ مرکزی بینک نے قرضوں میں مستقل رواداری، ادائیگی کی مدت میں توسیع اور قرضوں کی فراہمی میں نرمی سمیت متعدد اقدامات کی اجازت دی ہے۔ موجودہ صورتحال سے نمٹنے کے لئے حکومت نے ۱.۲ ٹریلین روپے کے مالی پیکج کی منظوری بھی دی تاکہ کم آمدنی والے لوگوں کو معاشی سکون، لاک ڈاؤن میں سماجی تحفظ فراہم کرنے کے ساتھ ساتھ کاروباری طبقے کو بھی متعدد سہولیات (Relief) فراہم کی جائیں۔

## صنعتی جائزہ

حکومت نے برآمدی شعبے میں قابل واپسی ٹیکس کو جاری کرنا شروع کر دیا ہے۔ گورنمنٹ نے ۱۰۰ بلین روپے مختص کیے ہیں جو کہ انڈسٹریز کو قابل واپسی ٹیکس کی مدد میں دیئے جائیں گے جو کہ اس وبائی مرض (COVID-19) سے پیدا ہونے والے مشکل حالات سے نبرد آزما ہونے میں انڈسٹریز کے لئے مددگار ثابت ہوں گے۔ اس میں سے ۴۷ بلین روپے ٹیکسٹائل سیکٹر کو چند مہینوں میں ادا کر دیئے جائیں گے۔ مزید برآں اگلے چند مہینوں میں کرونا (COVID-19) کے وبائی اثر سے برآمدات کے شعبے میں کمی کا امکان ہے اس کی وجہ معاشی سست روی، قابل اطلاق سفری پابندیاں اور یورپی یونین اور امریکہ سے ٹیکسٹائل کے بہت سے آرڈر کی منسوخی ہے۔ مارچ ۲۰۲۰ء میں وزیراعظم پاکستان نے ملک کی ٹیکسٹائل پالیسی برائے ۲۵-۲۰۲۰ء کو کابینہ میں حتمی منظوری کے لئے پیش کرنے کی منظوری دے دی ہے۔

## مالی کارکردگی کا جائزہ

۳۱ مارچ ۲۰۲۰ء کو اختتام پزیر ہونے والے ۹ ماہ کے دوران کمپنی کا خالص منافع (ٹیکس منہا کرنے کے بعد) ۱۳۵،۱۳۵ ملین روپے رہا جو کہ پچھلے سال کے اسی عرصہ وقت کے مقابلے میں ۲۹ فیصد کم ہے۔ کمپنی کی فروخت کی آمدنی پچھلے سال اسی عرصہ وقت کے مقابلے میں ۲۰ فیصد بڑھ کر ۲۵،۷۵۱ ملین روپے رہی۔ اس اضافے کی وجہ فروخت کی مقدار میں اضافہ اور امریکی ڈالر کے تبادلے کی شرح میں اضافہ ہے۔ دوسری جانب فروخت کی لاگت اور دیگر اخراجات میں بھی افراط زر کی وجہ سے اضافہ ہوا۔ گزشتہ سال کے اسی عرصہ وقت کے مقابلے میں فروخت، انتظامی لاگت اور تقسیم کی لاگت میں بالترتیب ۱۹،۲۱ اور ۲۲ فیصد اضافہ ہوا ہے۔ تاہم اس عرصہ کے دوران لیز پر بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ کے پہلی بار اطلاق اور قرض کے اعلیٰ سطح کی وجہ سے خالص منافع میں مزید فنانس لاگت کا بڑا اثر پڑا جبکہ انکم ٹیکس آڈیٹس ۲۰۰۰ء کے سیکشن ۶۵ کے تحت سرمایہ کاری پر ٹیکس کریڈٹ کی واپسی خالص منافع میں کمی کی وجہ بنی۔

