



ISLAND TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Nine - Month Period Ended March 31, 2019**

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COMPANY INFORMATION**BOARD OF DIRECTORS****CHAIRMAN:**

Mr. Anwar Ahmed Tata

CHIEF EXECUTIVE:

Mr. Shahid Anwar Tata

DIRECTORS:

Mr. Adeel Shahid Tata
 Mr. Bilal Shahid Tata
 Mr. Farooq Advani
 Mr. Muhammad Naseem
 Miss Samar Shahid

AUDIT COMMITTEE**CHAIRMAN:**

Mr. Muhammad Naseem

MEMBERS:

Mr. Adeel Shahid Tata
 Mr. Farooq Advani

SECRETARY:

Mr. Ghulam Raza Hemani

HUMAN RESOURCE &**REMUNERATION COMMITTEE****CHAIRMAN:**

Mr. Muhammad Naseem

MEMBERS:

Mr. Shahid Anwar Tata
 Mr. Adeel Shahid Tata
 Mr. Farooq Advani
 Miss Samar Shahid

SECRETARY:

Mr. Muhammed Ali Mirza

CHIEF FINANCIAL OFFICER:

Mr. Haseeb Hafeezuddeen

COMPANY SECRETARY

Mr. Muhammad Hussain

BANKERS:

Faysal Bank Limited
 Bank Alfalah Limited
 Meezan Bank Limited
 The Bank of Punjab
 MCB Bank Limited
 National Bank of Pakistan
 Soneri Bank Limited
 Summit Bank Limited
 Askari Bank Limited
 Pak Oman Investment Company Limited
 Dubai Islamic Bank Pakistan Limited
 Allied Bank Limited
 JS Bank Limited

AUDITORS:

M/s. Deloitte Yousuf Adil
 Chartered Accountants

LEGAL ADVISOR:

Ameen Bandukda & Co. Advocates

SHARE REGISTRAR:

Central Depository Company of Pakistan Limited
 CDC House, 99 – B, Block 'B',
 S.M.C.H.S., Main Shakra-e-Faisal
 Tel# (Toll Free) 0800-CDCPL (23275)
 Fax: (92-21) 34326053

REGISTERED OFFICE:

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 District Jamshoro (Sindh)

DIRECTORS' REPORT**Assalam-o-Alaikum**

The Directors of your Company take pleasure in presenting before you the performance review and the un-audited financial statements for the Nine Months Ended March 31, 2019.

The Company has incurred a pre-tax profit of Rs.214.672 million for the Nine Month Ended March 31, 2019, as compared to pre-tax profit of Rs.233.356 million during the corresponding period of last year.

Textile Industry.

The negative effects of the 2nd Quarter due to absence of the Chinese market resulted in piling up of Yarn stocks which largely remained during the earlier part of 3rd Quarter but the Company was able to clear out the higher stock levels towards the end of the quarter under review. The prices, however, remained under pressure because of previous higher yarn stocks. At present, there is some improvement in the sales of yarn, so we are hopeful for better results in the 4th Quarter.

Overall Economic situation.

It appears that Pakistan is going through very difficult times as the major problem confronting the Pakistan Economy is the current account deficit / high fiscal deficit, losses of public sector enterprises, narrow tax base and high cost of doing business, which are not yet completely corrected, although, the Government is making efforts towards improvement. However, the greatest impediment or concern is the uncertainty the Pakistan economy faces from a range of issues including but not limited to high inflation, sharply deteriorating currency and weakening foreign exchange reserves.

The Power and Gas tariffs announced by the Government came into effect from January 2019 and it is only valid till June 2019, so no long term planning is possible, unless these measures / Incentive policies are announced for the next 5 years.

Going Forward

The Prime Minister plans to visit China soon and hopefully duties and tariffs will be removed on import of Yarn into China which will prove to be a good omen and will increase the competitiveness of our exports and will provide a level playing field with Bangladesh and other ASEAN countries.

Other sectors, like knitted Fabric, Knitted Garments, Denim, Towel, Home Textile, Woven Garments and even Fabric, Dyed and Grey are all doing well. We are optimistic that this Quarter and the next Quarter will be favorable for the Textile Industry.

ACKNOWLEDGEMENT

It is most important to mention the untiring efforts of all our team members who are engaged in up-holding their commitment to the Company's success and growth. We also thank our Bankers, Vendors and Customers for their consistent trust and support.

