

QUARTERLY REPORT 2019 (Oct - Dec 2018)



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COMPANY INFORMATION

Chairman	• Dr S Mubarik Ali	
Board of Directors	• Marcos Furrer • Michel Zumstein • Mujtaba Rahim • M Z Moin Mohajir • Roland Waibel • Shahid Ghaffar • Yasmin Peermohammad	(Alternate: Naveed Kamil) (Alternate: M Veqar Arif)
Company Secretary	• M Veqar Arif	
Management Committee	• Mujtaba Rahim • Qazi Naeemuddin • Muhammad Altaf	• M Veqar Arif • Naveed Kamil • Muhammad Haroon
Audit Committee	• M Z Moin Mohajir • Michel Zumstein • Shahid Ghaffar • M Irfan Lakhani	- Chairman (Alternate: Naveed Kamil) - Secretary
Human Resources and Remuneration Committee	• Yasmin Peermohammad • Mujtaba Rahim • Michel Zumstein	- Chairman (Alternate: Naveed Kamil)
Bankers	• Bank Al Habib Limited • Habib Bank Limited • Meezan Bank Limited • National Bank of Pakistan • Standard Chartered Bank (Pakistan) Limited	
Auditors	• KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisors	• RIAA Barker Gillette	
Share Registrars	• FAMCO Associates (Pvt) Limited 8-F, Next to Hotel Faran, Nursery Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi	
Registered Office	• 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi	
Factories	• Petaro Road, Jamshoro, Sindh • LX-10, LX-11 Landhi Industrial Area Karachi	
Sales & Marketing Offices	• Katar Bund Road, Off. Multan Road, Thokar Niaz Baig, Lahore • Canal Road, Abdullah Pur, Faisalabad • House # 78, Block S, Masoom shah road Gulistan Chowk New Multan	
Website	• www.archroma.com.pk	
E-mail	• archroma.pakistan@archroma.com	

REPORT OF BOARD OF DIRECTORS

The Directors are pleased to present their report, together with the unaudited accounts of your company for the first quarter ended December 31, 2018.

Business Overview

The company continues to focus on sales growth, and net sales for the three months ended December 31, 2018 were PKR 4,069 million, compared to PKR 2,998 in the corresponding period last year, recording a growth of over 35%. Despite the challenging business environment, which includes massive Pak Rupee depreciation and increase in inflation, profit before tax also increased by over 12%. The main contributors to the sales growth were the business lines 'Paper and Packaging' and 'Brand & Performance Textile Specialty' which recorded a growth of 48% and 40%, respectively. The Exports sales also increased significantly from PKR 345 million in the corresponding period last year to PKR 933 million in the period under report.

The Management is striving hard to overcome the challenges mentioned above, and is strongly focusing on efficient working capital management, operational excellence and strengthening of the pricing mechanism to ensure that the goals for the year are met.

Changes in the Board Directors

Consequent to the resignation of Mr. Hans Lourens from the Board, the Board decided to appoint Mr. Michel Zumstein as a Director, to fill the casual vacancy.

The Board records its appreciation of the services rendered by Mr. Hans Lourens during his tenure on the Board.

The revised composition of the Board is follows:

- a) Male members: 7
- b) Lady member: 1

Out of the above:

- a) Independent Directors: 3
- b) Non-Executive Directors: 4
- c) Executive Directors: 1

Future Outlook

The business environment is likely to pose continuing challenges in the short term with more pressure on the Pak Rupee due to the big Current Account and Balance of Payments deficit being faced by the Government, increase in bank borrowing cost consequent to increase in the Policy rate by the State Bank of Pakistan and continuing upward inflation leading to expected increase in material prices.

The Management is mindful of the challenges and through appropriate policies and effective management expects to meet the yearly targets.