## مستقبل پر نظر

آئی ایم ایف نے اپنے تازہ ترین عالمی معاشی جائزے میں سال ۲۰۲۰ء میں عالمی نمو منفی ۳ فیصد ہونے کا عندیہ دیا ہے۔ یہ جنوری ۲۰۲۰ء کے ۳۳ فیصد اندازے سے ۶.۳ فیصد کی کمی ہے جو کہ ایک بہت ہی مختصر عرصہ میں اثر انگیز ہوئی۔ یہ معاشی بحران عظیم مکمل بندش پچھلے عالمی کساد بازاری اور عالمی مالیاتی بحران سے کہیں زیادہ خراب ہے۔ عالمی تجارت کی طرف گامزن ہے، جبکہ لاک ڈاؤن کی وجہ سے مزید سست روی متوقع ہے۔ جس طرح عالمی معیشت پر یہ وبائی مرض اثر انداز ہوا، پاکستان کے برآمدی شعبے پر بھی اس کا خاطر خواہ منفی اثر پڑا۔ ٹیکسٹائل کی صنعت پاکستان کی مجموعی برآمدات میں تقریباً ۶۰ فیصد حصہ ڈالتی ہے لہذا آنے والے ادوار میں ٹیکسٹائل کا شعبہ اس وبائی مرض سے بڑے پیمانے پر متاثر ہوگا۔ پاکستان کے سب سے بڑے برآمدی شراکت دار امریکہ، برطانیہ، چین، جرمنی اور نیدرلینڈ ہیں جو کہ مجموعی برآمدات میں چالیس فیصد کے حصہ دار ہیں۔ کرونا وائرس کی وجہ سے ان تمام تجارتی شراکت داروں پر گہرا اثر پڑا ہے۔ وزارت تجارت کے تخمینے کے مطابق برآمدی آرڈر منسوخ ہونے کی وجہ سے جون ۲۰۲۰ء تک پاکستان کی برآمدات میں ۲۰ فیصد تک کمی متوقع ہے جس کی امریکی ڈالر میں مالیت ۳ سے ۴ بلین ڈالر بنتی ہے۔

## اظہار تشکر و اعتراف

اس حالیہ تباہ کن (COVID-19) حالات کو مد نظر رکھتے ہوئے فیروز ۱۸۸۸ ملز کے لئے اس کے ملازمین اور صارفین کی حفاظت اور تندرستی ہمیشہ کی طرح اولین ترجیح ہے اور حفاظتی اقدامات کی ہر ممکن احتیاطی تدابیر کو اپنایا گیا ہے، فیروز ۱۸۸۸ ملز اس مشکل گھڑی میں اپنے تمام ملازمین، صارفین، مالیاتی اداروں، شیئرز ہولڈر اور بورڈ آف ڈائریکٹرز کے ممبران کے گراں قدر تعاون کو تسلیم کرتے ہیں اور قدر کی نگاہ سے دیکھتے ہیں۔ ہم فیروز ۱۸۸۸ ملز اپنی مصنوعات کی حفاظت، معیار، اپنے صارفین کو پروڈکٹ سیفٹی، کوالٹی اور بیلو ایڈڈ سلوشنز میں عمدہ کارکردگی کے عزم پر فخر محسوس کرتے ہیں اور پر امید ہیں کہ ہم اپنے روایتی جوش کے ساتھ اس مشکل گھڑی میں اپنے سفر کو کامیابی کے ساتھ جاری و ساری رکھیں گے۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

نسیم حیدر  
ڈائریکٹر

ریحان رحمان  
چیف ایگزیکٹو آفیسر

کراچی

تاریخ ۲۳ اپریل ۲۰۲۰ء

**Condensed Interim Statement of Financial Position**  
**As at March 31, 2020**

		Un-audited March 31, 2020	Audited June 30, 2019
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	16,629,872	13,458,882
Intangible assets		28,116	1,852
Long term investments		-	186,153
Long term deposits		16,380	16,380
		<b>16,674,368</b>	<b>13,663,267</b>
<b>Current assets</b>			
Stores and spares		944,356	908,514
Stock in trade	6	8,441,894	6,411,087
Trade debts - considered good		8,792,140	7,629,994
Advances, deposits, prepayments and other receivables	7	3,772,236	1,604,581
Taxation - net		447,572	482,195
Short term investment	8	2,028,879	-
Cash and bank balances	9	850,877	3,267,698
		<b>25,277,954</b>	<b>20,304,069</b>
<b>Total assets</b>		<b>41,952,322</b>	<b>33,967,336</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital			
400,000,000 (2019: 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		17,232,071	16,335,440
		<b>21,000,080</b>	<b>20,103,449</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred liability		225,622	143,494
Lease liabilities		208,809	-
Long term financing	10	4,013,307	1,991,546
		<b>4,447,738</b>	<b>2,135,040</b>
<b>Current liabilities</b>			
Trade and other payables		5,928,808	4,910,688
Short term borrowings	11	9,750,229	6,490,000
Accrued mark-up		55,047	50,898
Current portion of lease liabilities		121,884	-
Current portion of long term financing		598,613	275,388
Unclaimed dividend		1,820	1,873
Unpaid dividend		48,103	-
		<b>16,504,504</b>	<b>11,728,847</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
<b>Total equity and liabilities</b>		<b>41,952,322</b>	<b>33,967,336</b>