On behalf of the Board of Directors



Shahid Anwar Tata
Chief Executive



Anwar Ahmed Tata
Chairman/Director

Dated: April 30, 2019
Karachi


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


AS AT MARCH 31, 2019

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Note	Rupees in 000	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,841,671	3,985,927
Intangible assets		848	607
Long term investments		442,601	451,070
Long term deposits		1,434	1,292
		<u>4,286,554</u>	<u>4,438,896</u>
CURRENT ASSETS			
Stores, spares and loose tools		36,262	38,002
Stock-in-trade		3,162,014	1,831,841
Trade debts		645,348	666,376
Loans and advances		403,572	323,012
Short term prepayments		5,992	1,697
Other receivables		32,879	57,350
Other financial assets		26,341	26,068
Sales tax refundable		60,344	52,700
Cash and bank balances		33,750	18,425
		<u>4,406,502</u>	<u>3,015,471</u>
TOTAL ASSETS		<u>8,693,056</u>	<u>7,454,367</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		5,000	5,000
Reserves		899,252	899,271
Unappropriated profit		874,824	677,913
Revaluation reserve of property, plant and equipment		805,585	829,009
		<u>2,584,661</u>	<u>2,411,193</u>
NON-CURRENT LIABILITIES			
Deferred liabilities		95,289	80,406
Long term finance	6	1,749,958	2,297,331
		<u>1,845,247</u>	<u>2,377,737</u>
CURRENT LIABILITIES			
Trade and other payables		798,358	303,319
Unclaimed Dividend		1,120	1,048
Short term borrowings		2,734,256	1,902,984
Interest / mark-up accrued on borrowings		91,388	96,745
Current portion of long- term finance	6	598,542	361,341
Provision for income tax		39,484	-
		<u>4,263,148</u>	<u>2,665,437</u>
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u>8,693,056</u>	<u>7,454,367</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information


 SHAHID ANWAR TATA
 CHIEF EXECUTIVE


 HASEEB HAFEEZ UDDEEN
 CHIEF FINANCIAL OFFICER


 ANWAR AHMED TATA
 CHAIRMAN/DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT & LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2019

	Nine-month period ended		Three-month Period ended	
	Mar.31, 2019	Mar.31, 2018	Mar.31, 2019	Mar.31, 2018
Note ----- Rupees in 000 -----				
Sales - net	4,931,977	4,646,465	1,904,460	1,601,089
Cost of goods sold	(4,169,492)	(4,047,182)	(1,668,403)	(1,347,627)
Gross profit	762,485	599,283	236,057	253,462
Distribution cost	(78,869)	(91,303)	(28,173)	(30,435)
Administrative expenses	(94,379)	(62,014)	(31,381)	(25,265)
Other operating expenses	(46,458)	(22,343)	(30,251)	(9,807)
Finance cost	(324,322)	(232,376)	(130,673)	(76,226)
	(544,028)	(408,036)	(220,478)	(141,733)
Share of (loss)/profit from associates - net of tax	(7,280)	12,079	(9,798)	9,524
Other income	3,495	30,030	(9,477)	8,849
	(3,785)	42,109	(19,275)	18,373
Profit/(loss) before taxation	214,672	233,356	(3,696)	130,102
Taxation	(38,686)	(87,853)	(14,280)	(35,075)
Profit/(loss) for the period	175,986	145,503	(17,976)	95,027
Other comprehensive income for the period:				
Item that will be reclassified subsequently through profit or loss				
Unrealised (loss) / gain on remeasurement of investment available-for-sale				
-Shares held by the associate	(19)	9	(22)	11
Total comprehensive income/(loss) for the period	175,967	145,512	(17,998)	95,038
Earnings/(Loss) per share - basic and diluted	351.97	291.01	(35.95)	190.05

