



ISLAND TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
For the Nine-Month Ended March 31, 2021**

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COMPANY INFORMATION**BOARD OF DIRECTORS**

Mr. Mazhar Valjee - Chairman
Mr. Shahid Anwar Tata - Chief Executive
Mr. Bilal Shahid Tata - Executive Director
Mr. Adeel Shahid Tata - Non Executive Director
Miss Samar Shahid Tata – Non Executive Director
Mr. Farooq Advani - Independent Director
Mr. Muhammad Jawaid Iqbal - Independent Director

AUDIT COMMITTEE

Mr. Farooq Advani- Chairman
Mr. Adeel Shahid Tata – Member
Mr. Muhammad Jawaid Iqbal - Member
Mr. Ghazanfer Yaseen - Secretary

HR & REMUNERATION COMMITTEE

Mr. Mazhar Valjee - Chairman
Mr. Farooq Advani - Member
Mr. Adeel Shahid Tata - Member
Mr Bilal Shahid Tata - Member
Miss Samar Shahid Tata- Member
Mrs. Samon Babar - Secretary

CHIEF FINANCIAL OFFICER

Mr. Haseeb Hafeezuddeen

COMPANY SECRETARY

Mr. Muhammad Hussain

INTERNAL AUDITOR

Mr. Ghazanfer Yaseen

AUDITORS

M/s. Yousuf Adil
Chartered Accountants

BANKERS

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

LEGAL ADVISOR

Ameen Bandukda & Co. Advocates

REGISTERED OFFICE

6th Floor Textile Plaza,
M.A Jinnah Road Karachi.
Tel# 32412955-3 Lines 32426761-2-4
Fax# 32417710
Email: itm.corporate@tatapakistan.com

FACTORY LOCATION

A/12, S.I.T.E. Kotri
District Jamshoro (Sindh)

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House, 99-B
Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal Karachi
Tel# (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053

WEB

www.tatapakistan.com

Directors' Report

Assalam-o-Alaikum

The financial statements (un-audited) of the Company for the Nine Months Ended March 31, 2021 are being presented to you and we are pleased to inform you that the Company has made a Pre-Tax Profit of PKR 699.250 Million as compared to Pre-Tax Loss of Rs. 41.427 Million during the corresponding period last year.

We have been truly blessed in the third quarter, as this was the best quarter ever in the history of the Company as we made the highest ever profits. Although, the local cotton crop was at an all-time low the Company made arrangements to import sufficient cotton to run production at full capacity to supply yarn to our customers in the down-stream Industry which was getting huge orders from abroad. As the spinning industry has been operating at full capacity there are substantial Yarn stocks available, therefore, it is necessary to export 25,000 to 30,000 tons monthly to avoid an oversupply situation which will force down prices.

Raw Material

The price of Cotton has remained unprecedented while witnessing very high prices during the whole of cotton season. The local cotton crop size is approx. 5.5 Million bales, which is the lowest since last 20 years, as a result the Country needs to import approx. 8 to 9 Million bales from far distanced countries like USA, Brazil, Mexico, due to which we have to face long transit time.

Future Outlook

The current quarter has been good for the Textile Industry but presently the price of yarn has abruptly slid downwards. Globally there is an overcapacity of yarn and the same over capacity situation also prevails in Pakistan. The down-stream Industry is doing well and hopefully they will continue to get good orders, so the sale should remain consistent. In our opinion, the Textile Association has not fought its case effectively with the Textile Ministry in convincing the Ministry not to remove the Regulatory Duty and Import duty on Yarn, as our cost of doing business comparatively is much higher than the neighboring countries when we take into account the power cost, labor and spare parts duties, etc.

Moreover, we have heard of further capacity being increased in spinning as well, so the possibility of over-supply can yet again be confronted. However, we shall endeavor, as always, to keep on increasing our marketing and sales efforts, so we are able to do better in coming months and years, through concerted efforts

Acknowledgement

We acknowledge the contribution of each and every employee of the Company. We also like to express our thanks to our customers for the trust shown in our products and the bankers for their continued support to the Company. We are also grateful to our shareholders for their confidence in the Management team.

