

AN

TEXTILE MILLS LIMITED



HALF

YEARLY

REPORT

DECEMBER 31, 2019
(UN-AUDITED)

COMPANY INFORMATION

Board of Directors	<p>Mrs. Nazma Amer Mr. Aizad Amer Mrs. Zareen Akhtar Mr. Anns Amer Ms. Yusra Amer Mr. Abdul Rauf Syed Khalid Ali</p>	<p>Chairperson Chief Executive Officer Director Director Director Director Director</p>
Audit Committee	<p>Mr. Abdul Rauf Ms. Yusra Amer Syed Khalid Ali</p>	<p>Chairman Member Member</p>
HR and Remuneration Committee	<p>Syed Khalid Ali Mr. Abdul Rauf Mr. Anns Amer</p>	<p>Chairman Member Member</p>
Chief Financial Officer	<p>Mr. Muhammad Saqib Ehsan</p>	
Company Secretary	<p>Mr. Tahir Shahzad</p>	
Auditors	<p>Riaz Ahmad and Company Chartered Accountants 560-F, Raja Road, Gulistan Colony, Faisalabad</p>	
Bankers	<p>Bank Al Habib Limited Habib Metropolitan Bank Limited Al-Baraka Bank (Pakistan) Limited Habib Bank Limited Meezan Bank Limited National Bank of Pakistan</p>	
Share Registrar	<p>Corplink (Private) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore</p>	
Registered Office & Mills	<p>35 Kilometer, Sheikhpura Road, Tehsil Jaranwala, Faisalabad</p>	

DIRECTORS' REVIEW TO THE SHAREHOLDERS

The Directors of your Company feel pleasure to submit un-audited condensed interim financial information of your Company for the half year ended December 31, 2019.

	Half year ended	
	31 December 2019	31 December 2018
	(Rupees in Thousand)	
REVENUE	763,540	937,142
COST OF SALES	(740,670)	(902,950)
GROSS PROFIT	22,870	34,192
DISTRIBUTION COST	(1,311)	(957)
ADMINISTRATIVE EXPENSES	(21,314)	(19,885)
OTHER EXPENSES	(1,161)	(213)
OTHER INCOME	9,600	6,994
FINANCE COST	(31,145)	(16,092)
(LOSS) / PROFIT BEFORE TAXATION	(22,461)	4,039
TAXATION	(16,461)	(25,351)
LOSS AFTER TAXATION	(38,922)	(21,312)
LOSS PER SHARE- BASIC AND DILUTED (RUPEES)	(4.03)	(2.21)

REVIEW OF OPERATING RESULTS

During the period under review sales were Rupees 763.540 million as compared to Rupees 937.142 million of corresponding period. Cost of sales was Rupees 740.670 million as compared to Rupees 902.950 million of corresponding period. The Company incurred a loss after taxation amounting to Rupees 38.922 million as compared to corresponding period in which loss after taxation was Rupees 21.312 million. The sales of the Company were decreased due to the shifting of operations towards fine count i.e. 52/1, 60/1 and 80/1. Moreover rescinding of SRO – 1125 and imposition of CNIC condition the industrial sector of Pakistan has been badly affected especially local yarn market.

FUTURE OUTLOOK

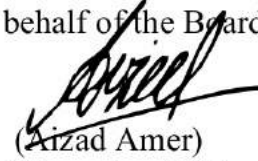
Pakistan Textile industry has been under pressure to compete internationally due to high cost of doing business. The Government support in the form of availability of energy at reduced prices, and release of funds against tax refunds is imperative for industry to compete internationally. Moreover, in next financial year the management of your Company has planned to further enhance its production capacity and every possible effort will be made by

its management to curtail and keep its expenses to a minimum level to earn maximum profitability so that the shareholders can get returns on their investments.

ACKNOWLEDGEMENT

The Board places on record its appreciation for the cooperation, commitment, and hard work extended to the Company by the customers, suppliers, bankers, and all the employees of the Company.