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information

SHAHID ANWAR TATA
CHIEF EXECUTIVE

HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


ANWAR AHMED TATA
CHAIRMAN/DIRECTOR


**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019**

	March 31, 2019	March 31, 2018
	----- Rupees in '000' -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	214,672	233,356
Adjustments for :		
Depreciation	155,914	104,367
Amortization	175	57
Provision for staff gratuity	24,825	(20,511)
Provision for compensated absences	6,730	(6,281)
Finance cost	324,322	232,376
(Gain)/Loss on disposal of property, plant and equipment	(838)	4,799
Share of Loss/(Profit) from associates	7,280	(12,079)
Provision for Doubtful Debts	2,018	(556)
Operating cash flows before movements in working capital	<u>735,098</u>	<u>535,528</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,740	(1,808)
Stock-in-trade	(1,330,173)	138,446
Trade debts	19,010	27,871
Loans and advances	(28,147)	(231,538)
Short term prepayments	(4,295)	(2,959)
Other receivables	24,470	(16,400)
Sales tax refundable	(7,645)	40,301
Increase in current liabilities		
Trade and other payables	495,039	75,962
Cash generated from operations	<u>(94,903)</u>	<u>565,403</u>
Finance cost paid	(329,679)	(277,442)
Staff gratuity paid	(9,379)	(12,110)
Staff compensated absences paid	(5,819)	(5,526)
Income taxes paid	(53,086)	(46,616)
Net cash (used in)/generated from operating activities	<u>(492,866)</u>	<u>223,709</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other financial assets	(273)	(168)
Addition to property, plant and equipment	(12,319)	(13,638)
Addition to intangible assets	(417)	-
Dividend received from associates	1,167	-
Long term deposits received / (paid)	(142)	813
Proceeds from disposal of property, plant and equipment	1,503	4,896
Net cash used in investing activities	<u>(10,481)</u>	<u>(8,097)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances Repayment - net	(310,172)	(290,157)
Dividend paid	(2,428)	(8)
Short-term borrowings obtain / (repayments) - net	741,013	(352,462)
Net cash generated from/(used in) financing activities	<u>428,413</u>	<u>(642,627)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(74,934)	(305,761)
Cash and cash equivalents at the beginning of the period	(786,026)	(679,976)
Cash and cash equivalents at the end of the period	<u>(860,960)</u>	<u>(985,737)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	33,750	9,826
Short-term running finance	(894,710)	(995,563)
	<u>(860,960)</u>	<u>(985,737)</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.


SHAHID ANWAR TATA
CHIEF EXECUTIVE


HASEEB HAFEEZ UDDEEN
CHIEF FINANCIAL OFFICER


ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019

	Reserve			Capital reserve		Total
	Issued, subscribed and paid up capital	General reserve	Other reserve	Company's share in other comprehensive income/(Loss) of associates	Unappropriated profit/(Loss)	
	Rupees in 000.....					
Balance at July 01, 2017	5,000	900,000	591	(1,600)	186,611	677,600
Comprehensive income						
Profit after taxation for the nine-month period ended March 31, 2018	-	-	-	-	145,503	145,503
Other comprehensive income - net of tax	-	-	-	9	-	9
Transfer from surplus on revaluation of property, plant and equipment on account of : -incremental depreciation - net of deferred tax -Own -Company's share in associates	-	-	-	9	145,503	-
-disposal - net of deferred tax -Own -Company's share in associates	-	-	-	-	18,826 3,955 22,781	(18,826) (3,955) (22,781)
Balance as at March 31, 2018	5,000	900,000	591	(1,591)	355,739	653,975
Profit after taxation for the three-month period ended June 30, 2018	-	-	-	-	314,571	314,571
Company's share in associate on Gain on leasehold land, building on leasehold land and plant and machinery - net of tax	-	-	-	-	-	92,910
Remeasurement gain of defined benefit plan-net of tax	-	-	-	-	727	727
Company's share in unrealised loss on remeasurement of associates' investment classified available for sale -net of tax	-	-	-	(5)	-	(5)
Company's share in remeasurement gain on associates' defined benefit plan-net of tax	-	-	-	276	-	276
	-	-	-	271	727	-
	-	-	-	-	-	998

