



QUARTERLY REPORT
JANUARY - SEPTEMBER
2020

CAPRI

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Corporate Information

Board of Directors

Mrs. Ferial Ali Mehdi
Chairman, Non-Executive Director

Mr. Mubashir Hasan Ansari
Executive Director and
Chief Executive Officer

Mr. Saad Amanullah Khan
Independent, Non-Executive Director

Mr. Kemal Shoaib
Non-Executive Director

Syed Hasnain Ali
Non-Executive Director

Mr. Mir Muhammad Ali
Independent, Non-Executive Director

Mr. Muhammad Salman H. Chawala
(Representing NIT)
Independent, Non-Executive Director

Board Audit Committee

Mr. Muhammad Salman H. Chawala
(Representing NIT)
Chairman

Mrs. Ferial Ali Mehdi
Member

Mr. Kemal Shoaib
Member

Human Resource & Remuneration Committee

Mr. Saad Amanullah Khan
Chairman

Mrs. Ferial Ali Mehdi
Member

Syed Hasnain Ali
Member

Mr. Mubashir Hasan Ansari
Member

Statutory Auditors

EY Ford Rhodes
Chartered Accountants

Chief Financial Officer

Mr. Ata-ur-Rehman Shaikh

Company Secretary

Mr. Muhammad Shahid

Head of Internal Audit

Mr. Syed Abid Raza Rizvi

Legal Advisors

PINJANI & VADRIA LAWYERS

Registered Office

Ground Floor, Bahria Complex III,
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Website: www.zil.com.pk
Email: Info@zil.com.pk

Factory

Link Hali Road, Hyderabad - 71000

Bankers

BankIslami Pakistan Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan Limited
Standard Chartered Bank
Soneri Bank Limited

Shares Registrars

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6
P.E.C.H.S., Karachi
www.thk.com.pk
Phone : +92 (21) 111-000-322

Directors' Review

The directors of the company are pleased to present the unaudited financial results of the company for the nine months ended September 30, 2020.

Summary of Business Review:

Net sales for the period remained at Rs. 1.77Bn similar to same period last year largely due to the impact of the COVID-19 pandemic in the first half of the year. Our people have demonstrated commitment, resilience, adaptability and zeal during this challenging period. We introduced a contemporary variant under our flagship brand Capri and launched a new brand in the economy segment. We maintained competitive and efficient support for our brands and further accelerated the new product development process under the "Re-Invent ZIL", agenda.

Gross margin however remained under pressure owing to raw material price increases and 7% devaluation of the PKR against the USD. However these pressures were partially offset by improvements in product mix and prompt pricing decisions.

The management took efficient measures to control selling and administrative expenses to minimize impact on the profit during the period.

Financial Position at a Glance:

	Nine month period from January to September		
	2020	2019	Growth %
Net Sales	1,772M	1,768M	0%
Gross Profit	437M	502M	-13%
Gross Profit %	25%	28%	-372 bps
Profit after taxation	15.4M	51.4M	-70%

Future Outlook:

Going forward gross margin would remain under pressure due to higher raw material prices and the impact of the PKR devaluation. Second wave of COVID-19 is underway while Pakistan has escaped the worst we need to remain alert and continue with healthy and safety precautions at work.

While uncertainty remains in our market the Company intends to work towards taking opportunity in the increasing awareness of hygiene market and other areas of personal care.

Acknowledgement:

On behalf of the Board of Directors, we would like to express our gratitude and appreciation to all our employees, shareholders, business partners and other institutions for their continued trust and support.