On behalf of the Board



(Aizad Amer)
Chief Executive Officer

FAISALABAD

Dated: February 28, 2020

حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کی غیر آڈٹ شدہ 31 دسمبر 2019 کو ختم ہونے والی پہلی ششماہی تک کی مالیاتی کارکردگی پیش کر رہے ہیں۔

مالیاتی نتائج:

31 دسمبر 2018	31 دسمبر 2019	
(رقم ہزاروں میں)	(رقم ہزاروں میں)	
937,142	763,540	آمدن
(902,950)	(740,670)	فروخت کی لاگت
34,192	22,870	مجموعی نفع
(957)	(1,311)	تقسیم کی لاگت
(19,885)	(21,314)	انتظامیہ اخراجات
(213)	(1,161)	دیگر اخراجات
6,994	9,600	دیگر آمدن
(16,092)	(31,145)	مالیاتی لاگت
4,039	(22,461)	ٹیکس سے پہلے (نقصان) / نفع
(25,351)	(16,461)	ٹیکس
(21,312)	(38,922)	ٹیکس کے بعد نقصان
(2.21)	(4.03)	نقصان فی حصہ - روپے

کارروائی کے نتیجے کا جائزہ:

دوران جائزہ ششماہی آمدن مبلغ 763.540 ملین ہوئی۔ جبکہ اس کے مقابل پچھلے سال کی ششماہی آمدن مبلغ 937.142 ملین تھی فروخت کی لاگت مبلغ 740.670 ملین ہے۔ جبکہ اس کے مقابل پچھلے سال کی ششماہی میں فروخت کی لاگت مبلغ 902.950 ملین تھی۔ کمپنی کو اس ششماہی میں ٹیکس کے بعد مبلغ 38.922 ملین کا نقصان ہوا۔ جب کہ اس کے مقابل پچھلے سال کی ششماہی میں مبلغ 21.312 ملین کا نقصان ہوا تھا۔ کمپنی کی آمدن باریک دھاگے (52/1,60/1,80/1) پر اپنی پیداوار کو منتقل کرنے کی وجہ سے کم ہوئی۔ مزید برآں SRO-1125 کو ختم کرنے اور شناختی کارڈ کی شرط لگانے کی وجہ سے پاکستان کے صنعتی شعبے پر بری طرح اثر پڑا خاص طور پر مقامی یارن مارکیٹ پر۔

مستقبل کا خاکہ:

پاکستان کی ٹیکسٹائل انڈسٹری مقابلہ بہت زیادہ دباؤ میں ہے۔ کیونکہ کاروبار کو چلانے کے لیے اس کی لاگت بہت زیادہ آرہی ہے۔ بین الاقوامی مقابلے کے لیے بہت ضروری ہے کہ گورنمنٹ کم قیمت پر توانائی کی فراہمی میں مدد کرے اور ٹیکس ریفرنڈز میں پھنسی ہوئی رقم واپس کرے۔ مزید برآں، آپ کی کمپنی کی انتظامیہ اپنی پروڈکشن بڑھانے کی صلاحیت میں اضافہ کر رہی ہے اور اخراجات کم کر کے منافع بڑھانے کی ہر ممکن کوشش کر رہی ہے تاکہ حصص داران اپنی سرمایہ کاری کا منافع حاصل کر سکیں۔

اعتراف:

بورڈ اپنے گاہکوں، سپلائرز، بنکرز، اور ملازموں کے تعاون، عزم اور محنت کی تعریف کرتا ہے اور اسے اپنے ریکارڈ میں لاتا ہے۔

منجانب بورڈ آف ڈائریکٹرز
ایزد عامر
چیف ایگزیکٹو آفیسر

فیصل آباد

مورخہ 28 فروری 2020

INDEPENDENT AUDITOR'S REVIEW REPORT**To the members of AN Textile Mills Limited****Report on review of Condensed Interim Financial Statements**Introduction