	Reserve			Capital reserve		Total	
	Issued, subscribed and paid up capital	General reserve	Other reserve	Company's share in other comprehensive income/(Loss) of associates	Unappropriated profit/(Loss)		Surplus on revaluation of property, plant and machinery
Transfer from surplus on revaluation of property, plant and equipment on account of : - incremental depreciation - net of deferred tax - Own - Company's share in associates Less: Income subject to final tax regime	-	-	-	-	2,793 1,064	(2,793) (1,064)	- -
- disposal - net of deferred tax - Own - Company's share in associates Less: Income subject to final tax regime	-	-	-	-	3,857	(352) (4,209)	(352) (352)
Balance as at June 30, 2018	5,000	900,000	591	(1,320)	677,914	829,009	2,411,193
Comprehensive income							
Profit after taxation for the nine-month period ended March 31, 2019	-	-	-	-	175,986	-	175,986
Other comprehensive income - net of tax	-	-	-	(19)	-	-	(19)
Balance as at June 30, 2019	5,000	900,000	591	(1,339)	874,824	805,585	2,584,561
Transfer from surplus on revaluation of property, plant and equipment on account of : - incremental depreciation - net of deferred tax - Own - Company's share in associates - disposal - net of deferred tax - Own - Company's share in associates Transactions with owners Final cash dividend for the year ended June 30, 2018 @Rs. 5 per share	-	-	-	-	18,929 4,266 23,195	(18,929) (4,266) (23,195)	- -
- disposal - net of deferred tax - Own - Company's share in associates Transactions with owners Final cash dividend for the year ended June 30, 2018 @Rs. 5 per share	-	-	-	-	229	(229) (229)	- -
Balance as at March 31, 2019					(2,500)		(2,500)

The annexed notes from 1 to 13 form an integral part of these financial statements.


SHAHID ANWAR TATA
CHIEF EXECUTIVE


ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019**

1. THE COMPANY AND ITS OPERATIONS

Island Textile Mills Limited (the company) was incorporated in Pakistan on May 20, 1970 as a public limited company under the Companies Act, 1913 (now Companies Act 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the company is situated at 6th floor Textile Plaza, M.A. Jinnah Road, Karachi in the province of Sindh. The principal activity of the company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at Kotri Industrial Estate, Kotri in the province of Sindh.

2. BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the nine months period ended March 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2018.

2.2 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest thousand rupee.

2.3 This condensed interim financial information is un-audited and all relevant compliance with Companies Act, 2017 has been made accordingly. The comparative condensed balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2018; the comparative condensed profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity of the Company have been extracted from the unaudited condensed interim financial information for the nine months period ended March 31, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2018. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2018, which do not have any impact on this condensed interim financial information. In addition to the foregoing, the Companies Act, 2017 has added certain disclosure requirements which will be applicable on the Company's annual financial statements.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2018.

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Note	----- Rupees in '000' -----	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,835,134	3,973,057
Capital work-in-progress		6,537	12,870
		3,841,671	3,985,927

5.1 Detail of additions and disposals to operating fixed assets are as under:

	Acquisitions / transfers from CWIP	Disposal (written down value)	Sale Proceeds
	----- Rupees in '000' -----		
During the three-month period ended March 31, 2019 (Un-audited)			
Plant and machinery	4,685	-	-
Mill Equipment	215	-	-
Computers	78	6	6
	4,978	6	6
During the year ended June 30, 2018 (Audited)			
Building - Mill	1,252	-	-
Plant and machinery	16,154	9,484	2,884
Electric installation	27,651	-	-
Mills Equipment	1,837	-	-
Computer Equipment	1,456	10	10
Furniture & Fixture	2,248	-	-
Vehicle	97	850	2,391
	50,695	10,344	5,285

5.2 During the period, addition in capital work in progress is nil.

		March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
		----- Rupees in '000' -----	
6. LONG TERM FINANCES	Note		
Banking companies - secured			
Syndicate term finance	6.1 & 6.5	1,818,881	2,046,242
Syndicate long term finance facility-1	6.2	439,592	409,355
Syndicate long term finance facility-1	6.3	75,448	104,665
Syndicate long term finance facility-2	6.4	14,579	98,410
		2,348,500	2,658,672
Less: Current portion shown under current liabilities			
Syndicate term finance		(454,720)	(227,360)
Syndicate long term finance facility-1		(125,598)	(125,598)
Syndicate long term finance facility-1		(16,766)	-
Syndicate long term finance facility-2		(1,458)	(8,383)
		(598,542)	(361,341)
	6.6	1,749,958	2,297,331