For and on behalf of the Board of Directors



Mubashir Hasan Ansari
Director and CEO


Karachi: October 27, 2020

Condensed Interim Statement of Financial Position (Un-audited) As at 30 September 2020

		30 September 2020 (Un-audited)	31 December 2019 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	724,824	764,360
Intangible assets		8,466	101
Long-term deposits		1,593	1,593
Long-term loans to employees		549	630
Total non-current assets		735,432	766,684
CURRENT ASSETS			
Stores and spares		6,149	6,725
Stock-in-trade	5	166,199	179,267
Trade debts - unsecured, considered good	6	52,221	45,560
Advances, prepayments and other receivables	7	135,507	154,493
Cash and bank balances	8	95,541	63,640
Total current assets		455,617	449,685
TOTAL ASSETS		1,191,049	1,216,369
EQUITY AND LIABILITIES			
EQUITY			
Authorised capital 40,000,000 (31 December 2019: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid up capital		61,226	61,226
Capital reserve			
Surplus on revaluation of property, plant and equipment - net of tax		356,959	363,711
Revenue reserves			
General reserve		6,000	6,000
Un-appropriated profit		180,920	180,157
		605,105	611,094
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liability - net		28,614	27,724
Deferred staff liabilities		106,296	107,155
Liability against leased assets		50,352	60,155
Long-term loan	9	34,059	-
Deferred Grant		2,351	-
CURRENT LIABILITIES			
Trade and other payables	10	194,049	260,085
Taxation		81,246	53,570
Contract liabilities - advance from customers		52,718	84,148
Current maturity of liability against leased assets		12,985	11,182
Current maturity of long-term loan		20,455	-
Accrued mark-up		1,433	78
Unclaimed dividend		1,386	1,178
Total current liabilities		364,272	410,241
Contingencies and Commitments	11		
TOTAL EQUITY AND LIABILITIES		1,191,049	1,216,369

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.


Chief Financial Officer


Chief Executive Officer



Director

Condensed Interim Statement of Profit and Loss (Un-audited)
For the three months and nine months period ended 30 September 2020

	Nine months period ended		Three months period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	Note ----- (Rupees in '000) -----			
Sales - net	12 1,772,474	1,767,624	672,898	669,385
Cost of sales	13 (1,335,229)	(1,265,892)	(521,828)	(501,723)
Gross profit	437,245	501,732	151,070	167,662
Selling and distribution expenses	(267,478)	(288,280)	(93,460)	(102,817)
Administrative expenses	(107,927)	(119,913)	(33,507)	(35,473)
Impairment loss on trade receivables	-	(858)	-	-
	(375,405)	(409,051)	(126,967)	(138,290)
	61,840	92,681	24,103	29,372
Other income	3,452	2,318	1,854	639
Other charges	(7,789)	(10,623)	(2,855)	(3,386)
	57,503	84,376	23,102	26,625
Finance costs	(13,224)	(15,711)	(4,908)	(4,809)
Profit before taxation	44,279	68,665	18,194	21,816
Taxation	(28,839)	(17,243)	(14,674)	(5,934)
Profit for the period	15,440	51,422	3,520	15,882
	(Rupees)		(Rupees)	
Earning per share - basic and diluted	2.52	8.40	0.57	2.59

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.


Chief Financial Officer


Chief Executive Officer


Director

Condensed Interim Statement of Comprehensive Income (Un-audited)
For the three months and nine months period ended 30 September 2020

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	----- (Rupees in '000) -----			
Profit for the period after taxation	15,440	51,422	3,520	15,882
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>15,440</u>	<u>51,422</u>	<u>3,520</u>	<u>15,882</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.


 Chief Financial Officer



 Chief Executive Officer



 Director


Condensed Interim Statement of Cash Flows (Un-audited) For the nine months period ended 30 September 2020