On behalf of the Board



Mujtaba Rahim
Chief Executive Officer



M Veqar Arif
Director

بورڈ میں تبدیلیاں

جناب Hans Lourens کے بورڈ سے استعفیٰ کے نتیجے میں ان کی جگہ جناب Michel Zumstein کا مورخہ 29 جنوری 2019ء کو بحیثیت ڈائریکٹر تقرر کیا گیا۔ بورڈ جناب Hans Lourens کی گراں قدر تعاون و اشتراک کو سراہتا ہے۔

بورڈ کی ترتیب

ڈائریکٹرز کی کل تعداد:

07	(الف) حضرات
01	(ب) خواتین

ترتیب

03	(i) انڈیپنڈنٹ ڈائریکٹرز
04	(ii) نان ایگزیکٹو ڈائریکٹرز
01	(iii) ایگزیکٹو ڈائریکٹرز

مستقبل کا منظر نامہ:

مختصر مدت میں ہی کاروباری سرگرمیاں درپیش متواتر چیلنجز، روپے کی قدر کے حوالے سے دباؤ، حکومت کو وسیع پیمانے پر کرنٹ اکاؤنٹ اور بقیات کی ادائیگیوں میں کمی، بینک قرضہ جات کی قیمت میں اضافے اور اس کے نتیجے میں اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں اضافے اور خام مال کی قیمتوں میں متوقع اضافے کی وجہ سے غیر یقینی صورت حال کا شکار ہیں۔

تاہم انتظامیہ اپنی موزوں پالیسیوں اور موثر یہ عمل انتظام کاری کے ذریعے چیلنجز کے حوالے سے محتاط و باخبر ہے اور سال کے اپنے مقاصد کے حصول کے لئے پرامید ہے۔

ڈائریکٹرز کمیٹی کی پہلی سہ ماہی جس کا اختتام 31 دسمبر 2018ء کو ہوا کی رپورٹ بمعہ درمیانی مدت کی پہلی سہ ماہی کی غیر جانچ شدہ مختصر مالیاتی تفصیلات پیش کرتے ہوئے انتہائی مسرت محسوس کرتے ہیں۔

عمومی جائزہ کاروبار:

کمپنی نے اپنی توجہ سیلز میں اضافے پر مرکوز رکھی اور رواں مدت کے دوران اضافہ شدہ سیلز مبلغ 4,069 ملین روپیہ جبکہ گزشتہ سال اسی مدت کے دوران سیلز مبلغ 2,998 ملین روپے تھے۔ روپے کی قدر میں کمی اور افراط زر میں اضافے کی وجہ سے کاروباری حالات انتہائی مشکل رہے تاہم کمپنی نے اپنی سیلز میں 35 فیصد اور پرافٹ بیفور ٹیکس میں 12 فیصد کا اضافہ کیا۔ برنس لائنز پیپر اینڈ ٹیکسٹائل نے 48 فیصد اور برائنڈ اینڈ پرفارمنس ٹیکسٹائل اسپیشلیٹی نے 40 فیصد کے خاطر خواہ اضافے کے ساتھ سیلز کی عمومی اہم کردار ادا کیا۔ برآمدی فروخت گزشتہ سال کی اسی مدت کے مبلغ 345 ملین کے مقابلے میں نمایاں اضافے کے ساتھ 933 ملین رہی۔

انتظامیہ مندرکہ بالا چیلنجز پر قابو پانے اور اپنے مقاصد کے حصول کے لئے سعی مسلسل کر رہی اور موثر مربوط سلسلہ وار سرمائے کی انتظام کاری، فعالی برتری اور قیمتوں کے تعین کے طریقہ کار کو مستحکم کرنے پر اپنی توجہ مرکوز کئے ہوئے ہے۔

بورڈ کی جانب سے:

محمد قار عارف
ڈائریکٹر

کراچی ۲۹ جنوری ۲۰۱۹ء

CONDENSED INTERIM BALANCE SHEET

As at 31 December 2018

	Note	Unaudited 31 December 2018	Audited 30 September 2018
------(Rupees in '000)-----			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,961,865	1,952,688
Long-term loans		436	573
Long-term deposits		6,372	6,155
Long-term prepayments		1,536	1,858
		<u>1,970,209</u>	<u>1,961,274</u>
Current Assets			
Stores and spares		48,973	45,436
Stock-in-trade		2,637,916	2,694,526
Trade debts		3,583,330	3,733,326
Loans and advances		2,706	3,416
Trade deposits and short-term prepayments		28,439	48,425
Other receivables		1,711,591	1,770,487
Taxation - net		261,422	172,033
Cash and bank balances		551,833	532,105
		<u>8,826,210</u>	<u>8,999,754</u>
Total Assets		<u>10,796,419</u>	<u>10,961,028</u>
EQUITY AND LIABILITIES			
Share Capital and reserves			
Authorised share capital			
50,000,000 ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital		341,179	341,179
Revenue reserves		3,096,000	2,968,000
Unappropriated profit		335,992	1,496,033
		<u>3,773,171</u>	<u>4,805,212</u>
Shareholders' Equity			
LIABILITIES			
Non-Current Liabilities			
Deferred taxation - net		124,700	127,456
Deferred liabilities		21,107	14,164
Liabilities against assets subject to finance lease		24,839	22,886
Liabilities against diminishing musharaka finance		68,808	69,184
		<u>239,454</u>	<u>233,690</u>
Current Liabilities			
Trade and other payables		3,148,394	3,293,095
Unclaimed dividend		1,416,013	65,465
Mark-up accrued		37,456	40,444
Short-term borrowings		2,146,909	2,489,701
Current portion of liabilities against assets subject to finance lease		18,709	17,368
Current portion of liabilities against diminishing musharaka finance		16,313	16,053
		<u>6,783,794</u>	<u>5,922,126</u>
Total Liabilities		<u>7,023,248</u>	<u>6,155,816</u>
Contingencies and Commitments			
	7		
Total Equity and Liabilities		<u>10,796,419</u>	<u>10,961,028</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the Three Months Ended 31 December 2018

	Note	31 December 2018	31 December 2017
		(Rupees '000)	
Sales	8	4,297,700	3,228,298
Trade Discounts & Commission	8	158,037	151,811
Sales tax	8	71,054	78,286
		<u>229,091</u>	<u>230,097</u>
Net Sales	8	4,068,609	2,998,201
Cost of goods sold		<u>2,919,803</u>	<u>2,123,498</u>
Gross profit		1,148,806	874,703
Distribution and marketing expenses		253,892	220,517
Administrative expenses		128,031	122,652
Other operating expenses		90,492	44,515
		<u>472,415</u>	<u>387,684</u>
		676,391	487,019
Other income		2,914	4,700
Operating Profit		<u>679,305</u>	<u>491,719</u>
Finance cost		235,698	97,449
Profit before taxation		<u>443,607</u>	<u>394,270</u>
Taxation - net		110,933	113,559
Profit after taxation		<u>332,674</u>	<u>280,711</u>
Other comprehensive Income		-	-
Total Comprehensive Income for the Period		<u><u>332,674</u></u>	<u><u>280,711</u></u>
		(Rupees)	
Earnings per share	9.1	<u>9.75</u>	<u>8.23</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For the Three Months Ended 31 December 2018

	Note	31 DECEMBER	
		2018	2017
----- (Rupees in '000) -----			
Cash flows from operating activities			
Cash generated from operations	10	693,622	582,330
Staff gratuity paid		(890)	(3,000)
Mark-up paid		(43,345)	(11,002)
Income taxes paid		(203,078)	(311,563)
Movement in long-term loans and advances		137	113
Movement in long-term deposits and prepayments		105	(323)
Net cash generated from operating activities		446,551	256,555
Cash flows from investing activities			
Fixed capital expenditure		(66,245)	(48,416)
Proceeds from disposal of property, plant and equipment		4,787	-
Net cash used in investing activities		(61,458)	(48,416)
Cash flows from financing activities			
Payment against finance lease obligations		(8,406)	(10,300)
Short-term loans - proceeds		670,000	-
- repayments		-	-
Dividend paid		(14,167)	(112,253)
Net cash used in financing activities		647,427	(122,553)
Net increase in cash and cash equivalents		1,032,520	85,586
Cash and cash equivalents at beginning of the period		(1,057,596)	(644,145)
Cash and cash equivalents at end of the period	11	(25,076)	(558,559)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chief Executive Officer

Karachi: 29 January 2019



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Three Months Ended 31 December 2018