- 6.1 It represents amount utilized out of a term finance facility of Rs. 3,000 million obtained from a syndicate of commercial banks. It is secured against first pari passu charge on entire fixed assets of the Company and is subject to mark-up at the rates of 6 months KIBOR plus 1.4% per annum (June 30, 2018: 6 months KIBOR plus 1.4% per annum). It is repayable in 07 years. Mark up is payable semi annually in arrears and principal in equal semi annual installments from August 2017.
- 6.2 It represents amount utilized against facility obtained from the agent of the syndicate under a sublimit of Rs. 760 million out of finance facility provided under term finance facility of Rs. 3,000 million as mentioned in note 19.1 of annual financial statement of June 30, 2018. It is secured against first pari passu charge on entire fixed assets of the Company and it is subject to markup at SBP refinance rate of 4.5% per annum plus bank spread i.e.1.4% (2018:4.5% per annum plus bank spread i.e. 1.4%) . The facility is repayable in 07 years.
- 6.3 It represents amount utilized against facility obtained from the agent of the syndicate under a sublimit of Rs. 760 million out of finance facility provided under term finance facility of Rs. 3,000 million as mentioned in note 19.1 of annual financial statement of June 30, 2018. It is secured against first pari passu charge on entire fixed assets of the Company and it is subject to markup at SBP refinance rate of 3% per annum plus Bank spread i.e.1.4%(June 30, 2018: 3% per annum plus Bank spread i.e.1.4%) . The facility is repayable in 07 years.
- 6.4 It represents amount utilized against facility obtained from the agent of the syndicate under a sublimit of Rs. 760 million out of finance facility provided under term finance facility of Rs. 3,000 million as mentioned in note 19.1 of annual financial statement of June 30, 2018. It is secured against first pari passu charge on entire fixed assets of the Company and it is subject to markup at SBP refinance rate of 2% per annum plus Bank spread i.e.1.5%(June 30, 2018: 2% per annum plus Bank spread i.e.1.5%) . The facility is repayable in 07 years.
- 6.5 In FY 2018, the company has reschedule its syndicate term finance facility and extended its payment for the period of one year. The two payments which were due on February 02, 2018 and August 02, 2018 were reschedule and final payment would be payable in February 02, 2023.

		March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
		----- Rupees in '000' -----	
6.6 Long Term Finance	Note		
Balance as on July 01,		2,658,672	3,000,000
Additions		-	-
Repayment		(310,171)	(341,328)
Balance as on		2,348,501	2,658,672
Less: current portion of long-term financing		(598,542)	(361,341)
		1,749,958	2,297,331

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

Estimated financial impact of labour and workmen compensation cases in court of law

465 465

7.2 Commitments

Civil

780 120

Letters of credit for

- Raw material

451,608 74,869

- Spares and Machinery

11,743 2,336

Bank guarantees

7.2.1 140,084 125,566

Bills discounted

508,087 402,648

Outstanding sales contracts

339,979 54,089

- 7.2.1 This includes bank guarantee related to Sindh Infrastructure Development Cess amounting to Rs. 117.80 million (June 30, 2018: Rs.101.80 million).
- 7.2.2 The company's' share in associates contingencies and commitments is Rs.217.94 million (June 30,2018: 151.04 million). The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.

8 SALES

Sales include sales made to a local customers (including indirect export) and direct exports amounting to Rs.3,515 million (2018:3,110 million) and Rs.1,417 million (2018:1,537 million) respectively. The export are made to Asia Pacific region and Europe amounting to Rs.1,405 million (2018: 1,471 million) and Rs.12 million (2018:65 million)

9. COST OF GOODS SOLD

	Note	Nine-month period ended		Three-month period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Un-audited			
Rupees in '000'					
Opening finished goods		190,883	129,814	748,892	108,491
Cost of goods manufactured	9.1	4,689,163	4,016,117	1,633,809	1,359,336
		4,880,046	4,145,931	2,382,701	1,467,827
Closing finished goods	9.2	(714,298)	(120,200)	(714,298)	(120,200)
		4,165,748	4,025,731	1,668,403	1,347,627
Cost of raw material sold		3,744	21,451	-	-
Cost of goods sold		4,169,492	4,047,182	1,668,403	1,347,627