On behalf of the Board of Directors



SHAHID ANWAR TATA
CHIEF EXECUTIVE



ADEEL SHAHID TATA
DIRECTOR

Karachi

Dated: April 29, 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	Rupees in 000	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,230,895	5,406,861
Intangible assets		2,685	3,254
Long term deposits		1,690	1,434
		5,235,270	5,411,549
CURRENT ASSETS			
Stores, spares and loose tools		33,699	29,321
Stock-in-trade	6	1,702,877	2,013,961
Trade debts		713,953	593,025
Loans and advances		453,852	253,998
Short term prepayments		5,121	2,057
Other receivables		2,118	6,656
Other financial assets		46,972	46,972
Sales tax refundable		55,150	67,450
Cash and bank balances		215,153	84,140
		3,228,895	3,097,580
TOTAL ASSETS		8,464,165	8,509,129
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	5,000	5,000
Reserves		900,000	900,591
Unappropriated profit		1,217,584	503,796
Surplus on revaluation of property, plant and equipment		2,040,564	2,117,367
		4,163,148	3,526,754
NON-CURRENT LIABILITIES			
Long term finance	8	1,450,415	1,784,978
Deferred liabilities		166,777	165,944
Deferred grant	9	2,201	1,853
		1,619,393	1,952,775
CURRENT LIABILITIES			
Trade and other payables		585,180	837,475
Unclaimed Dividend		1,097	1,099
Short term borrowings		1,583,422	1,966,301
Interest / mark-up accrued on borrowings		50,992	126,038
Current portion of long- term finance		369,082	13,428
Current portion of deferred grant		7,364	3,410
Provision for income tax		84,487	81,849
		2,681,624	3,029,600
TOTAL EQUITY AND LIABILITIES		8,464,165	8,509,129
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes from 1 to 15 form an integral part of these condensed interim financial Statements


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE-MONTH AND QUARTER ENDED MARCH 31, 2021**

	Note	Nine-month ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees in 000 -----					
Sales - net	11	7,195,098	5,667,607	2,498,683	1,658,262
Cost of goods sold	12	(5,995,516)	(5,103,839)	(1,880,004)	(1,457,980)
Gross profit		1,199,582	563,768	618,679	200,282
Distribution cost		(127,229)	(98,033)	(50,156)	(33,753)
Administrative expenses		(105,100)	(102,652)	(42,902)	(34,324)
Other operating expenses		(54,404)	(20,448)	(32,205)	(1,313)
Finance cost		(248,212)	(382,467)	(76,234)	(112,880)
		(534,945)	(603,600)	(201,497)	(182,270)
Share of loss from associates - net of tax		-	(4,428)	-	-
Other income		34,613	2,833	17,200	668
		34,613	(1,595)	17,200	668
Profit/(Loss) before taxation for the period		699,250	(41,427)	434,382	18,680
Taxation		(62,856)	(87,387)	(31,072)	(53,787)
Profit/(loss) after taxation for the period		636,394	(128,814)	403,310	(35,107)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		636,394	(128,814)	403,310	(35,107)
Earnings per share - basic and diluted		1,272.79	(257.63)	806.62	(70.21)

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CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE NINE-MONTH ENDED MARCH 31, 2021**