	Issued, subscribed and paid- up capital	Revenue reserves	Unappropri- ated profit	Total
	----- (Rupees in '000) -----			
Balance as at 30 September 2017 - Audited	341,179	2,808,000	1,868,467	5,017,646
Transfer to revenue reserves appropriated subsequent to year end	-	160,000	(160,000)	-
Final cash dividend for the year ended 30 September 2017 declared subsequent to year end	-	-	(1,705,894)	(1,705,894)
Total comprehensive income for the three months ended 31 December 2017	-	-	280,711	280,711
Balance as at 31 December 2017 - Un-audited	<u>341,179</u>	<u>2,968,000</u>	<u>283,284</u>	<u>3,592,463</u>
Balance as at 30 September 2018 - Audited	341,179	2,968,000	1,496,033	4,805,212
Transfer to revenue reserves appropriated subsequent to year end	-	128,000	(128,000)	-
Final cash dividend for the year ended 30 September 2018 declared subsequent to year end	-	-	(1,364,715)	(1,364,715)
Total comprehensive income for the three months ended 31 December 2018	-	-	332,674	332,674
Balance as at 31 December 2018 - Un-audited	<u>341,179</u>	<u>3,096,000</u>	<u>335,992</u>	<u>3,773,171</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Mujtaba Rahim
Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2018

1. THE COMPANY AND ITS OPERATIONS

Archroma Pakistan Limited (the Company) is a limited liability company, incorporated and domiciled in Pakistan. The address of its registered office is 1-A/1, Sector 20, Korangi Industrial Area, Karachi, Pakistan. The Company is listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of Archroma Textiles S.a.r.l., (Holding Company) incorporated in Luxembourg, headquartered in Reinach, Switzerland which holds 75 percent of the share capital of the Company. At the reporting date, Mr. Ann Lavrysen is the Chief Executive Officer of the Holding Company and its latest financial statements have been prepared on going concern basis on which Group auditor have expressed unmodified opinion.

The Company is primarily engaged in the manufacture and sale of chemicals, dyestuffs and coating, adhesive and sealants. It also acts as an indenting agent.

The manufacturing facilities and sales offices of the Company are situated at the following locations:

Factories

- Petaro Road, Jamshoro
- LX-10, LX-11 Landhi Industrial Area Karachi

Sales offices

- Katar Bund Road, Off. Multan Road, Thokar Niaz Baig, Lahore
- Canal Road, Abdullah Pur, Faisalabad
- House # 78, Block S, Masoom Shah Road Gulistan Chowk New Multan

2. STATEMENT OF COMPLIANCE

This condensed interim financial information have been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of the International Accounting Standard 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board the requirement of the Companies Act, 2017 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirement of the Companies Act, 2017 and the directives issued by the SECP differ with the requirements of IAS 34, requirements of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information should be read in conjunction with the annual financial statements of the company for year ended 30 September 2018.

3. ACCOUNTING POLICIES

- 3.1** The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in preparation of the published annual financial information of the Company for the year ended 30 September 2018.

4. CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Company for the year ended 30 September 2018

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2018

5. PROPERTY, PLANT AND EQUIPMENT

5.1 The following operating assets have been added during the quarter ended 31 December 2018:

	Building	Plant and machinery	Furniture, fixtures and equipment		Vehicles		Total December 2018	Total December 2017
			Owned	Leased	Owned	Leased		
	(Rupees in '000)							
Additions for the quarter 31 December 2018	-	1,769	7,560	3,400	-	11,584	24,313	38,143
Total	-	1,769	7,560	3,400	-	11,584	24,313	38,143

5.2 Disposal of property, plant and equipment has been made during the quarter ended 31 December 2018:

	Building	Plant and machinery	Furniture, fixtures and equipment		Vehicles		Total December 2018	Total December 2017
			Owned	Leased	Owned	Leased		
	(Rupees in '000)							
Cost	-	-	45	-	2,054	11,017	13,116	3,084
Accumulated depreciation	-	-	(19)	-	(2,054)	(6,813)	(8,886)	(1,376)
Net book value	-	-	26	-	-	4,204	4,230	1,708

5.3 Addition to Capital work- in- progress amounting to Rs. 56.758 million during the three months period ended 31 December 2018.

