



Quarterly Report
January - September
2021



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Company Information

Board of Directors

Mrs. Feriel Ali-Mehdi
Chairman, Non-Executive Director

Mr. Mubashir Hasan Ansari
Executive Director & Chief Executive Officer

Mr. Saad Amanullah Khan
Independent, Non-Executive Director

Mr. Syed Hasnain Ali
Non-Executive Director

Mr. Mir Muhammad Ali
Independent, Non-Executive Director

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

Mr. Ahsan Rashid
Non-Executive Director

Board Audit Committee

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

Mrs. Feriel Ali-Mehdi
Member

Mr. Saad Amanullah Khan
Member

Human Resource and Remuneration Committee

Mr. Saad Amanullah Khan
Chairman

Mrs. Feriel Ali-Mehdi
Member

Mr. 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,
M. T. Khan Road, Karachi - Pakistan.
Tel: +9221 35630251-60
Fax: +9221 35630266
Website: www.zil.com.pk
Email: Info@zil.com.pk

Factory

Link Hali Road, Hyderabad - 71000

Bankers

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

Shares Registrar

THK Associates (Pvt) Limited
Plot No. 32, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi.
Ph: (021) 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, 2021.

Summary of Business Review:

During the period, the company gross sales value grew by 14% on account of price increases, introduction of new hygiene bar soap brand and economical packs in liquid hand wash range.

From the beginning of the current period, there has been continuous pressure on the margins due to drastic increase in the raw material prices. The increase in fatty raw and packing materials prices have eroded margins to ever lowest levels.

In addition to high raw material costs, increasing packing materials prices coupled with increased freight costs and delayed deliveries have posed major challenges during the period. The above challenges are worsened by the slide of Rupee against the USD as 7% depreciation of Rupee was witnessed during the period.

To reduce huge impacts of aforementioned challenges on margins and bottom line, the management took prompt pricing decisions, rationalization of trade promotions, restructuring of sales team and modification in bill of material of economy segments brands along with improving SKU mix.

During the period the company reassessed its plans to address the cost pressures; resultantly selling expenses other than advertisement and promotions were restricted to last year's level, while administrative expenses were limited to a mere 5% increase despite prevalent inflationary wave across the country. Financial costs have also increased due to higher working capital requirements.

Financial Position at a Glance:

	Nine month period from January to September	
	2021	2020
Gross Sales	2,658M	2,334M
Gross Profit	240M	437M
Gross Profit %	12%	25%
Profit/(Loss) after taxation	(149M)	15.4M

Future Outlook:

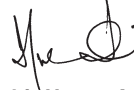
Going forward the tremendous pressure on the margins will continue as raw materials prices have been consistently increasing. Fortunately the spread of COVID-19 has started to reduce worldwide, however rising inflation is putting pressure on the consumer purchasing power in Pakistan. The, economic recovery has slowed and the risk of increased infection levels still persists. In addition, continuous devaluation of PKR poses further risk of increased costs for Q4 and beyond.

The management is fully aware of the challenging economic environment and has taken measures to reduce losses to the utmost level. However, the balance of the year shall be extremely challenging with respect to margins and profitability.

Acknowledgement:

The Board would like to convey its sincere gratitude and appreciation to all the employees, shareholders, business partners and other institutions involved with ZIL who are standing with the company in these difficult times to overcome the numerous challenges posed by the operating environment.

For and on behalf of the Board of Directors



Mubashir Hasan Ansari
Director and CEO

Karachi: October 29, 2021



Condensed Interim Statement of Financial Position (Un-audited) As at 30 September 2021