9.1 Cost of goods manufactured

		Nine-month period ended		Three-month period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Un-audited			
Rupees in '000'					
Raw material consumed	9.1.1	3,788,380	3,150,961	1,348,666	1,071,478
Stores and spares		77,052	64,675	24,584	22,849
Packing material		59,336	58,934	20,288	20,266
Fuel and power		358,247	325,026	115,234	111,456
Salaries, wages and benefits		242,839	226,894	75,653	72,403
Depreciation		153,022	161,655	51,074	53,997
Insurance		9,840	8,578	3,343	3,024
Repairs and maintenance		2,855	2,936	1,256	988
Amortization		110	-	110	-
Other overheads		9,497	9,091	3,678	3,856
		4,701,178	4,008,750	1,643,886	1,360,317
Work-in-process					
Opening stock		48,217	44,957	50,155	36,609
Closing stock		(60,232)	(37,590)	(60,232)	(37,590)
		(12,015)	7,367	(10,077)	(981)
		4,689,163	4,016,117	1,633,809	1,359,336
9.1.1 Raw Material Consumed					
Opening stock		1,592,740	1,231,880	1,955,545	1,264,773
Purchases - net		4,583,124	3,029,496	1,780,605	917,120
		6,175,864	4,261,376	3,736,150	2,181,893
Closing stock		(2,387,484)	(1,110,415)	(2,387,484)	(1,110,415)
		3,788,380	3,150,961	1,348,666	1,071,478

- 9.2 Net realisable value of finished goods was lower than its cost, resulting in a write-down of Rs 7.50 million (March 31, 2018 Rs. 0.289 million) charged to cost of goods sold.

10. TAXATION

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax bases of assets and liability and their carrying amounts for financial reporting purposes. After considering, the effects on deferred taxation on the portion of income subject to final tax regime

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies/undertakings, director, key management personnel and their relatives. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions and outstanding balances with related parties are as follows:

Relationship with the party	Nature of transactions	Three-month period ended	
		March 31, 2019	March 31, 2018
		----- Un-audited ----- ----- Rupees in '000' -----	
Associated undertakings	Share of expense received	1,181	1,613
	Share of expense paid	1,188	672
	Purchase of electricity	97,758	99,065
	Sale of store items	156	-
	Rent expense	150	150
Key management personnel	Remuneration	13,620	8,939
Directors	Remuneration	2,665	2,113
	Directors meeting fee	160	70
	Rent expense	1,323	1,323
		March 31, 2019 (Unaudited)	June 30, 2018 (Audited)
		----- Rupees in '000' -----	
Relationship with the party	Outstanding balance		
Associated undertakings	Trade Creditors	43,558	35,275

12. FAIR VALUE HIERARCHY

The Company's free hold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation. Less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of the company's free hold land, building and plant and machinery and electric installation as at September 30, 2003, and June 30, 2012 were performed by an valuer Iqbal A. Nanjee & Company (Private) Limited and as at December 31, 2016 by MYK Associates (Private) Limited.

Information about fair value hierarchy and assets classified under the hierarchy are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Level 1	Level 2	Level 3	Total
	----- Rupees in '000' -----			
As at March 31, 2019 (unaudited)				
Leasehold land	-	123,570	-	123,570
Building on lease hold land	-	854,485	-	854,485
Plant and machinery	-	2,636,560	-	2,636,560
Electrical Installations	-	155,141	-	155,141
Long term investment-listed Shares	82,296	-	-	82,296
	82,296	3,769,756	-	3,852,052
As at June 30, 2018 (audited)				
Leasehold land	-	123,570	-	123,570
Building on lease hold land-Mill	-	879,739	-	879,739
Plant and machinery	-	2,730,258	-	2,730,258
Electrical Installations	-	167,744	-	167,744
Long term investment-listed Shares	76,527	-	-	76,527
	76,527	3,901,311	-	3,977,838

There were no transfers between levels of fair value hierarchy during the period.

As at March, 31, 2019 and June 30, 2018, there were no other financial assets and liabilities that warranted classification under above levels.

The carrying value of all other financial assets and liabilities approximate their fair values.

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved and authorized for issue on April 30, 2019 by the Board of Directors of the Company.