	March 31, 2021	March 31, 2020
	----- Rupees in '000' -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	699,250	(41,427)
Adjustments for :		
Depreciation	206,050	217,616
Amortization	569	153
Provision for staff gratuity	24,788	25,319
Provision for compensated absences	321	8,570
Finance cost	248,212	382,467
Loss on disposal of property, plant and equipment	2,071	7
Share of loss from associates	-	4,428
Operating cash flows before movements in working capital	1,181,261	597,133
(Increase) / decrease in current assets		
Stores, spares and loose tools	(4,378)	2,052
Stock-in-trade	311,084	518,058
Trade debts	(120,928)	237,500
Loans and advances	(240,736)	(222,752)
Other receivables	4,538	(4,753)
Short term prepayments	(3,064)	(3,887)
Sales tax refundable	12,300	(5,332)
Increase in current liabilities		
Trade and other payables	(252,295)	275,226
Cash generated from operations	887,782	1,393,245
Finance cost paid	(323,258)	(460,839)
Staff gratuity paid	(12,445)	(10,487)
Staff compensated absences paid	(2,232)	(7,735)
Income taxes paid	(28,936)	13,130
Net cash generated from operating activities	520,911	927,314
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(35,290)	(50,623)
Proceeds from disposal of property, plant and equipment	3,136	6
Addition to other financial assets	-	(12,631)
Proceeds from long term investment	-	4,400
Long-term deposits	(256)	-
Net cash used in investing activities	(32,410)	(58,848)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	119,253	(547,373)
Long term finances Repaid	(93,860)	-
Dividend paid	(2)	(2,441)
Repayment of Short-term borrowings	(178,281)	(407,026)
Net cash used in financing activities	(152,890)	(956,840)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	335,611	(88,374)
Cash and cash equivalents at the beginning of the period	(734,333)	(657,510)
Cash and cash equivalents at the end of the period	(398,722)	(745,884)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	215,153	37,323
Short-term running finance	(613,875)	(783,207)
	(398,722)	(745,884)

The annexed notes from 1 to 15 form an integral part of these condensed interim financial Statements


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


HASEEB HAFEEZUDDEN
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH ENDED MARCH 31, 2021**

	Revenue Reserve			Capital Reserve	Total		
	Share Capital	General reserve	Other reserve			Company's share for comprehensive income of associates	Unappropriated profit
Balance at July 01, 2019 (Audited)	5,000	900,000	591	(1,189)	890,927	2,557,353	4,352,682
Total Comprehensive income for the nine-month ended March 31, 2020	-	-	-	-	(128,814)	-	(128,814)
Loss after taxation for the period	-	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of:	-	-	-	-	77,582	(77,582)	-
-incremental depreciation-net of deferred tax	-	-	-	-	(2,500)	(2,500)	(2,500)
Transactions with owners							
Final cash dividend for the year ended June 30, 2019 @ Rs. 5 per share	-	-	-	-	-	-	-
Specie dividend :	-	-	-	-	-	(364,312)	(364,312)
-reversal of associates revaluation surplus	-	-	-	1,189	(87,964)	-	(86,775)
-disposal of investment in associates	-	-	-	-	(42,024)	-	(42,024)
-Changes in value of investment due to specie dividend	-	-	-	1,189	(129,988)	(364,312)	(493,111)
Balance as at March 31, 2020	5,000	900,000	591	-	707,207	2,115,459	3,728,257

Rupees in 000.....

	Revenue Reserve			Capital Reserve		Total
	Share Capital	General reserve	Other reserve	Company's share in other comprehensive income of associates	Unappropriated profit	
Total comprehensive loss for the period	-	-	-	-	-	(231,822)
Loss after taxation for the period	-	-	-	-	-	(231,822)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation-net of deferred tax	-	-	-	-	25,860	(25,860)
Add: Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate	-	-	-	-	-	27,768
	-	-	-	-	25,860	1,908
Remeasurement gain of defined benefit plan - net of tax	5,000	900,000	591	-	2,551	2,551
Balance at June 30, 2020 (Audited)					503,796	2,117,367
Profit after taxation for the period					636,394	636,394
Transfer from surplus on revaluation of property, plant and equipment on account of:						
- incremental depreciation-net of deferred tax					74,378	(74,378)
- disposal - net of deferred tax					2,425	(2,425)
Adjustment against disposal of investment in associates			(591)		591	-
Balance at March 31, 2021	5,000	900,000	-	-	1,217,584	2,040,564
						4,163,148

Rupees in 000.....