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

**Nasim Hyder**  
Director



**Condensed Interim Statement of Profit or Loss (Un-audited)**  
**For the Nine months ended March 31, 2020**

		<b>Nine months ended</b>		<b>Three months ended</b>	
		<b>March 31, 2020</b>	<b>March 31, 2019</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
	<i>Note</i>	<b>----- (Rupees in '000) -----</b>			
Sales - net		<b>25,750,908</b>	21,481,499	<b>9,578,423</b>	8,505,783
Cost of sales	13	<b>(19,151,348)</b>	(15,765,745)	<b>(7,114,519)</b>	(5,985,585)
<b>Gross profit</b>		<b>6,599,560</b>	5,715,754	<b>2,463,904</b>	2,520,198
Administrative cost		<b>(892,645)</b>	(747,871)	<b>(304,240)</b>	(245,265)
Distribution cost		<b>(1,739,846)</b>	(1,422,868)	<b>(632,850)</b>	(516,249)
Other expenses	14	<b>(763,482)</b>	(235,192)	<b>(212,397)</b>	(93,016)
		<b>(3,395,973)</b>	(2,405,931)	<b>(1,149,487)</b>	(854,530)
		<b>3,203,587</b>	3,309,823	<b>1,314,417</b>	1,665,668
Other income	15	<b>135,938</b>	881,647	<b>41,009</b>	105,303
<b>Operating profit</b>		<b>3,339,525</b>	4,191,470	<b>1,355,426</b>	1,770,971
Finance cost		<b>(243,236)</b>	(114,354)	<b>(90,274)</b>	(45,256)
<b>Profit before taxation</b>		<b>3,096,289</b>	4,077,116	<b>1,265,152</b>	1,725,715
Taxation		<b>(277,974)</b>	(124,038)	<b>(100,594)</b>	(31,034)
<b>Profit after taxation</b>		<b>2,818,315</b>	3,953,078	<b>1,164,558</b>	1,694,681
<b>Earning per share basic &amp; diluted (Rupees)</b>		<b>7.48</b>	10.49	<b>3.09</b>	4.50

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

**Nasim Hyder**  
Director

**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**For the Nine months ended March 31, 2020**

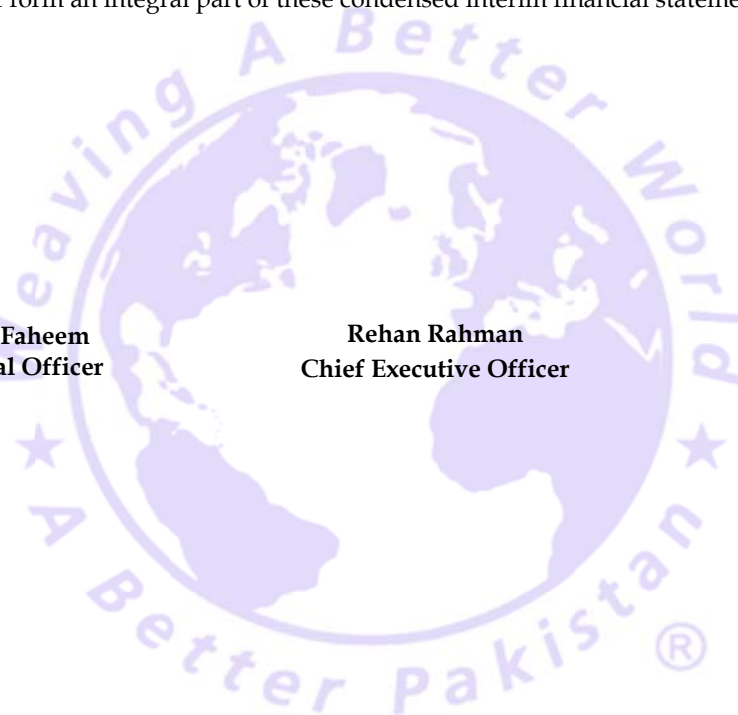
	Nine months ended		Three months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- (Rupees in '000) -----			
<b>Profit after taxation</b>	<b>2,818,315</b>	<b>3,953,078</b>	<b>1,164,558</b>	<b>1,694,681</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>2,818,315</u></b>	<b><u>3,953,078</u></b>	<b><u>1,164,558</u></b>	<b><u>1,694,681</u></b>