We have reviewed the accompanying condensed interim statement of financial position of AN TEXTILE MILLS LIMITED as at 31 December 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: February 28, 2020.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

NOTE	Un-Audited 31 December 2019	Audited 30 June 2019	NOTE	Un-Audited 31 December 2019	Audited 30 June 2019
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Authorized share capital 10 000 000 (30 June 2019: 10 000 000) ordinary shares of Rupees 10 each	100,000	100,000			
Issued, subscribed and paid up share capital 9 660 000 (30 June 2019: 9 660 000) ordinary shares of Rupees 10 each fully paid in cash	96,600	96,600		812,226	828,706
Directors' loans	360,000	360,000		115,554	115,554
Capital reserves				19	-
Premium on issue of shares	17,250	17,250		3,820	3,834
Equity portion of shareholders' loans	44,778	44,778		931,619	948,094
Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	287,789	290,931			
Accumulated loss	(75,598)	(35,954)			
Total equity	730,819	773,605			
LIABILITIES					
NON-CURRENT LIABILITIES					
Deferred income tax liability	74,273	69,265		47,077	42,702
Staff retirement gratuity	22,382	18,274		633,037	423,233
Long term security deposit	4,000	4,000		30,580	31,678
	100,655	91,539		83,789	82,936
CURRENT LIABILITIES					
Trade and other payables	466,543	208,435		67,002	1,555
Unclaimed dividend	744	742		5,500	5,500
Accrued mark-up	13,367	15,083		58,967	50,052
Short term borrowings	537,236	526,495		929,198	690,441
Provision for taxation	11,453	22,636			
	1,029,343	773,391			
TOTAL LIABILITIES	1,129,998	864,930			
CONTINGENCIES AND COMMITMENTS					
TOTAL EQUITY AND LIABILITIES	1,860,817	1,638,535		1,860,817	1,638,535
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment			4		
Investment properties					
Long term loans and advances					
Long term deposits and prepayments					
CURRENT ASSETS					
Stores, spare parts and loose tools					
Stock in trade					
Trade debts					
Loans and advances					
Short term deposits and prepayments					
Other receivables					
Short term investment					
Cash and bank balances					
TOTAL ASSETS				1,860,817	1,638,535

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	NOTE	Half year ended		Quarter ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
----- (RUPEES IN THOUSAND) -----					
REVENUE		763,540	937,142	455,507	403,131
COST OF SALES	5	(740,670)	(902,950)	(476,278)	(402,897)
GROSS PROFIT / (LOSS)		22,870	34,192	(20,771)	234
DISTRIBUTION COST		(1,311)	(957)	(969)	(654)
ADMINISTRATIVE EXPENSES		(21,314)	(19,885)	(10,121)	(8,780)
OTHER EXPENSES		(1,161)	(213)	(1,161)	(213)
OTHER INCOME		9,600	6,994	6,083	3,583
FINANCE COST		(31,145)	(16,092)	(15,650)	(10,370)
(LOSS) / PROFIT BEFORE TAXATION		(22,461)	4,039	(42,589)	(16,200)
TAXATION		(16,461)	(25,351)	2,466	(5,860)
LOSS AFTER TAXATION		<u>(38,922)</u>	<u>(21,312)</u>	<u>(40,123)</u>	<u>(22,060)</u>
LOSS PER SHARE - BASIC AND DILUTED (RUPEES)		<u>(4.03)</u>	<u>(2.21)</u>	<u>(4.15)</u>	<u>(2.28)</u>

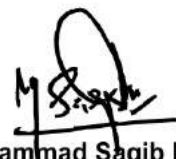
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AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Half year ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	----- (RUPEES IN THOUSAND) -----			
LOSS AFTER TAXATION	(38,922)	(21,312)	(40,123)	(22,060)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(38,922)</u>	<u>(21,312)</u>	<u>(40,123)</u>	<u>(22,060)</u>