	Nine months period ended	
	30 September 2020	30 September 2019
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,279	68,665
Adjustments for:		
Finance costs	13,224	15,711
Depreciation and amortisation	49,345	46,810
Provision against staff gratuity	13,870	10,703
Provision against other staff retirement benefits	1,773	1,710
Provision against slow-moving stock-in-trade	-	6,339
Allowance for expected credit loss	-	858
Return on bank deposits	(134)	(61)
Provision against slow moving stores and spares	584	-
(Gain)/loss on disposal of operating fixed assets	167	(46)
	<u>78,829</u>	<u>82,024</u>
	123,108	150,689
(Increase) / decrease in current assets:		
Stores and spares	(9)	(383)
Stock-in-trade	13,067	(31,977)
Trade debts	(6,662)	(27,068)
Loans to employees	506	255
Advances, prepayments and other receivables	1,125	1
	<u>8,027</u>	<u>(59,172)</u>
Increase / (decrease) in current liabilities:		
Trade and other payables	(66,036)	97,136
Contract liabilities	(31,430)	6,732
	<u>33,669</u>	<u>195,385</u>
Income tax paid	17,165	(37,119)
Staff gratuity paid	(8,812)	(2,734)
Other staff retirement benefits paid	(7,689)	(2,614)
Return on bank deposits received	134	61
Finance costs paid	(5,529)	(15,427)
	<u>(4,731)</u>	<u>(57,833)</u>
Net (decrease) / increase in cash flows from operating activities	28,938	137,552
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(18,454)	(38,117)
Proceeds from disposal of operating fixed assets	115	5,988
Net cash flows from investing activities	(18,339)	(32,129)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(21,221)	(9,040)
Lease rentals paid	(14,342)	(13,627)
Long-term loan obtained	56,865	-
Short term borrowings acquired / (repaid)	-	(70,000)
Net cash flows from financing activities	21,302	(92,667)
Net (decrease) / increase in cash and cash equivalents during the period	<u>31,901</u>	<u>12,756</u>
Cash and cash equivalents at beginning of the period	<u>63,640</u>	<u>43,599</u>
Cash and cash equivalents at end of the period	<u>95,541</u>	<u>56,355</u>
Cash and cash equivalents at end of the period comprises of:		
- Cash and bank balances	95,541	56,355
- Short term borrowing - running finance	-	-
	<u>95,541</u>	<u>56,355</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.


Chief Financial Officer


Chief Executive Officer


Director

Condensed Interim Statement of Changes in Equity (Un-audited) For the nine months period ended 30 September 2020

	Capital Reserves		Reserves		Total
	Issued, subscribed and paid up capital	Surplus on Revaluation of assets - net of tax	General reserve	Un-appropriated profit	
	(Rs. in '000)				
Balance as at 1 January 2019	61,226	382,962	6,000	117,279	567,467
Total comprehensive income for the period					
Profit after taxation	-	-	-	51,422	51,422
Other comprehensive income	-	-	-	-	-
				51,422	51,422
Cash dividend for the year ended 31 December 2018 (Rs. 1.5 per share) - approved in annual general meeting held on 29 April 2019	-	-	-	(9,184)	(9,184)
Effect of change in future tax rate		(8,819)			(8,819)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(7,336)	-	7,336	-
Balance as at 30 September 2019	61,226	366,807	6,000	166,853	600,886
Balance as at 1 January 2020	61,226	363,711	6,000	180,157	611,094
Total comprehensive income for the period					
Profit after taxation	-	-	-	15,440	15,440
Other comprehensive income	-	-	-	-	-
				15,440	15,440
Cash dividend for the year ended 31 December 2019 (Rs. 3.5 per share) - approved in annual general meeting held on 29 May 2020.	-	-	-	(21,429)	(21,429)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(6,752)	-	6,752	-
Balance as at 30 September 2020	61,226	356,959	6,000	180,920	605,105

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.


Chief Financial Officer


Chief Executive Officer


Director

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended 30 September 2020

1. STATUS AND NATURE OF BUSINESS

ZIL Limited (“the Company”) was incorporated as a private limited company in February 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into a public limited company in November 1986. Its shares are listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is manufacture and sale of home and personal care products. The registered office of the company is situated at Ground Floor, Bahria Complex III, M.T. Khan Road, Karachi.

- 1.1 The impact of the COVID-19 coronavirus outbreak is expected to have a significant impact on economic conditions and an increase in economic uncertainty around the globe. Since the Company is manufacturing products such as personal wash, hygiene and skin care and therefore possesses minimal risk of decrease in demand of Company's products. With prudent risk management practice, the Company will be able to meet its financial liabilities when due and would be able to pursue its normal business activities. The company is confident that the ability of the company to Continue as a going concern has not been materially impacted by the effects of pandemic COVID-19.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial information of the Company for the nine months period ended 30 September 2020 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 framework comprise of:

- International Financial Reporting Standard (IAS 34) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act 2017 (the Act).