SHAHID ANWAR TATA
CHIEF EXECUTIVE



HASEEB HAFEEZ UDDEEN
CHIEF FINANCIAL OFFICER



ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

ڈائریکٹرز رپورٹ

السلام علیکم

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی نو ماہ کی مدت کیلئے کمپنی کی کارکردگی کا جائزہ اور غیر آڈٹ شدہ مالیاتی حسابات آپ کو پیش کر رہے ہیں۔

کمپنی نے 31 مارچ 2019ء کو ختم ہونے والی نو ماہ کی مدت میں قبل از ٹیکس منافع 214.672 ملین روپے حاصل کیا ہے جس کا موازنہ گزشتہ سال کی اسی مدت کے دوران قبل از ٹیکس منافع مبلغ 233.356 ملین روپے سے کیا جاسکتا ہے۔

ٹیکسٹائل کی صنعت :

چائنا کے مارکیٹ سے غیر حاضر ہونے کے باعث دوسری سہ ماہی پر منفی اثر پڑا جس کے نتیجے میں تیسری سہ ماہی کے پہلے حصہ کے دوران یارن کی کھپت میں اضافہ ہوا لیکن کمپنی زیر جائزہ سہ ماہی کے دوران اس قابل تھی کہ اسٹاک کی بلندی سطح کو کمپنیز کر سکتے لیکن گزشتہ یارن کی وافر مقدار کے باعث قیمتیں داؤ کا شکار رہیں۔ اس وقت یارن کی فروخت میں کچھ بہتری آئی ہے لہذا اہم امید کر رہے ہیں کہ چوتھی سہ ماہی میں بہتر نتائج حاصل ہوں۔

مجموعی اقتصادی صورتحال :

اس وقت پاکستان بہت مشکل دور سے گزر رہا ہے کیونکہ پاکستان کی معیشت کو موجودہ اکاؤنٹ کے خسارے / اعلیٰ مالی خسارے، پبلک سیکٹرز پر انٹرنیٹ کے خسارے، تنگ ٹیکس ٹیس اور کاروبار کرنے کیلئے زیادہ قیمتوں کا سامنا ہے جو کہ ابھی تک بہتر نہیں ہو سکا ہے البتہ حکومت اسے بہتر بنانے کی کوشش کر رہی ہے۔ تاہم سب سے بڑی رکاوٹ یا تشویش اس بات کا یقین ہے کہ پاکستان کی معیشت مختلف مسائل کا شکار ہے جو کہ افراط زر تک محدود نہیں بلکہ اس میں تیزی سے بگڑتی ہوئی روپے کی قدر اور زرمبادلہ کے ذخائر میں کمی شامل ہیں۔

حکومت کی جانب سے اعلان کردہ بجلی اور گیس کی قیمتیں جنوری 2019ء سے لاگو ہو چکی ہیں اور جون 2019ء تک موثر نہیں گی۔ لہذا کوئی طویل مدتی منصوبہ بندی ممکن نہیں ہے جب تک کہ اگلے پانچ سالوں کے لئے ان اقدامات / ترغیباتی پالیسیوں کا اعلان نہ کیا جائے۔

اگلا قدم :

وزیر عظمیٰ نے جلد ہی چین کا دورہ کرنے کا ارادہ کیا ہے اور امید ہے کہ یارن کی درآمد پر ڈیوٹی اور ٹیڈ چین میں ختم کر دیں گے جو ایک اچھی پیشرفت ہوگی اور ہماری برآمدات کی مسابقت بڑھانے میں مدد ملے گی اور دیگر دیش اور دیگر ایشیائی ممالک کے درمیان اعلیٰ سطح پر تجارت کو فروغ ملے گا۔

دیگر شعبے جیسا کہ پیپل فیبرک، پیپل گارمنٹس، ڈینم، تولیہ، ہوم ٹیکسٹائل، ووین گارمنٹس اور یہاں تک کہ فیبرک، ڈائریڈ اور گرے بہتر کام کر رہے ہیں۔ ہم امید کرتے ہیں کہ موجودہ سہ ماہی اور اگلی سہ ماہی ٹیکسٹائل انڈسٹری کیلئے بہتر ثابت ہوگی۔

اظہار تشکر :

ہم کمپنی کے ہر ملازم کی شمولیت کا شکریہ ادا کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے بینکر جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیپرز، ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں۔

از طرف بورڈ آف ڈائریکٹرز



انوار احمد ٹانا

چیئر مین / ڈائریکٹر



شاہد انوار ٹانا

چیف ایگزیکٹو

مورخہ : 30 اپریل 2019ء

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