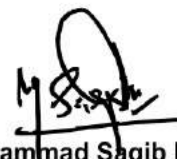
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AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	SHARE CAPITAL	DIRECTORS' LOANS	RESERVES				ACCUMULATED LOSS	TOTAL EQUITY
			CAPITAL RESERVES		Surplus on revaluation of property, plant and investment properties - net of deferred income tax	Sub total		
			Premium on issue of shares	Equity portion of shareholders' loan				
----- (RUPEES IN THOUSAND) -----								
Balance as at 30 June 2018 - (Audited)	96,600	360,000	17,250	44,778	282,631	344,659	747,289	
Adjustment on adoption of IFRS 9	-	-	-	-	-	-	(7,081)	
Adjusted total equity as at 01 July 2018	96,600	360,000	17,250	44,778	282,631	344,659	740,208	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(2,869)	(2,869)	-	
Loss for the period	-	-	-	-	-	-	(21,312)	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	-	-	-	(21,312)	
Balance as at 31 December 2018 - (Un-audited)	96,600	360,000	17,250	44,778	279,762	341,790	718,896	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(2,938)	(2,938)	-	
Profit for the period	-	-	-	-	-	-	40,332	
Other comprehensive income for the period	-	-	-	-	14,107	14,107	14,377	
Total comprehensive profit for the period	-	-	-	-	-	14,107	54,709	
Balance as at 30 June 2019 - (Audited)	96,600	360,000	17,250	44,778	290,931	352,959	787,982	
Transaction with owners - Final dividend for the year ended 30 June 2019 at the rate of Rupee 0.40 per share	-	-	-	-	-	-	(3,864)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(3,142)	(3,142)	-	
Loss for the period	-	-	-	-	-	-	(38,922)	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	-	-	-	(38,922)	
Balance as at 31 December 2019 - (Un-audited)	96,600	360,000	17,250	44,778	287,789	349,817	745,196	

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



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	NOTE	Half year ended	
		31 December 2019	31 December 2018
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	6	50,779	(89,177)
Finance cost paid		(32,861)	(15,171)
Income tax paid		(10,221)	(9,631)
Net increase in long term loans and advances		(19)	-
Staff retirement gratuity paid		(2,502)	(2,080)
Net decrease / (increase) in long term deposits and prepayments		14	(86)
Net cash generated from / (used in) operating activities		5,190	(116,145)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		10	65
Capital expenditure on property, plant and equipment		(3,162)	(9,984)
Profit on long term investments received		-	121
Net cash used in investing activities		(3,152)	(9,798)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		10,741	140,899
Dividend paid		(3,864)	-
Net cash from financing activities		6,877	140,899
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,915	14,956
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		50,052	4,764
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		58,967	19,720

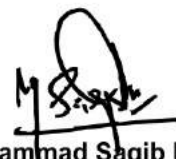
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AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

1. THE COMPANY AND ITS OPERATIONS

AN Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office and mills premises are situated at 35 Kilometers Sheikhpura Road, Faisalabad. The principal activity of the Company is manufacturing, sale and trading of yarn and cloth.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2019. Selected explanatory notes are included to explain events and transactions that are significant to the changes in the Company's financial position and performance since the last annual financial statements.

2.3 Accounting policies and computation methods

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

2.4 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the financial statements for the year ended 30 June 2019.

3. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 3.000 million (30 June 2019: Rupees 3.000 million) to Director Excise and Taxation on account of import duty.
- ii) Guarantees of Rupees 43.090 million (30 June 2019: Rupees 32.273 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections and Faisalabad Electric Supply Company Limited against electricity connection.
- iii) An appeal has been filed by the Company before Appellate Tribunal Inland Revenue, Lahore dated 07 June 2017 against the demand of Rupees 22.378 million (30 June 2019: Rupees 22.378 million) by the tax department regarding disallowance of minimum tax adjustment for the tax year 2011. The Appellate Tribunal Inland Revenue disposed of the appeal. Then the department filed a reference before the Lahore High Court, against this order. The related provision is not made in these condensed interim financial statements in view of favorable outcome of the appeal.