6. SHORT TERM BORROWING - secured

6.1 Short term Islamic finance facilities are available under Islamic financing from various banks under profit arrangements, amounting to Rs. 3,500 million (2017: Rs. 3,500 million). These facilities have various maturity dates up to 30 June 2019. These arrangements are secured against pari passu charge of hypothecation on stock-in-trade and trade debts with minimum 16.67% margin. These facilities carry profit ranging from 1 month KIBOR+0.25% to 3 month KIBOR+ 0.40% per annum calculated on daily products basis and payable quarterly. The aggregate amount of these facilities which have not been availed as at the balance sheet date to Rs. 1,353.10 million (2018: Rs. 1,059.57).

6.2 The company has Islamic Export Refinance facility amounting to Rs. 900 million under the Islamic Export financing Scheme of the State Bank of Pakistan (SBP), which is unavailed at reporting date (2018: Rs. 900 million). The profit rate of the facility is 2.5% per annum.

6.3. The company has availed Commodity Murabaha Loan under short term finance facility from commercial bank amounting to Rs. 670 million (USD 5.0 million). The facility matures on 26 Feb 2018 and is secured against first pari passu joint hypothecation charge over stocks and receivables of the Company. The profit rate on the facility is 6 month K-minus 0.31%.

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2018

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 There have been no changes in the contingencies as disclosed in the annual financial statements of the Company for the year ended 30 September 2018.

7.1.2 The Company has provided bank guarantees amounting to Rs. 101.217 million (30 September 2018: Rs 101.22 million) in favour of third parties.

7.1.3 The Company has provided post dated cheques amounting to Rs. 613.171 million (30 September 2018: 600.99 million) in favour of the collector of customs and which are, in the normal course of business, to be returned to the Company after fulfillment of certain conditions.

7.2 Commitments

7.2.1 Commitments for rentals under operating lease agreements in respect of vehicles and equipment amounted to Rs 0.288 million (30 September 2018: Rs 0.475 million) payable as following:

	Unaudited December 31, 2018	Audited September 30, 2018
	----(Rupees in '000)----	
Not later than one year	288	475
Later than one year but not later than five years	-	-
	<u>288</u>	<u>475</u>

7.2.2 Commitments for rentals under operating lease agreement in respect of rented property amounted to Rs. 40.686 million (30 September 2018:Rs. 43.249 million)

	Unaudited December 31, 2018	Audited September 30, 2018
	----(Rupees in '000)----	
Not later than one year	10,582	10,417
Later than one year but not later than five years	22,223	23,672
Later than five years	7,881	9,160
	<u>40,686</u>	<u>43,249</u>

7.2.3 Commitments for ijarah rentals in respect of ijarah transactions amount to Rs 0.165 million (30 September 2018:Rs. 0.377 million).

	Unaudited December 31, 2018	Audited September 30, 2018
	----(Rupees in '000)----	
Not later than one year	165	377
Later than one year but not later than five years	-	-
	<u>165</u>	<u>377</u>

7.2.4 Commitments for capital expenditure as at 31 December 2018 aggregated Rs 70.058 mio (30 September 2018: Rs 18.47 million).

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2018

8. Segment Information

Segment information for the three months ended 31 December 2018

	Brand & Performance Textile Specialties		Others *		Total	
	2018	2017	2018	2017	2018	2017
	(Rupees in '000)					
Sales						
Domestic	2,882,506	2,413,236	482,080	469,388	3,364,586	2,882,624
Export	890,265	329,651	42,849	16,023	933,114	345,674
Total sales	3,772,771	2,742,887	524,929	485,411	4,297,700	3,228,298
Discount & commission	154,352	148,724	3,685	3,087	158,037	151,811
Sales tax	7,985	13,304	63,069	64,982	71,054	78,286
	162,337	162,028	66,754	68,069	229,091	230,097
Net sales (from external customers)	3,610,434	2,580,859	458,175	417,342	4,068,609	2,998,201
Segment results based on 'management approach'	691,614	466,348	16,878	56,312	708,492	522,660
Other operating expenses - WPPF & WWF					(33,000)	(29,699)
Assets charged to profit and loss for internal reporting purposes based on group guidelines					3,813	(1,242)
Operating profit					679,305	491,719
Finance costs					235,698	97,449
Profit before taxation					443,607	394,270
Fixed Capital						
Expenditure	62,199	47,880	77	190	62,276	48,070
Unallocated					3,969	346
					66,245	48,416
Depreciation / Amortisation	58,265	60,919	429	266	58,694	61,185
Unallocated					5,723	3,266
					64,417	64,451