The annexed notes from 1 to 15 form an integral part of these condensed interim financial Statements


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


HASEEB HAFEEZ UDDEEN
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE-MONTH ENDED MARCH 31, 2021

1. THE COMPANY AND ITS OPERATIONS

1.1 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.

1.2 Amalgamation of Salfi Textile Mills Limited (the Company), Island Textile Mills Limited (LTLM) and Tata Energy Limited (TEL) into Tata Textile Mills Limited (TATM)

The Honorable High Court of Sindh has passed the Order JCM No.13 of 2020 dated March 04,2021 and an addendum order dated March 17,2021 under Section 279(2) of the Companies Act, 2017 sanctioning the Scheme of Arrangement with effect from July 01, 2021, so as to make the Scheme of Arrangement binding on Tata Textile Mills Ltd., Island Textile Mills Ltd., Salfi Textile Mills Ltd., and Tata Energy Ltd. and the creditors and shareholders of the Companies, along-with all other persons.

2. Basis of Preparation

2.1 This condensed interim financial statement has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are presented in Pakistani 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 rupees.

2.3 This condensed interim financial statements are un-audited and do not include all the information, therefore should be read in conjunction with annual financial statements for the year ended June 30,2020.

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, 2020. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2020, which do not have any impact on the Company's financial reporting and therefore, have not been detailed in this condensed interim financial information.

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, 2020.

	Note	March 31, 2021 (Un-audited) ----- Rupees in '000' -----	June 30, 2020 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,207,459	5,406,688
Capital work-in-progress		23,436	173
		<u>5,230,895</u>	<u>5,406,861</u>

5.1 Following additions, transfers and disposals in operating fixed assets were made:

Acquisitions / transfers from CWIP	Disposal (written down value)	Sale Proceeds
----- Rupees in '000' -----		

During the Quarter ended March 31, 2021 (Un-audited)

Plant and machinery	8,891	-	-
Furniture and fixtures	84	5	7
	<u>8,975</u>	<u>5</u>	<u>7</u>

During the year ended June 30, 2020 (Audited)

Plant and machinery	46,646	-	-
Mills Equipment	4,746	-	-
Computer Equipment	1,197	27	6
Furniture & Fixture	748	-	-
	<u>53,337</u>	<u>27</u>	<u>6</u>

- 5.2 During the period, the addition net of transfer to capital work in progress is amounting to Rs.23.26 million.(June 30,2020 Rs.18.20 million)

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- (Rupees in 000) -----	
6	STOCK-IN-TRADE		
	Raw material	1,400,730	1,337,142
	Work-in-process	57,954	64,366
	Finished goods	155,118	602,895
	Waste stock	89,971	24,213
		1,703,773	2,028,616
	Less: Provision for written down of inventories to their net realisable value	(896)	(14,655)
		1,702,877	2,013,961

7. SHARE CAPITAL AND RESERVES

Authorized share capital

1,000,000 ordinary shares of Rs.10 each	10,000	10,000
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Issued, subscribed and paid-up capital

500,000 ordinary shares of Rs.10 each	5,000	5,000
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8. LONG TERM FINANCES

Banking companies - secured

Syndicate term finance	8.1 & 8.5	1,364,161	1,364,161
Syndicate long term finance facility-1	8.2	185,389	248,187
Syndicate long term finance facility-1	8.3	65,807	65,807
Syndicate long term finance facility-2	8.4	70,345	71,803
SBP-Refinance scheme for salary payments	8.6	128,311	48,448
Term Finance-REEF-Askari Bank	8.7	15,049	-
		1,829,062	1,798,406

Less: Current portion shown under current liabilities

SBP-Refinance scheme for salary payments		(9,565)	(13,428)
Syndicate Term Finance		(369,062)	-
	8.8	(378,627)	(13,428)
		1,450,435	1,784,978