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

**Nasim Hyder**  
 Director



**Condensed Interim Statement of Changes in Equity (Un-audited)**  
**For the Nine months ended March 31, 2020**

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)
Final cash dividend for the year ended June 30, 2018 @ Rs.3 per share	-	-	-	-	(1,130,403)	(1,130,403)	(1,130,403)
Net profit for the period	-	-	-	-	3,953,078	3,953,078	3,953,078
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2019	-	-	-	-	3,953,078	3,953,078	3,953,078
Balance as at March 31, 2019	3,768,009	543,413	215,250	1,499,008	12,041,037	14,298,708	18,066,717
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)
Interim cash dividend for the year ended June 30, 2020 @ Rs.1.75 per share	-	-	-	-	(659,402)	(659,402)	(659,402)
Net profit for the period	-	-	-	-	2,818,315	2,818,315	2,818,315
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2020	-	-	-	-	2,818,315	2,818,315	2,818,315
Balance as at March 31, 2020	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

**Nasim Hyder**  
 Director

**Condensed Interim Statement of Cash Flows (Un-audited)**  
**For the Nine months ended March 31, 2020**

	March 31, 2020	March 31, 2019
	----- (Rupees in '000)-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,096,289	4,077,116
<i>Adjustment for:</i>		
Depreciation on:		
- Operating fixed assets	868,280	666,807
- Right of use assets	100,913	-
Amortization	381	371
Write-off of property, plant and equipment	13,218	-
General provision for slow moving stores	50,694	-
Finance cost of:		
- Lease liabilities	37,715	-
- Others	205,521	114,356
Deferred liability	83,760	-
Interest income	(45,986)	(10,128)
Dividend Income	(89,953)	-
Loss on disposal of property, plant and equipment - net	37,343	2,950
	1,261,887	774,356
<b>Increase in current asset</b>		
Stores and spares	(86,536)	(158,553)
Stock in trade	(2,030,807)	(2,486,188)
Trade debt	(1,162,146)	(2,128,933)
Advances, deposits, prepayments and other receivables	(1,980,488)	(379,191)
	(5,259,977)	(5,152,865)
<b>Increase in current liability</b>		
Trade and other payables	1,018,120	935,706
<b>Net generated from operations</b>	116,319	634,313
Finance cost paid	(201,372)	(102,877)
Income tax paid	(243,351)	(171,215)
Deferred liability paid	(1,632)	-
Long term deposits	-	(6,467)
<b>Net cash (used in) / generated from operating activities</b>	(330,036)	353,754
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(3,870,271)	(2,840,650)
Proceeds from disposal of operating fixed assets	59,121	39,176
Short term investment	(2,028,879)	-
Interest income received	44,973	10,128
Dividend Income received	89,953	-
<b>Net cash used in investing activities</b>	(5,705,103)	(2,791,346)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,873,635)	(2,052,238)
Lease rental paid	(113,262)	-
Short term borrowings - net	3,260,229	3,940,000
Long term finance - net	2,344,986	1,267,963
<b>Net cash generated from financing activities</b>	3,618,318	3,155,725
<b>Net (decrease) / increase in cash and cash equivalent</b>	(2,416,821)	718,133
Cash and cash equivalent at beginning of the period	3,267,698	203,364
<b>Cash and cash equivalent at end of the period</b>	850,877	921,497

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

**Nasim Hyder**  
 Director

**Notes to the Condensed Interim Financial Statements (Un-audited)**  
**For the Nine months ended March 31, 2020**

**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 of 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.

**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)
<b>Operating lease commitments as at June 30, 2019</b>	<b>495,653</b>
Impact of discounting	(89,413)
Prepayments	(32,423)
<b>Lease liabilities at July 01, 2019</b>	<b>373,817</b>
	<hr/>
<b>Weighted average incremental borrowing rate as at July 01, 2019</b>	<b>14.47%</b>
	<hr/>

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

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

The impact of adoption of IFRS 16 for the period ended March 31, 2020 is as follows:

<b>Condensed interim statement of profit and loss</b>	
Depreciation charge on right-of-use assets	100,913
Interest expense on lease liabilities	37,715
	<hr/>

### 3.3 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:

	<b>Effective date (annual periods beginning on or after)</b>
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.

except as disclosed otherwise.