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

- 2.2 These condensed interim financial statements are un-audited but subject to limited scope review by the statutory auditors as required under Section 237 of the Act. These condensed interim financial statements do not include all the information and disclosures required for complete set of financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2019.
- 2.3 The comparative statement of financial position presented in these condensed interim financial information as at 31 December 2019 have been extracted from the audited financial statements of the Company for the year ended 31 December 2019, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and the statement of cash flow have been extracted from the unaudited condensed interim financial information for the three months and nine months period ended 30 September 2019 (as applicable).

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended 30 September 2020

2.4 Functional and presentation currency

These condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand rupees.

2.5 Significant Accounting Judgements, Estimates and Financial Risk Management

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the audited financial statements of the Company for the year ended 31 December 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2019. The carrying value of all financial and non-financial assets and liabilities, measured at other than amortised cost, approximate their fair values.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 31 December 2019:

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to income, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed out.

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current period:

IFRS 3 – Definition of a Business
IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform
IFRS 16 - COVID 19 Related Rent Concessions
IAS 1 and IAS 8 – Definition of Material

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the above amendments to accounting standards did not have any material effect on the condensed interim financial statements.

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2020**

	Note	30 September 2020 (Un-audited)	31 December 2019 (Audited)
(Rs. in '000)			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	665,902	691,395
Capital work-in-progress	4.3	4,376	6,963
Right of use assets	4.4	54,546	66,002
		<u>724,824</u>	<u>764,360</u>

4.1 Operating fixed assets

Following are the details of the additions and disposals of operating fixed assets during the current period.

	Additions	Disposals	
		Cost	Accumulated depreciation
	-----	(Rs. in '000)	-----
Building	1,860	-	
Plant, machinery and equipment	5,449	182	27
Furniture and fixtures	1,487	45	31
Computers	2,171	10	6
Vehicles	378	240	136
Capital Spares	156	-	-
	<u>11,501</u>	<u>477</u>	<u>200</u>

4.2 At 30 September 2020, the written down value of the temporarily idle property, plant and equipments comprising of leasehold land and building (and leasehold improvements on leasehold land) amounted to Rs. 146.8 million (31 December 2019: Rs. 152.125 million) and Rs 1.26million (31 December 2019: Rs. 1.4 million) respectively.

	Note	30 September 2020 (Un-audited)	31 December 2019 (Audited)
(Rs. in '000)			
4.3 Capital work-in-progress			
Opening balance		6,963	11,471
Additions during the period / year	4.3.2	<u>18,454</u>	<u>56,402</u>
		25,417	67,873
Transfers during the period / year	4.3.2	<u>(21,041)</u>	<u>(60,910)</u>
	4.3.1	<u>4,376</u>	<u>6,963</u>

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended 30 September 2020

4.3.1 This includes advance for vehicle of Rs.2.6 million, advance for plant and machinery of Rs. 1.6 million, advance for furniture 0.1 million and for computer 0.12 million

4.3.2 Following are the details of the additions and transfers from capital work-in-progress during the period:

	Additions	Transfers
	(Rs. in '000)	
Building on leasehold land	1,328	1,860
Plant, machinery and equipment	2,749	3,208
Dies and change parts	3,701	2,241
Capital spares	270	156
Furniture and fixtures	1,502	1,487
Computers	1,231	2,171
Vehicles	2,935	378
Intangibles	4,738	9,540
	<u>18,454</u>	<u>21,041</u>

Note	30 September 2020 (Un-audited)	31 December 2019 (Audited)
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4.4 Breakup of Right-of-use assets:

	(Rs. in '000)	
Vehicles	3,894	4,581
Rented Premises	50,652	61,421
	<u>54,546</u>	<u>66,002</u>

5. STOCK-IN-TRADE

Raw material		
- in hand	83,450	69,897
- in transit	2,440	5,942
	<u>85,890</u>	<u>75,839</u>
Packing material	43,617	29,160
Work-in-progress	11,588	5,050
Finished goods	57,724	101,838
	<u>198,819</u>	<u>211,887</u>
Provision against slow moving items of stock-in-trade	5.1 <u>(32,620)</u>	<u>(32,620)</u>
	<u>166,199</u>	<u>179,267</u>