		30 September 2021 (Un-audited)	31 December 2020 (Audited)
ASSETS	<i>Note</i>	(Rs. in '000)	
NON-CURRENT ASSETS			
Property, plant and equipment	4	749,274	716,717
Intangible assets		5,318	7,489
Deferred tax asset - net		7,516	-
Long-term deposits		5,042	5,042
Long-term loans to employees		451	497
Total non-current assets		<u>767,601</u>	<u>729,745</u>
CURRENT ASSETS			
Stores and spares		6,351	7,132
Stock-in-trade	5	412,748	205,426
Trade debts - unsecured, considered good	6	108,313	41,028
Advances, prepayments and other receivables	7	102,896	120,742
Short-term investment		-	60,000
Cash and bank balances	8	20,051	103,230
Total current assets		<u>650,359</u>	<u>537,558</u>
TOTAL ASSETS		<u><u>1,417,960</u></u>	<u><u>1,267,303</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Authorised capital 40,000,000 (31 December 2020: 40,000,000) ordinary shares of Rs. 10 each		<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid up capital		61,226	61,226
Capital reserve			
Surplus on revaluation of property, plant and equipment - net of tax		348,396	354,672
Revenue reserves			
General reserve		6,000	6,000
Un-appropriated profit		<u>34,024</u>	<u>184,390</u>
		<u>449,646</u>	<u>606,288</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liability - net		-	27,287
Deferred staff liabilities		110,308	106,034
Lease liabilities		31,088	43,009
Long-term loan	9	19,054	44,034
Deferred government grant		-	2,115
		<u>160,450</u>	<u>222,479</u>
CURRENT LIABILITIES			
Trade and other payables	10	357,975	254,598
Short-term borrowings	11	304,417	-
Taxation		60,208	71,118
Contract liabilities		20,898	55,225
Current maturity on non-current liabilities	9.3	59,295	56,126
Accrued mark-up		3,608	83
Unclaimed dividend		1,463	1,386
Total current liabilities		<u>807,864</u>	<u>438,536</u>
Contingencies and Commitments	12		
TOTAL EQUITY AND LIABILITIES		<u><u>1,417,960</u></u>	<u><u>1,267,303</u></u>

The annexed notes from 1 to 17 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 Sept 2021

	Nine months period ended		Three months period ended	
	30 Sept 2021	30 Sept 2020	30 Sept 2021	30 Sept 2020
Note	----- (Rupees in '000) -----			
Sales - net	13 2,003,231	1,772,474	869,130	672,898
Cost of sales	14 (1,763,078)	(1,335,229)	(770,689)	(521,828)
Gross profit	240,153	437,245	98,441	151,070
Selling and distribution expenses	(273,871)	(267,478)	(99,971)	(93,460)
Administrative expenses	(113,002)	(107,927)	(38,437)	(33,507)
	(386,873)	(375,405)	(138,408)	(126,967)
	(146,720)	61,840	(39,967)	24,103
Other income	6,509	3,452	5,220	1,854
Other charges	(1,766)	(7,789)	(3,936)	(2,855)
	(141,977)	57,503	(38,683)	23,102
Finance costs	(16,727)	(13,224)	(6,830)	(4,908)
(Loss) / profit before taxation	(158,704)	44,279	(45,513)	18,194
Taxation	9,715	(28,839)	(8,327)	(14,674)
(Loss) / profit for the period	(148,989)	15,440	(53,840)	3,520
	(Rupees)		(Rupees)	
(Loss) / earning per share - basic and diluted	(24.34)	2.52	(8.79)	0.57

The annexed notes from 1 to 17 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 2021

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>30 Sept</u>	<u>30 Sept</u>	<u>30 Sept</u>	<u>30 Sept</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Note -----	(Rupees in '000) -----			
(Loss) / profit for the period after taxation	(148,989)	15,440	(53,840)	3,520
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u><u>(148,989)</u></u>	<u><u>15,440</u></u>	<u><u>(53,840)</u></u>	<u><u>3,520</u></u>

The annexed notes from 1 to 17 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 2021