	Brand & Performance Textile Specialties		Others		Total	
	Unaudited December 31, 2018	Audited September 30, 2018	Unaudited December 31, 2018	Audited September 30, 2018	Unaudited December 31, 2018	Audited September 30, 2018
	(Rupees in '000)					
Segment Assets	7,211,489	7,395,577	577,668	707,509	7,789,157	8,103,086
Unallocated					3,007,262	2,857,942
Total Assets					10,796,419	10,961,028
Segment Liabilities	2,368,439	2,489,802	253,258	273,863	2,621,697	2,763,665
Unallocated					4,401,551	3,392,151
Total Liabilities					7,023,248	6,155,816

* This represent revenue from non-core business activities of the Company.

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2018

		Three months Ended 31 December	
		2018	2017
9. EARNINGS PER SHARE			
		(Rupees 000)	
9.1 Basic			
Profit after taxation attributable to ordinary shareholders		332,674	280,711
		Number of shares	
Weighted average number of ordinary shares outstanding during the period		34,117,881	34,117,881
		(Rupees)	
Earning per share		9.75	8.23

9.2 Diluted

There were no convertible dilutive potential ordinary shares in issue as at 31 December 2018 and 2017.

		Note	Three months Ended 31-Dec	
			2018	2017
			----- (Rupees in '000) -----	
10. CASH GENERATED FROM OPERATIONS				
Profit before taxation			443,607	394,270
Adjustment for non-cash charges and other items:				
Depreciation / amortisation			64,417	64,451
Gain on sale of Property , plant and equipment			(557)	-
Provision for staff gratuity			7,833	4,929
Mark-up expense			40,357	17,323
Provision for impairment of trade receivables			56,592	11,905
Working capital changes	10.1		81,373	89,452
			693,622	582,330
10.1 Working capital changes				
(Increase) / decrease in current assets				
Stores and spares			(3,537)	(15,711)
Stock-in-trade			56,610	(175,048)
Trade debts			93,409	(67,220)
Loans and advances			710	(10,772)
Trade deposits and short-term prepayments			19,986	14,207
Other receivables			58,896	295,676
			226,074	41,132
Increase in current liabilities				
Trade and other payables-net			(144,701)	48,320
			81,373	89,452

CONDENSED INTERIM NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UNAUDITED)

For the Three Months Ended 31 December 2018

	Three months Ended 31 December	
	2018	2017
	----- (Rupees in '000) -----	
11. CASH AND CASH EQUIVALENT		
Cash and bank balances	551,833	567,451
Short-term running finance	(576,909)	(1,126,010)
Cash and Cash Equivalents at end of the period	(25,076)	(558,559)

12. TRANSACTIONS WITH RELATED PARTIES

	Parent Company Three months 31 December	
	2018	2017
	----- (Rupees in '000) -----	
Dividend Paid	-	-
	Other Related Parties	
	Three months	
	31 December	
	2018	2017
	----- (Rupees in '000) -----	
Sales	480,271	251,649
Purchases of goods and machinery	152,099	160,633
Indenting commission income	880	1,572
Commission expense	10,162	1,031
Royalty expenses	191,060	22,393
Other charges	40,668	32,057
Key management personnel:		
- Salaries benefits and compensations	31,053	32,828
- Post employment benefits	4,258	3,980

13. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

14. DATE OF AUTHORIZATION

These financial statements were authorised for issue on 29 January 2019 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Mujtaba Rahim
Chief Executive Officer



M Veqar Arif
Director & Chief Financial Officer

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