		(Un-audited)	(Audited)
		March 31, 2020	June 30, 2019
		----- Rupees in '000 -----	
5	PROPERTY, PLANT AND EQUIPMENT	Note	
	Operating fixed assets	5.1	13,490,623
	Capital work-in-progress	5.2	2,833,922
	Right of use asset		305,327
			16,629,872
			11,388,151
5.1	Operating fixed assets		
	Balance at the beginning of the period / year		11,388,151
	Addition during the period / year	5.1.1	3,080,742
			14,468,894
	Disposals during the period / year - net book value (NBV)	5.1.1	(96,772)
	Write-off during the period (NBV)		(13,218)
	Depreciation charged during the period / year		(868,280)
			(978,271)
	Balance at the end of the period / year		13,490,623
			11,388,151

##### 5.1.1 Details of addition and disposal are as follows:

	Additions (Cost)		Disposal (NBV)	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2020	June 30, 2019	March 31, 2020	June 30, 2019
----- Rupees in '000 -----				
Land - Leasehold	-	949	-	-
Building on leasehold land	<b>808,826</b>	1,079,894	-	-
Leasehold improvement	-	9,011	-	-
Plant and machinery	<b>2,222,048</b>	2,166,202	<b>(78,824)</b>	(61,205)
Electric fittings / equipment	<b>10,227</b>	151,230	-	-
Office equipment	<b>6,982</b>	17,711	<b>(712)</b>	(109)
Computers	<b>14,416</b>	15,275	<b>(918)</b>	(1)
Furniture and fixtures	<b>3,609</b>	5,582	<b>(593)</b>	(53)
Vehicles	<b>14,634</b>	24,021	<b>(15,724)</b>	(26,932)
	<b>3,080,742</b>	<b>3,469,875</b>	<b>(96,772)</b>	<b>(88,300)</b>

##### 5.1.2 Depreciation on operating fixed assets for the period amounted to Rs. 868.28 million (March 31, 2019: Rs. 666.81 million).

		(Un-audited)	(Audited)
		March 31, 2020	June 30, 2019
		----- Rupees in '000 -----	
5.2	Capital work-in-progress	Note	
	Balance at the beginning of the period / year	1,776,058	1,727,930
	Addition during the period / year		
	Building on leasehold land	581,274	1,180,931
	Plant and machinery	2,284,887	1,942,313
	Computers	-	5,408
	Furniture and fixtures	3,418	3,457
	Equipment	93,405	194,284
	Leasehold improvement	-	28,023
		2,962,983	3,354,417
		4,739,041	5,082,347
	Transferred to operating fixed assets		
	Building on leasehold land	(808,857)	(1,079,416)
	Plant and machinery	(2,143,467)	(1,967,151)
	Computers	-	(5,408)
	Furniture and fixtures	(1,369)	(3,752)
	Equipment	-	(159,498)
	Leasehold improvements	-	(9,011)
		(2,953,693)	(3,224,237)
	Adjustments	-	(82,052)
		1,785,348	1,776,058
	Fixed assets in transit and stand-by equipment	1,048,574	294,673
	Balance at the end of the period / year	2,833,922	2,070,731
6	STOCK-IN-TRADE		
	Raw material	4,834,405	2,982,549
	Work-in-progress	2,747,995	2,330,145
	Finished goods	859,494	1,098,393
		9,143,336	6,411,087
6.1	Finished goods stock included B and C grade stock costing Rs. 364.01 million (June 30, 2019: Rs. 352.86 million), which is written down by Rs. 136.89 million (June 30, 2019: 90.90 million) to NRV amounting to Rs. 227.12 million (June 30, 2019: Rs.261.96 million).		
		(Un-audited)	(Audited)
		March 31, 2020	June 30, 2019
		----- Rupees in '000 -----	
7	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	
	Advances		
	- suppliers	391,742	145,802
	- employees	1,289	465
		393,031	146,267
	Deposits	208,809	46,268
	Prepayments	338,484	161,378
	Other receivables		
	Sales tax refundable	1,649,036	181,568
	Export rebate / duty drawback	565,345	501,959
	Due from Government	513,237	507,931
	Others	104,294	59,210
		2,831,912	1,250,668
		3,772,236	1,604,581
7.1	This include an amount of Rs. 68.16 million outstanding with a related party.		