- 8.1 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, 2020: 6 months KIBOR plus 1.4% per annum). It is repayable in 7 years. Mark up is payable semi annually in arrears and principal in equal semi annual installments from August 2017.
- 8.2 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 6.1 above. 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% (June 30,2020:4.5% per annum plus bank spread i.e 1.4%) . The facility is repayable in 7 years.
- 8.3 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 6.1 above. 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, 2020: 3% per annum plus Bank spread i.e.1.4%) . The facility is repayable in 7 years.
- 8.4 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 6.1 above. 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, 2020: 2% per annum plus Bank spread i.e.1.5%) . The facility is repayable in 7 years.
- 8.5 The payment of principal component of these facilities, payable within next 12 months, has been deferred for 1 year as per the directions of State Bank of Pakistan via its Circular Letter No.13 of 2020. However, the mark-up on these facilities is not deferred and payable as soon as its due to be paid. Consequently, the maturity date of these facilities have also been extended by 1 year.

8.6 It represents amount utilized against SBP term finance facility for payment of wages and salaries to the workers and employees and payable in eight equal quarterly installments with grace period of six months with SBP zero mark-up rate and banks spread from 1.50% to 2.00% per annum. (June 30, 2020: SBP zero mark-up rate and banks spread 2% per annum).

8.7 It represents SBP finance scheme for renewable energy (REEF) for Rs.125 million for solar project, it is payable quarterly within 10 years from date of disbursement with 3 months grace period, mark-up is payable on monthly basis @ SBP Rate i.e 2% + Bank spread @ 2% per annum.

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	----- Rupees in '000' -----	
8.8 Reconciliation of liabilities arising from long-term financing activities		
Balance as on July 01, Obtained	1,798,406	2,297,331
Impact of deferred grant	(4,301)	-
Repayment	(93,860)	(547,373)
Balance as on	1,819,497	1,798,406
Less: Current Maturity	(369,082)	(13,428)
	1,450,415	1,784,978

9 DEFERRED GRANT

Deferred grant against Salary loans	9,565	5,263
Less: Current portion of deferred grant	(7,364)	(3,410)
	2,201	1,853

9.1 MOVEMENT FOR THE PERIOD

As at the beginning of the period / year	5,263	-
Add: Deferred grant recognised during the period / year	10,536	5,619
	15,799	5,619
Less: Amortisation for the year	(6,234)	(356)
	9,565	5,263

9.2 Deferred grant relates to the difference between the fair value and actual proceed of salary loan obtained under SBP's Refinance scheme for payment of salaries during the period and previous financial year 2020. It will be amortised over the period of next two and a half year with an amount equal to the difference between the finance cost charged to statement of profit or loss and the interest paid at SBP's defined rate as per the scheme. In subsequent periods, the grant will be amortised over the period of loan and amortisation will be recognised and presented as reduction of related interest expense.

10. CONTINGENCIES AND COMMITMENTS

	March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
	----- Rupees in '000' -----	
10.1 Contingencies		
Estimated financial impact of labour and workmen compensation cases in court of law	465	465
10.2 Commitments		
Civil	780	-
Letters of credit for		
- Raw material	-	63,617
- Machinery	5,591	-
- Spares and Machinery	18,920	13,660
	24,511	77,277
Bank guarantees	159,690	148,084
Bills discounted	599,956	477,371
Outstanding sales contracts	798,244	356,750

10.2.1 This includes bank guarantee related to Sindh Infrastructure Development Cess amounting to Rs. 136.80 million (June 30, 2020: Rs.136.80 million).

11. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Revenue from contract with customers includes sales made to local customers (including indirect exports) and direct exports amounting to Rs. 5,431 million (March 31, 2020: 4,186 million) and Rs.1,764 million (March 31, 2020: Rs.1,481 million) respectively. The export are made to Asia Pacific region and Europe amounting to Rs.1,749 million (March 31,2020: Rs.1,473 million) and Rs.15 million (March 31, 2020: Rs.8 million) respectively.