	Nine months period ended	
	30 September 2021	30 September 2020
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(158,704)	44,279
Adjustments for:		
Finance costs	16,727	13,224
Depreciation and amortisation	47,669	49,345
Provision against staff gratuity	12,931	13,870
Provision against other staff retirement benefits	972	1,773
Provision against slow-moving stock-in-trade	2,126	-
Dividend Income	(368)	-
Return on bank deposits	(99)	(134)
Provision against slow moving stores and spares	-	584
Amortization of government grant	(2,115)	-
loss on disposal of operating fixed assets	87	167
	77,930	78,829
	(80,774)	123,108
(Increase) / decrease in current assets:		
Stores and spares	781	(9)
Stock-in-trade	(209,447)	13,067
Trade debts	(67,285)	(6,662)
Loans to employees	791	506
Advances, prepayments and other receivables	(1,348)	1,125
	(276,508)	8,027
Increase / (decrease) in current liabilities:		
Trade and other payables	103,656	(66,036)
Contract liabilities	(34,327)	(31,430)
	(287,953)	33,669
Income tax paid	(17,550)	17,165
Staff gratuity paid	(6,534)	(8,812)
Other staff retirement benefits paid	(3,097)	(7,689)
Return on bank deposits received	99	134
Dividend received	368	-
Finance costs paid	(10,714)	(5,529)
	(37,428)	(4,731)
Net decrease in cash flows from operating activities	(325,381)	28,938
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(85,334)	(18,454)
Redemption of short-term investment	60,000	-
Proceeds from disposal of operating fixed assets	6,916	115
Net cash flows from / (used in) investing activities	(18,418)	(18,339)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(7,576)	(21,220)
Lease rentals paid	(14,391)	(14,342)
Long-term loan obtained	(21,830)	56,864
Short term borrowings acquired	150,000	-
Net cash flows from financing activities	106,203	21,302
Net decrease in cash and cash equivalents during the period	(237,596)	31,901
Cash and cash equivalents at beginning of the period	103,230	63,640
Cash and cash equivalents at end of the period	(134,366)	95,541
Cash and cash equivalents at end of the period comprises of:		
- Cash and bank balances	20,051	95,541
- Short term borrowing - running finance	(154,417)	-
	(134,366)	95,541

The annexed notes from 1 to 17 form an integral part of these condensed interim financial information.


Chief Financial Officer


Chief Executive Officer


Director

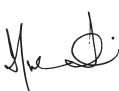


Condensed Interim Statement of Changes in Equity (Un-audited) For the nine months period ended 30 September 2021

	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 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)	-	(4,501)	-	4,501	-
Balance as at 30 September 2020	61,226	359,210	6,000	178,669	605,105
Balance as at 1 January 2021	61,226	354,672	6,000	184,390	606,288
Total comprehensive loss for the period					
Loss after taxation	-	-	-	(148,989)	(148,989)
Other comprehensive income	-	-	-	-	-
				(148,989)	(148,989)
Cash dividend for the year ended 31 December 2020 (Rs. 1.25 share) - approved in annual general meeting held on 31 March 2021	-	-	-	(7,653)	(7,653)
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(6,276)	-	6,276	-
Balance as at 30 September 2021	61,226	348,396	6,000	34,024	449,646

The annexed notes from 1 to 17 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 2021

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. 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 settle its financial liabilities when due and would be able to pursue its normal business activities. Accordingly, there is no material financial impact of COVID-19 in these condensed interim financial statements.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with the requirements of the International Accounting Standard (IAS 34) "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and the provisions of and directives issued under 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.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2020.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2020, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements of the Company for the period ended September 30, 2020.



Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended 30 September 2021

2.2 Functional and presentation currency

These condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Company.

2.3 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 2020.

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 31 December 2020. 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 consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020.