## 8 SHORT TERM INVESTMENT

- 8.1 This represents the investment in 40.58 million units (June 30, 2019: Nil) of Meezan Rozana Amdani Fund. The units are stated at the rate of PKR 50 as at March 31, 2020. Meezan Rozana Amdani Fund is an Open Ended Shariah Compliant Money Market Scheme.

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
		----- Rupees in '000 -----	
9 CASH AND BANK BALANCES	Note		
With banks:			
On current account			
- Local currency		413,971	3,178,126
- Foreign currency		63,064	87,593
		477,035	3,265,719
On saving account			
- Local currency	9.1	369,296	-
		846,331	3,265,719
Cash in hand		4,546	1,979
		850,877	3,267,698

- 9.1 Rate of profit from bank ranges from 10.45% to 12.41% (June 30, 2019: Nil) per annum.

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
		----- Rupees in '000 -----	
10 LONG TERM FINANCING	Note		
Long term financing facilities (LTFF)	10.1	4,611,920	2,266,934
Current portion		(598,613)	(275,388)
		4,013,307	1,991,546

- 10.1 During the period, the Company made further draw downs on its existing long term finance facilities (LTFF) from various commercial banks amounting to Rs. 2,515.67 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.

## 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 0.25% to 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. 2,650 million and is renewable/repayable within a maximum validity of 180 days.

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

No contingencies exist as at the reporting date.

		(Un-audited) March 31, 2020	(Audited) June 30, 2019
		----- Rupees in '000 -----	
12.2 Commitments	Note		
Outstanding letter of credit		1,468,387	1,193,693
Outstanding letter of guarantee		1,173,629	975,308
Capital expenditure		1,286,411	1,235,205
Post dated cheques	12.2.1	3,235,121	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)			
		Nine months ended		Three months ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>13</b>	<b>COST OF SALES</b>	<b>Note ----- Rupees in '000 -----</b>			
	Opening stock of finished goods	1,098,394	846,471	1,661,657	1,167,078
	Add: Cost of goods manufactured	18,912,448	16,015,431	6,378,488	5,914,665
		20,010,842	16,861,902	8,040,145	7,081,743
	Less: Closing stock of finished goods	(859,494)	(1,096,158)	(859,518)	(1,096,158)
		19,151,348	15,765,745	7,180,627	5,985,585
<b>13.1</b>	<b>Cost of goods manufactured</b>				
	Raw material consumed	13.1.1 10,823,175	9,366,289	3,736,401	3,167,328
	Stores and spares consumed	2,744,657	2,159,516	929,368	792,477
	Salaries, wages and other benefits	13.1.2 2,899,621	2,351,832	986,488	831,878
	Fuel, power and water	1,751,277	1,440,667	571,279	518,437
	Insurance expense	41,114	23,752	14,471	9,958
	Repair and maintenance	66,850	50,269	28,025	19,997
	Vehicle running expenses	12,485	10,792	4,107	730
	Communication and transportation	59,902	52,717	18,086	19,570
	Rent	127	84,027	-	27,681
	Depreciation	884,423	600,643	308,117	215,071
	Amortization	381	371	122	135
	Entertainment	2,216	1,811	655	715
	Quality control and inspection	37,726	28,168	12,826	11,471
	Other manufacturing expenses	6,344	8,557	(128)	6,313
		19,330,298	16,179,410	6,609,816	5,621,760
	Opening work-in-process	2,330,145	1,470,271	2,450,535	1,927,155
	Closing work-in-process	(2,747,995)	(1,634,250)	(2,681,863)	(1,634,250)
		18,912,448	16,015,431	6,378,488	5,914,665
<b>13.1.1</b>	<b>Raw material consumed</b>				
	Opening stock	2,982,548	1,575,528	5,031,145	4,047,834
	Purchases during the period	12,675,032	11,438,812	3,539,661	2,767,546
		15,657,580	13,014,339	8,570,806	6,815,379
	Less: closing stock	(4,834,405)	(3,648,051)	(4,855,379)	(3,648,051)
		10,823,175	9,366,289	3,715,427	3,167,328

**13.1.2** This includes an amount of Rs. 60.10 million (March 31, 2019: Rs. 50.48 million) in respect of staff provident fund and Rs. 83.76 million in respect of staff gratuity expense (March 31, 2019: Rs. Nil).