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2020**

	30 September 2020 (Un-audited)	31 December 2019 (Audited)
Note	(Rs. in '000)	
5.1 Provision against slow moving stock-in-trade		
Opening balance	32,620	16,363
Charge for the period / year	-	14,265
Write off during the period / year	-	1,992
Closing balance	<u>32,620</u>	<u>32,620</u>
6. TRADE DEBTS - unsecured, considered good		
Considered good	52,221	45,560
Considered doubtful	<u>9,097</u>	<u>9,097</u>
	61,318	54,657
Allowance for expected credit loss	6.1 <u>(9,097)</u>	<u>(9,097)</u>
	<u>52,221</u>	<u>45,560</u>
6.1 Allowance for expected credit loss:		
Opening balance	9,097	8,239
Charge for the period / year	-	858
Closing balance	<u>9,097</u>	<u>9,097</u>
7. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Considered good		
Advance for taxation	124,122	141,562
Advances to suppliers and contractors		
Considered good	1,602	4,232
Considered doubtful	<u>803</u>	<u>803</u>
	2,405	5,035
Provision for doubtful advances	<u>(803)</u>	<u>(803)</u>
	1,602	4,232
Prepayments	3,738	3,563
Current maturity of loans to employees	807	1,232
Deposit with Sui Southern Gas Company Limited	2,786	2,786
Letter of guarantee deposit	650	650
Deposit with Central Depository Company of Pakistan Limited	13	13
Other receivables	<u>1,789</u>	<u>455</u>
	9,783	8,699
	<u>135,507</u>	<u>154,493</u>

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended 30 September 2020

Note	30 September 2020 (Un-audited)	31 December 2019 (Audited)
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(Rs. in '000)

8. CASH AND BANK BALANCES

Cash in hand	293	156
Cash at banks		
- current / collection accounts	8.1 93,845	20,239
- profit and loss sharing account	1,403	3,245
	95,248	23,484
Term deposit receipt	-	40,000
	95,541	63,640

8.1 This carries profit rate at 4.5% to 5.5% (31 December 2019: 5.5% to 11.25%) per annum.

9. LONG-TERM LOAN

This represents long-term financing facility availed under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns ('Refinance Scheme'). This facility carries limit of Rs. 93.75 million and mark-up of 2.75% - 3% per annum payable quarterly. The principal will be repaid in 8 equal quarterly installments starting 01 January 2021. The difference between the nominal rate and market rate has been accounted as deferred government grant in these condensed interim financial statements.

	30 September 2020 (Un-audited)	31 December 2019 (Audited)
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(Rs. in '000)

10. TRADE AND OTHER PAYABLES

Trade creditors	92,856	124,650
Accrued expenses	71,523	117,672
Sales tax payable	22,141	10,917
Deposit from employees against vehicles and equipments	1,248	1,126
Workers' Welfare Fund	2,723	1,851
Workers' Profit Participation Fund	2,306	2,013
Other liabilities	1,252	1,856
	194,049	260,085

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended 30 September 2020

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There has been no change in the status of contingencies as disclosed in note 22.1 to the annual financial statements of the Company for the year ended 31 December 2019 except for the following:

During the period ended September 30, 2020, orders under sub section (1) of section 122(5A) of the Income Tax Ordinance, 2001 were passed by Additional Commissioner Inland Revenue (ACIR) for the tax year 2018 and 2019 (corresponding financial year 2017 and 2018) in which certain disallowances amounting to Rs. 7.463 million and Rs. 5.91 million respectively were made. Being aggrieved, the Company filed appeals before the Commissioner Inland Revenue - Appeals (CIR-A) against the alleged order of ACIR, which is pending adjudication. Based on the Company's tax advisor's view, reasonable grounds are available to contest the issues raised before CIR-A. However, being prudent, adequate provision has been made in these condensed interim financial statements.

11.2 Commitment

Commitments under letters of credit for the import of stock in trade items at 30 September 2020 amounted to Rs. 20.92 million (31 December 2019: Rs. 33.76 million).