NEW STANDARDS, AMENDMENTS AND IMPROVEMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

There are no amendments, interpretations or improvements to International Financial Reporting Standards (IFRSs) which became effective during the current period except for:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

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

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2021**

30 September 31 December
Note 2021 2020
(Un-audited) (Audited)
(Rs. in '000)

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	4.1	646,877	659,570
Capital work-in-progress	4.2	66,103	10,084
Right of use assets	4.3	36,294	47,063
		<u>749,274</u>	<u>716,717</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 on freehold land	76	-	-
Plant, machinery and equipment	2,805	298	91
Dies and change parts	7,958	-	-
Furniture and fixtures	1,214	50	31
Computers	1,294	-	-
Vehicles	12,278	15,380	8,603
Capital Spares	3,690	570	297
	<u>29,315</u>	<u>16,298</u>	<u>9,022</u>

30 September 31 December
Note 2021 2020
(Un-audited) (Audited)
(Rs. in '000)

4.2 Capital work-in-progress

Opening balance		10,084	6,963
Additions during the period / year	4.2.2	<u>85,334</u>	<u>28,096</u>
		95,418	35,059
Transfers during the period / year	4.2.2	<u>(29,315)</u>	<u>(24,975)</u>
	4.2.1	<u>66,103</u>	<u>10,084</u>

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2021**

4.2.1 This includes construction cost on building amounting to Rs. 53 million, advance for vehicles of Rs. 9 million, plant and machinery (including dies and change parts) of Rs. 1.6 million and advance for computers 2.5 million

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

	Additions	Transfers
	(Rs. in '000)	
Building on freehold land	-	76
Building on leasehold land	48,526	-
Plant, machinery and equipment	3,265	2,805
Dies and change parts	3,518	7,958
Furniture and fixtures	1,293	1,214
Computers	3,742	1,294
Vehicles	21,300	12,278
Capital spares	3,690	3,690
	<u>85,334</u>	<u>29,315</u>

4.3 Right-of-use assets pertains to rental payments of head office, warehouses and sales office.

Note	30 September 2021 (Un-audited)	31 December 2020 (Audited)
	(Rs. in '000)	

5. STOCK-IN-TRADE

Raw material		
- in hand	175,873	61,355
- in transit	<u>789</u>	<u>17,876</u>
	176,662	79,231
Packing material	66,357	42,583
Work-in-progress	15,904	9,554
Finished goods	5.2 <u>190,441</u>	<u>108,548</u>
	449,364	239,916
Provision against slow moving items of stock-in-trade	5.1 <u>(36,616)</u>	<u>(34,490)</u>
	<u>412,748</u>	<u>205,426</u>

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2021**

	30 September 2021 (Un-audited)	31 December 2020 (Audited)
	(Rs. in '000)	
5.1 Provision against slow moving stock-in-trade		
Opening balance	34,490	32,620
Charge for the period / year	<u>2,126</u>	<u>1,870</u>
Closing balance	<u>36,616</u>	<u>34,490</u>
5.2 Stock-in-trade includes items costing Rs.12.9 million (December 31, 2020: Rs. 14.4 million) valued at net realisable value of Rs. 4.7 million (2020: Rs. 5.0 million) resulting in a write down of Rs. 8.2 million (December 31, 2020: Rs. 9.4 million)		
6. TRADE DEBTS - unsecured, considered good		
Considered good	108,313	41,028
Considered doubtful	<u>9,397</u>	<u>9,397</u>
	117,710	50,425
Allowance for expected credit loss	<u>(9,397)</u>	<u>(9,397)</u>
	<u>108,313</u>	<u>41,028</u>
7. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
Considered good		
Advance for taxation	93,319	111,770
Advances to suppliers and contractors		
Considered good	<u>3,700</u>	<u>2,697</u>
Considered doubtful	<u>802</u>	<u>803</u>
	4,502	3,500
Provision for doubtful advances	<u>(802)</u>	<u>(803)</u>
	<u>3,700</u>	<u>2,697</u>
Prepayments	<u>3,582</u>	<u>3,655</u>
Current maturity of loans to employees	<u>1,071</u>	<u>1,815</u>
Others	<u>1,224</u>	<u>805</u>
	<u>5,877</u>	<u>6,275</u>
	<u>102,896</u>	<u>120,742</u>
8. CASH AND BANK BALANCES		
Cash in hand	178	235
Cash at banks		
- current / collection accounts	<u>18,280</u>	<u>101,545</u>
- saving accounts	8.1 <u>1,593</u>	<u>1,450</u>
	<u>19,873</u>	<u>102,995</u>
	<u>20,051</u>	<u>103,230</u>
8.1 This carries profit rate at 3.0% to 5.75% (31 December 2020: 2.75% to 5%) per annum.		