12. COST OF GOODS SOLD

	Note	Nine-month ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----- Un-audited -----			
----- Rupees in '000' -----					
Opening finished goods(including waste)		621,769	209,204	130,333	208,195
Cost of goods manufactured	12.1	5,391,303	5,361,201	1,868,547	1,716,492
		6,013,072	5,570,405	1,998,880	1,924,687
Closing finished goods(including waste)	12.2	(244,192)	(466,707)	(244,192)	(466,707)
		5,768,880	5,103,698	1,754,688	1,457,980
Cost of raw material sold		226,636	141	125,316	-
Cost of goods sold		5,995,516	5,103,839	1,880,004	1,457,980

12.1 Cost of goods manufactured

Raw material consumed	12.1.1	4,318,247	4,227,835	1,516,742	1,337,227
Stores and spares		86,623	92,340	31,374	28,744
Packing material		76,245	66,124	28,762	21,929
Fuel and power		422,520	406,382	144,512	122,973
Salaries, wages and benefits		254,071	269,856	84,361	82,136
Depreciation		203,928	213,770	68,028	71,351
Insurance		9,827	12,026	3,507	3,240
Repairs and maintenance		4,794	4,140	2,254	1,301
Amortization		569	149	190	50
Other overheads		8,067	7,947	3,640	2,330
		5,384,891	5,300,569	1,883,370	1,671,281
Work-in-process					
Opening stock		64,366	63,441	43,131	48,020
Closing stock		(57,954)	(2,809)	(57,954)	(2,809)
		6,412	60,632	(14,823)	45,211
		5,391,303	5,361,201	1,868,547	1,716,492

12.1.1 RAW MATERIAL CONSUMED

Opening stock	1,327,826	1,956,460	1,452,712	877,231
Purchases - net	4,391,152	3,512,906	1,464,761	1,701,527
	5,718,978	5,469,366	2,917,473	2,578,758
Closing stock	(1,400,731)	(1,241,531)	(1,400,731)	(1,241,531)
	4,318,247	4,227,835	1,516,742	1,337,227

12.2 Net realisable value of finished goods was lower than its cost, resulting in a write-down of Rs 0.896 million (March 31, 2020: Rs. 5.094 million) charged to cost of goods sold.

13. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors, key management personnel and their relatives. The Company carries out transactions with various related parties at agreed terms. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with them, other than those which have been disclosed elsewhere in this condensed interim financial statements, are as follows:

Associated Companies due to common directorship & common management

- Salfi Textile Mills Limited
- Tata Textile Mills Limited
- Tata Energy Limited
- Tata Best Foods Limited
- Karam Ceramics limited
- Textile Institute of Pakistan

		Quarter Ended	
		March 31, 2021	March 31, 2020
		----- Un-audited -----	----- Un-audited -----
		----- Rupees in '000' -----	----- Rupees in '000' -----
Relationship with the party	Nature of transactions		
Associated undertakings	Share of expense received	569	1,353
	Share of expense paid	568	472
	Purchase of electricity	120,809	106,824
	Purchase of cotton	-	208,534
	Rent expense	150	150
Key management personnel	Remuneration	25,829	15,697
Directors	Remuneration	4,123	2,870
	Directors meeting fee	500	240
	Rent expense	1,323	1,323
		March 31, 2021	June 30, 2020
		(Un-audited)	(Audited)
		----- Rupees in '000' -----	----- Rupees in '000' -----
Relationship with the party	Outstanding balance		
Associated undertakings	Trade Creditors	103,541	91,789

14. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved and authorized for issue on April 29, 2021 by the Board of Directors of the Company.