		(Un-audited)			
		Nine months ended		Three months ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
14	OTHER EXPENSES	Rupees in '000			
	Loss / (gain) on disposal of operating fixed asset - net	37,343	2,950	5,622	(477)
	Property, plant and equipment - writeoff	13,218	-	-	-
	General provision for slow moving stores	50,694	-	50,694	-
	Workers' profit participation fund	141,939	198,512	58,609	85,592
	Workers' welfare fund	20,460	17,185	7,623	6,804
	Donations	10,151	11,575	6,309	680
	Auditors' remuneration	6,806	4,970	1,389	417
	Exchange differences on realization of export receivables	482,871	-	82,151	-
		<u>763,482</u>	<u>235,192</u>	<u>212,397</u>	<u>93,016</u>

- 14.1 This includes donations of Rs. 2.31 million (March 31, 2019 Rs. 7.02 million) paid to Indus Hospital and Rs. 0.15 million (March 31, 2019 Rs. 0.76 million) paid to Citizen police liaison committee in which directors have interests.

		(Un-audited)			
		Nine months ended		Three months ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
15	OTHER INCOME	Rupees in '000			
	Exchange differences on realization of export receivables	-	871,519	-	95,175
	Interest income on saving bank account	45,986	10,128	7,034	10,128
	Dividend income on open end mutual fund units	89,953	-	33,976	-
		<u>135,938</u>	<u>881,647</u>	<u>41,009</u>	<u>105,303</u>

## 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)			
		Nine months ended		Three months ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Nature of transaction	Note	Rupees in '000			
<i>Transactions with associates</i>					
Sale of goods		1,057,100	1,233,349	354,410	562,447
Purchases		10,356	3,175	7,476	1,100
Marketing Fee		1,004,558	862,191	377,220	336,386
Disposal of fixed asset	16.1	6,383	-	-	-
Lease rental paid		89,899	85,618	29,966	28,539
Donation		2,457	7,246	914	223

	(Un-audited)			
	Nine months ended		Three months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<i>Transaction with directors</i>	<b>Rupees in '000</b>			
Meeting fee	<u>7,980</u>	<u>4,190</u>	<u>1,860</u>	<u>1,550</u>
<i>Transaction with key management personnel</i>				
Remuneration paid	<u>43,642</u>	<u>34,418</u>	<u>15,989</u>	<u>9,495</u>
Post-employment benefits	<u>2,447</u>	<u>2,037</u>	<u>816</u>	<u>588</u>
<i>Transaction with other related party</i>				
Contribution to staff provident fund	<u>95,545</u>	<u>79,616</u>	<u>32,062</u>	<u>26,049</u>

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

**16.2** Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place

Particular	Relationship	Aggregate % of shareholding
1888 Mills LLC, USA	Common Directorship	2.3329%
The Indus Hospital	Common Directorship	-
Citizen Police Liaison Committee (CPLC)	Common Directorship	-
Friendship (Private) Limited	Common Directorship	-
UTI Industries (Private) Limited	Common Directorship	-
Feroze1888 Mills Limited - Provident Fund	Retirement benefit fund	-
Mr. Rehan Rehman	Chief Executive Officer / Director	2.2443%
Mr. Jonathan R. Simon	Director	-
Mr. Khaleequr Rehman	Director	3.1363%
Mr. Shabbir Ahmed	Director	17.8989%
Mr. Perwez Ahmed	Director	4.3611%
Mr. Nasim Hayder	Director	0.0001%
Ms. Huma Pasha	Director	0.0001%
Mr. Usama Rehman	Director	1.8868%
Mr. Muhammad Faheem	Key Management Personnel	-
Mr. Muhammad Usama Siddiqui	Key Management Personnel	-

## **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% (March 31, 2019: 99%) of the total gross revenue of the Company.
- All non-current assets of the Company as at March 31, 2020 and 2019 are located in Pakistan.
- Sales made by the Company to its two major customers during the period constituted 62% (March 31, 2019: 59%) of total sales.

## 20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **April 23, 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.

**Muhammad Faheem**  
Chief Financial Officer

**Rehan Rahman**  
Chief Executive Officer

**Nasim Hyder**  
Director