**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2021**

30 September 31 December
Note 2021 2020
(Un-audited) (Audited)
(Rs. in '000)

9. LONG-TERM LOAN

Diminishing Musharaka	9.1	5,554	3,539
Refinance scheme for the payment of salaries and wages	9.2	53,913	80,211
		59,467	83,750
Less: current maturity shown under current liability	9.3	(40,413)	(39,716)
		19,054	44,034

9.1 The Company has acquired a vehicle under diminishing musharaka arrangement from First Habib Modaraba. The loan is for a period of five years expiring on 27 September 2023, with an option to purchase the asset at nominal amount. This carries profit at the rate of 6 months' KIBOR + 2% per annum (2020: 6 months' KIBOR + 2% per annum).

9.2 This represents long-term financing facility availed under the refinance scheme for payment of wages and salaries by State Bank of Pakistan. It carries flat rate of 2.75% and 3% per annum. The financings are recognized at the present value using the effective interest rates applicable at the dates of drawdown. The differential of present value and the drawn amounts has been recognized as government grant which will be amortised over the period of financing facility. The loan is repayable in eight equal quarterly installments commencing from 01 January 2021. The loan is secured against first pari passu hypothecation charge of Rs. 66 million and Rs. 113 million respectively over plant and machinery of the Company.

30 September 31 December
2021 2020
(Un-audited) (Audited)
(Rs. in '000)

9.3 Current maturity of non-current liabilities:

Lease liabilities		16,351	13,583
Long-term loan		40,117	39,716
Deferred government grant		2,827	2,827
		59,295	56,126

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2021**

	30 September 2021 (Un-audited)	31 December 2020 (Audited)
Note	(Rs. in '000)	
10. TRADE AND OTHER PAYABLES		
Trade creditors	253,376	164,033
Accrued expenses	74,916	71,828
Sales tax payable	21,356	8,326
Deposit on account of vehicles from employees	1,503	1,306
Workers' Welfare Fund	4,839	4,839
Workers' Profit Participation Fund	-	2,767
Other liabilities	1,985	1,499
	<u>357,975</u>	<u>254,598</u>

11. SHORT TERM BORROWINGS

Salam finance - under shariah arrangement	11.1	150,000	-
Running finance - under mark-up arrangements	11.2	154,417	-
		<u>304,417</u>	<u>-</u>

11.1 Represent Salam, Istisna and FG Murabaha facilities, obtained from certain commercial banks up to Rs. 245 million (31 December 2020: Rs. 245 million) and carries mark-up of 6 months' KIBOR+0.5% to 1% (Dec 2020: 6 months' KIBOR+0.5% to 1%) per annum. The facilities are secured by way of first pari passu charge over present and future current assets of the Company. As at 30 September 2021, unutilised facilities aggregated to Rs. 95 million (Dec 2020: Rs. 245 million).

11.2 The facility for running finance is available from a commercial bank amounting to Rs. 200 million (31 December 2020: Rs. 200 million) carrying mark-up at 1 month KIBOR+1% (31 December 2020: 1 month KIBOR+1%) per annum valid until 30 June 2022 and is generally renewable. The facility is secured by first pari passu charge by way of hypothecation over all present and future current assets of Rs. 400 million of the Company and first pari passu charge of Rs. 113.33 million over plant and machinery of the Company. As at 30 September 2021, unutilised facility for running finance aggregated to Rs. 46 million (31 December 2020: Rs. 200 million).

11.3 As at 30 September 2021, unutilised letter of credit facilities from certain commercial banks amounted to Rs. 248.66 million (31 December 2020: Rs. 258.58 million). These are secured against the import bills of the Company. Total facilities sanctioned to the Company amounted to Rs. 350 million (31 December 2020: Rs. 350 million).