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


HASEEB HAFEEZUDDEN
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

ڈائریکٹرز رپورٹ

السلام و علیکم

31 مارچ 2021ء کو ختم ہونے والی نو ماہ کی مدت کیلئے کمپنی کے مالیاتی حسابات (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں اور ہمیں آپ کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ کمپنی نے گزشتہ سال کی اسی مدت کے دوران مبلغ 41,427 ملین روپے کے قبل از ٹیکس خسارہ کے مقابلے میں مبلغ 699.250 ملین روپے کا قبل از ٹیکس منافع حاصل کیا۔

تیسری سہ ماہی میں ہم پر زیادہ کرم ہوا، کیوں کہ کمپنی کی تاریخ کا یہ اب تک کی سب سے اچھی سہ ماہی تھی جس میں ہم نے سب سے زیادہ منافع حاصل کیا۔ اگرچہ، کپاس کی مقامی فصل کی کھپت کم تھی لیکن کمپنی نے ہمارے انتظام کاروں کو ڈاون اسٹریم انڈسٹری جس کو بیرون ملک سے بھاری آرڈر مل رہے تھے میں بارن کی فراہمی کے لئے پوری صلاحیت سے پیداوار چلانے کے لئے کافی کٹائن درآمد کرنے کا انتظام کیا۔ چونکہ اسپننگ انڈسٹری پوری صلاحیت سے کام کر رہی ہے اس لئے یارن کے کافی ذخیرے دستیاب ہیں، لہذا، ضرورت سے زیادہ پیلانی اور قیمتوں میں کمی کی صورتحال سے بچنے کے لئے ماہانہ 25,000 سے 30,000 ٹن درآمد کرنا ضروری ہے۔

خام مال:

کپاس کے پورے سیزن کے دوران اس کی قیمتیں غیر معمولی اور بہت زیادہ رہیں۔ مقامی طور پر کپاس کی فصل کی 5.5 ملین گانٹھیں تھیں جو کہ گزشتہ 20 سالوں میں سب سے کم ہیں، جس کے نتیجے میں ملک کو امریکہ، برازیل، میکسیکو جیسے دور دراز ممالک سے تقریباً 8 سے 9 ملین گانٹھیں درآمد کرنے کی ضرورت ہے جس کی وجہ سے ہمیں طویل ٹرانزٹ ٹائم کا سامنا کرنا پڑتا ہے۔

مستقبل کا نظریہ:

حالیہ سہ ماہی نیکسٹائل انڈسٹری کے لئے اچھی رہی ہے لیکن فی الحال یارن کی قیمت اچانک گرنے لگی ہے۔ حالی سطح پر یارن کی زیادہ پیلانی موجود ہے اور پاکستان میں بھی اسی حد سے زیادہ پیلانی موجود ہے۔ ڈاؤن اسٹریم انڈسٹری اچھی کارکردگی کا مظاہرہ کر رہی ہے اور امید ہے کہ انہیں اچھے آرڈر ملتے رہیں گے، لہذا فروخت مستقل رہتی چاہئے۔ ہماری رائے میں، نیکسٹائل ایسوسی ایشن نے یارن پر ریگولیٹری ڈیوٹی اور امپورٹ ڈیوٹی کو نہ ہٹانے کے لئے وزارت کو اس بات پر راضی کرنے میں موثر اقدامات نہیں کر سکیں گے، کیونکہ ہم بھی کم لاگت، مزدوری اور اسپینر پائرس ڈیویڈنڈ وغیرہ کو مد نظر رکھتے ہیں تو ہمارے مقابلے میں ہماری لاگت نسبتاً کم ہیں زیادہ ہے۔

مزید یہ کہ ہمارے علم میں آیا ہے کہ اسپننگ کی وسعت میں مزید اضافہ کیا گیا ہے لہذا ضرورت سے زیادہ فراہمی کی صورتحال پھیروں کو بہت مشکل بنا دے گی۔ تاہم، ہم آنے والے مہینوں میں بہتری کی امید کرتے ہیں اور ہم مستقبل قریب میں بھی اچھے منافع کیلئے کوششیں کرتے رہیں گے۔

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 بیکنرز 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۔

یورڈ آف ڈائریکٹرز کی جانب سے



عدیل شاہد ٹانوا
ڈائریکٹر



شاہد انوار ٹانوا
چیف ایگزیکٹو

کراچی مورخہ 129 اپریل 2021ء

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