	Nine months period ended		Three months period ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	----- (Rupees in '000) -----			

12. SALES - net

Gross sales	2,334,455	2,397,446	891,755	899,465
Sales tax	(374,104)	(382,346)	(142,306)	(143,513)
Trade discount	(187,877)	(247,137)	(76,551)	(86,567)
Sales return and rebate	-	(339)	-	-
	(561,981)	(629,822)	(218,857)	(230,080)
	<u>1,772,474</u>	<u>1,767,624</u>	<u>672,898</u>	<u>669,385</u>

Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended 30 September 2020

Note	Nine months period ended		Three months period ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
----- (Rupees in '000) -----				
13. COST OF SALES				
Raw material consumed	972,965	923,943	338,186	374,040
Packing material consumed	119,645	114,703	39,685	42,396
Salaries, wages and other benefits	77,342	105,976	25,156	31,051
Goods purchased for resale	60,687	40,714	21,894	17,936
Depreciation and amortisation	26,067	26,564	8,809	8,665
Fuel and power	8,315	12,214	2,867	4,465
Freight and handling charges	4,893	7,107	1,649	2,293
Stores and spares consumed	2,697	3,474	1,222	1,337
Rent, rates and taxes	11,729	5,763	170	123
Travelling and conveyance	2,228	3,004	822	1,025
Insurance	1,505	1,779	460	536
Repair and maintenance	373	216	145	88
Postage and telephones	439	379	122	174
Others	2,091	702	1,815	189
Legal and professional charges	32	35	-	25
Printing and stationery	206	111	2	30
Subscription charges	71	226	55	104
Provision for slow moving stock-in-trade	-	6,339	-	-
Product research and development	5,784	38	80	16
Provision for slow moving stores and spares	584	-	-	-
	<u>1,297,653</u>	<u>1,253,287</u>	<u>443,139</u>	<u>484,493</u>
Opening stock of work-in-process	5,050	7,814	4,923	7,293
Closing stock of work-in-process	(11,588)	(6,478)	(11,588)	(6,478)
Cost of good manufactured	<u>1,291,115</u>	<u>1,254,623</u>	<u>436,474</u>	<u>485,308</u>
Opening stock of finished goods	101,838	85,430	143,078	90,576
Closing stock of finished goods	(57,724)	(74,161)	(57,724)	(74,161)
	<u>44,114</u>	<u>11,269</u>	<u>85,354</u>	<u>16,415</u>
	<u><u>1,335,229</u></u>	<u><u>1,265,892</u></u>	<u><u>521,828</u></u>	<u><u>501,723</u></u>

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2020**

14. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, companies with common directors, major shareholders, staff retirement funds, directors and key management personnel. Details of transactions with related parties and balances with them, unless disclosed elsewhere are as follows:

		Nine months period ended	
		30 September 2020	30 September 2019
		(Rs. in '000)	
		(Un-audited)	
Transactions with related parties			
Contribution to the employees' provident fund	15.1	<u>6,372</u>	<u>5,927</u>
Key Management Personnel			
Total remuneration of the Chief Executive, Chairman and other key management personnel	15.2	<u>82,333</u>	<u>56,355</u>
Other Director's remuneration (meeting fee)	15.2	<u>900</u>	<u>560</u>

14.1 Contribution to the provident fund is made in accordance with the requirements of staff service rules.

14.2 Remuneration of the key management personnel is in accordance with the terms of their employment. Directors meeting fee is as approved by the Board of Directors.

14.3 Other transactions with the related parties are at the agreed terms, if any.

15. DATE OF AUTHORISATION

This condensed interim financial information were authorised for issue on October 27, 2020 by the Board of Directors of the Company.

16. GENERAL


16.1 Certain corresponding figures have been rearranged and reclassified where ever considered necessary for the purpose of comparison and to reflect the substance of the transactions. Following major reclassifications have been made during the period:

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2020**

	Reclassified from	Reclassified to	Rupees 000's
Statement of profit or loss	Selling and distribution expenses	Sales-net	6,878
Property, plant and equipment	Operating finance assets	Right of use asset	4,581



Chief Financial Officer



Chief Executive Officer



Director



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