- iv) The Company has filed appeals in Islamabad High Court, Islamabad, dated 29 August 2016 and in Lahore High Court, Lahore, dated 10 August 2017 against the charge of Gas Infrastructure Development Cess (GIDC) and Re-Gasified Liquefied Natural Gas (RLNG) respectively, charged by SNGPL. The related provision of Rupees 51.387 million (30 June 2019: Rupees 38.329 million) and Rupees 18.212 million (30 June 2019: Rupees 12.224 million) is not accounted for in these condensed interim financial statements in view of favorable outcome of the appeals.
- v) An appeal has been filed by the Company before Appellate Tribunal Inland Revenue, Lahore dated 16 April 2019, against the order of Additional Commissioner Inland Revenue (Appeals) dated 14 November 2018, for demand of Rupees 14.663 million by the tax department regarding disallowance of withholding taxes as adopted in income tax return for the tax year 2016. The related provision is not made in these condensed interim financial statements in view of favorable outcome of the appeal.
- vi) The Company filed appeal before Appellate Tribunal Inland Revenue, Lahore as on 21 March 2019 against the order of Additional Commissioner Inland Revenue for demand of Rupees 114.118 million by the tax department by nullifying the proration of the income between FTR and NTR as adopted by the Company for the tax year 2014. The related provision is not made in these condensed interim financial statements in view of favorable outcome of the appeal.
- vii) An appeal has been filed by the Regional Tax Office (RTO) Faisalabad before Appellate Tribunal Inland Revenue, Lahore in March 2019 because Additional Commissioner Inland Revenue amended the assessment for the tax year 2007 and created a demand of Rupees 5.766 million (30 June 2019: Rupees 5.766 million) on the issue of proration of expenses and prorated the specific expenses related to normal tax regime to final tax regime. The related provision is not made in these condensed interim financial statements in view of favorable outcome of the appeal.
- viii) An appeal has been filed by the Company before Appellate Tribunal Inland Revenue, Lahore for the tax year 2017 involving a demand of Rupees 8.966 million (30 June 2019: Rupees 8.966 million) on 26 October 2018. The original order was issued by the Assistant Commissioner Inland Revenue for non-deduction of withholding tax on certain parties under various clauses of section 153 of the Income Tax Ordinance, 2001. The related provision is not made in these condensed interim financial statements in view of favorable outcome of the appeal.

b) Commitments

- i) There was no letter of credit for capital expenditure as at 31 December 2019 (30 June 2019: Rupees Nil).
- ii) Letters of credit for other than capital expenditure were of Rupees 59.665 million (30 June 2019: Rupees 14.376 million)

Un-audited 31 December 2019	Audited 30 June 2019
(RUPEES IN THOUSAND)	

4. PROPERTY, PLANT AND EQUIPMENT

Opening book value 828,706 818,372

Add:

Cost of additions during the period / year (Note 4.1)	3,162	21,836
Transferred from investment properties	-	8,923
Effect of surplus on revaluation	-	19,869
	3,162	50,628
	831,868	869,000

Less:

Book value of deletions during the period / year - vehicles	2	89
Less: Depreciation charged during the period / year	19,640	40,205
	19,642	40,294
	812,226	828,706

4.1 Cost of additions during the period / year

Plant and machinery	2,932	17,254
Electric installations / appliances	-	1,291
Furniture, fixtures	-	110
Factory equipment	-	60
Vehicles	230	3,121
	3,162	21,836