**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2021**

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There has been no change in the status of contingencies as disclosed in note 23 and 24 to the annual financial statements of the Company for the year ended 31 December 2020.

12.2 Commitment

Commitments under letters of credit for the import of stock in trade items at 30 September 2021 amounted to Rs. 62.02 million (31 December 2020: Rs. 36.6 million).

Nine months period ended	30 September	30 September	Three months period ended	30 September
2021	2020	2021	2021	2020
(Rupees in '000)				

13. SALES - net (Un-audited)

Gross sales	2,658,296	2,334,455	1,148,109	891,755
Sales tax	(424,547)	(374,104)	(183,581)	(142,306)
Trade discount	(227,193)	(187,877)	(92,073)	(76,551)
Sales return and rebate	(3,325)	-	(3,325)	-
	(655,065)	(561,981)	(278,979)	(218,857)
	2,003,231	1,772,474	869,130	672,898

**Notes to the Condensed Interim
Financial Information (Un-audited)
For the nine months period ended 30 September 2021**

Note	Nine months period ended		Three months period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
----- (Rupees in '000) -----				
14. COST OF SALES (Un-audited)				
Raw material consumed	1,505,609	972,965	596,652	338,186
Packing material consumed	153,066	119,645	64,637	39,685
Salaries, wages and other benefits	82,893	77,342	28,416	25,156
Goods purchased for resale	41,748	60,687	16,126	21,894
Depreciation and amortisation	24,980	26,067	8,657	8,809
Fuel and power	10,222	8,315	4,093	2,867
Freight and handling charges	6,807	4,893	2,286	1,649
Stores and spares consumed	4,003	2,697	1,142	1,222
Rent, rates and taxes	3,818	11,729	999	170
Travelling and conveyance	2,827	2,228	1,136	822
Insurance	1,499	1,505	494	460
Repair and maintenance	451	373	208	145
Postage and telephones	444	439	151	122
Others	2,374	2,091	608	1,815
Legal and professional charges	219	32	80	-
Printing and stationery	121	206	25	2
Subscription charges	164	71	104	55
Provision for slow moving stock-in-trade	2,126	-	-	-
Product research and development	7,950	5,784	7,317	80
Provision for slow moving stores and spares	-	584	-	-
	<u>1,851,321</u>	<u>1,297,653</u>	<u>733,131</u>	<u>443,139</u>
Opening stock of work-in-process	9,554	5,050	12,135	4,923
Closing stock of work-in-process	(15,904)	(11,588)	(15,904)	(11,588)
Cost of good manufactured	<u>1,844,971</u>	<u>1,291,115</u>	<u>729,362</u>	<u>436,474</u>
Opening stock of finished goods	108,548	101,838	231,768	143,078
Closing stock of finished goods	(190,441)	(57,724)	(190,441)	(57,724)
	<u>(81,893)</u>	<u>44,114</u>	<u>41,327</u>	<u>85,354</u>
	<u><u>1,763,078</u></u>	<u><u>1,335,229</u></u>	<u><u>770,689</u></u>	<u><u>521,828</u></u>



Notes to the Condensed Interim Financial Information (Un-audited) For the nine months period ended 30 September 2021

15. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, 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	
	Note	30 September 2021	30 September 2020
		----- (Rupees in '000) ----- (Un-audited)	
Transactions with related parties			
Contribution to the employees' provident fund	15.1	<u>6,739</u>	<u>6,372</u>
Key Management Personnel			
Total remuneration of the Chief Executive, Chair person and other key management personnel	15.2	<u>84,730</u>	<u>82,333</u>
Other Director's remuneration (meeting fee)	15.2	<u>900</u>	<u>900</u>

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

15.2 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.

15.3 Transactions with the related parties are at the agreed terms approved by the Board of Directors of the Company, if any.

16. DATE OF AUTHORISATION

This condensed interim financial information were authorised for issue on 29th October 2021 by the Board of Directors of the Company.

17. GENERAL

17.1 Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

Chief Financial Officer

Chief Executive Officer

Director



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