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
------(RUPEES IN THOUSAND)-----				
5. COST OF SALES				
Raw materials consumed	496,634	627,332	178,984	257,496
Cost of raw material sold	-	10,658	-	3,726
Loading and unloading charges	1,678	1,800	912	915
Salaries, wages and other benefits	88,470	85,571	46,767	42,040
Stores, spare parts and loose tools consumed	29,718	20,084	17,133	11,028
Packing materials consumed	13,415	13,687	6,789	5,223
Repair and maintenance	1,642	906	1,239	745
Fuel and power	146,624	131,299	75,445	72,889
Insurance	1,057	1,222	529	879
Other factory overheads	669	454	410	356
Depreciation	18,053	18,031	9,031	9,032
	<u>797,960</u>	<u>911,044</u>	<u>337,239</u>	<u>404,329</u>
Work-in-process				
Opening stock	19,574	14,542	20,115	18,610
Closing stock	(18,407)	(16,269)	(18,407)	(16,269)
	<u>1,167</u>	<u>(1,727)</u>	<u>1,708</u>	<u>2,341</u>
Cost of goods manufactured	<u>799,127</u>	<u>909,317</u>	<u>338,947</u>	<u>406,670</u>
Finished goods				
Opening stock	8,060	17,435	203,848	20,029
Closing stock	(66,517)	(23,802)	(66,517)	(23,802)
	<u>(58,457)</u>	<u>(6,367)</u>	<u>137,331</u>	<u>(3,773)</u>
	<u>740,670</u>	<u>902,950</u>	<u>476,278</u>	<u>402,897</u>

Un-audited	
Half year ended	
31 December 2019	31 December 2018
(RUPEES IN THOUSAND)	

6. CASH GENERATED FROM / (USED IN) OPERATIONS

(Loss) / profit before taxation	(22,461)	4,039
Adjustments for non-cash charges and other items:		
Depreciation	19,640	19,963
Gain on sale of property, plant and equipment	(8)	-
Reversal of allowance for expected credit losses	(2,528)	-
Provision against doubtful other receivables	1,161	-
Provision for staff retirement gratuity	6,610	4,877
Interest / profit on long term investments	-	(220)
Finance cost	31,145	16,092
Working capital changes (Note 6.1)	17,220	(133,928)
	<u>50,779</u>	<u>(89,177)</u>

6.1 Working capital changes

(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(4,375)	(4,182)
Stock in trade	(209,804)	(196,687)
Trade debts	3,626	2,525
Loans and advances	(13,266)	6,240
Short term deposits and prepayments	(1,691)	(2,087)
Other receivables	(15,378)	(6,279)
	<u>(240,888)</u>	<u>(200,470)</u>
Increase in trade and other payables	258,108	66,542
	<u>17,220</u>	<u>(133,928)</u>

7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

(Un-audited)			
Half year ended		Quarter ended	
31 December 2019	31 December 2018	31 December 2019	31 December 2018
------(RUPEES IN THOUSAND)-----			

i) Transactions**Associated undertaking**

Fuel purchased	1,268	1,116	571	470
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Other related parties

Loan obtained from directors - net	-	2,500	-	-
Remuneration paid to Executive	1,200	900	600	450
Dividend paid	3,168	-	3,168	-

Un-audited	Audited
31 December	30 June
2019	2019
(RUPEES IN THOUSAND)	

ii) Period end balances

Directors' loans	360,000	360,000
Trade and other payables	15,349	14,081
Short term borrowings	20,703	20,703

8. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended 30 June 2019.

9. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 28, 2020.

10. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Comparative figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made except for sales tax payable of Rupees 36.013 million which was inadvertently netted off with "sales tax receivable", now correctly shown in "trade and other payables".

11. GENERAL

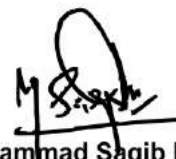
Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



AIZAD AMER
Chief Executive Officer



ANNS AMER
Director



Muhammad Saqib Ehsan
Chief Financial Officer

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