

AN

TEXTILE MILLS LIMITED



1st

Quarter

Report

September 30, 2021
(UN-AUDITED)

COMPANY INFORMATION

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

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 1st quarter ended September 30, 2021.

Quarter ended	
30 September 2021	30 September 2020

(Rupees in Thousand)

REVENUE	643,542	433,893
COST OF SALES	(554,274)	(405,340)
GROSS PROFIT	89,268	28,553
DISTRIBUTION COST	(427)	(273)
ADMINISTRATIVE EXPENSES	(13,007)	(12,268)
OTHER INCOME	2,351	6,182
FINANCE COST	(5,229)	(9,783)
PROFIT BEFORE TAXATION	72,956	12,411
TAXATION	(39,633)	(8,857)
PROFIT AFTER TAXATION	33,323	3,554
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	3.45	0.37

REVIEW OF OPERATING RESULTS

During the period under review, revenue was Rupees 643.542 million as compared to corresponding period's sales amounting to Rupees 433.893 million. The cost of sales was Rupees 554.274 million as compared to Rupees 405.340 million in the corresponding period. The company earned gross profit of Rupees 89.268 million as compared to corresponding period's gross profit of Rupees 28.553 million. Moreover, the company earned profit after taxation of Rupees 33.323 million as compared to profit after taxation of Rupees 3.554 million in the corresponding period.

FUTURE OUTLOOK

The cotton crop in Pakistan continues to decline year by year due to poor seed germination and inclement weather. The failure of cotton crop in this season will be a huge challenge for the industry. During the current year the crop forecast is 8.5 million bales, and we have to import remaining bales to meet our requirements. Moreover, due to larger orders in financial year 2021 the textile industry has embarked on major expansion plans with huge investments in entire textile industry

especially in spinning. So, in coming years this will also increase our requirement of cotton and urgent efforts are required to enhance domestic cotton production. The government should focus on improvements in seed development and research on this sector. In current season, cotton prices are also extremely volatile, but the management of your Company is closely monitoring the cotton outlook to procure best quality cotton.

The Government's support in the form of availability of energy at reduced prices is to be continued till the end of current financial year and we hope that this will enable our textile industry to grow rapidly and to cater further market share.

The management of your is company continuously striving to increase its production capacity, Modernization and Replacement (BMR) of its plant and machinery in order to improve productivity and efficiencies. Moreover, we anticipate that the financial year 2021-22 will be good for textile industry but with maybe somewhat lower margins in view of high raw material cost.

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



(Khawaja Amer Khurshee)

Director

FAISALABAD

Dated: October 30, 2021

حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کی غیر آڈٹ شدہ 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی تک کی مالیاتی کارکردگی پیش کر رہے ہیں۔

مالیاتی نتائج:

30 ستمبر 2020 (رقم ہزاروں میں)	30 ستمبر 2021 (رقم ہزاروں میں)	
433,893	643,542	آمدن
(405,340)	(554,274)	فروخت کی لاگت
28,553	89,268	مجموعی نفع
(273)	(427)	تقسیم کی لاگت
(12,268)	(13,007)	انتظامیہ اخراجات
6,182	2,351	دیگر آمدن
(9,783)	(5,229)	مالیاتی لاگت
12,411	72,956	ٹیکس سے پہلے نفع
(8,857)	(39,633)	ٹیکس
3,554	33,323	ٹیکس کے بعد نفع
0.37	3.45	نفع فی حصہ - روپے

کارروائی کے نتیجے کا جائزہ:

دورانِ جائزہ سہ ماہی آمدن مبلغ 643.542 ملین ہوئی۔ جبکہ اس کے مقابل پچھلے سال کی سہ ماہی آمدن مبلغ 433.893 ملین تھی فروخت کی لاگت مبلغ 554.274 ملین ہے۔ جبکہ اس کے مقابل پچھلے سال کی سہ ماہی میں فروخت کی لاگت مبلغ 405.340 ملین تھی۔ کمپنی کو 89.268 ملین کا مجموعی نفع ہوا جبکہ اس کے مقابل پچھلے سال کی سہ ماہی میں 28.553 ملین کا مجموعی نفع ہوا تھا۔ کمپنی کو اس سہ ماہی میں ٹیکس کے بعد مبلغ 33.323 ملین کا نفع ہوا۔ جب کہ اس کے مقابل پچھلے سال کی سہ ماہی میں مبلغ 3.554 ملین کا نفع ہوا تھا۔

مستقبل کا ڈھانچہ:

پاکستان کی کپاس کی پیداوار بیج کی کم پیداواری صلاحیت اور سخت موسم کی وجہ سے ہر سال کم ہوتی جا رہی ہے۔ اس سال کپاس کی کم پیداوار ٹیکسٹائل کی صنعت کے لئے بہت بڑا امتحان ہوگی۔ اس سال کپاس کی فصل کی پیش گوئی 85 لاکھ گانٹھیں ہیں اور ہمیں اپنی ضروریات پوری کرنے کے لیے کپاس درآمد کرنی پڑے گی۔ مزید برآں مالی سال 2021 میں بڑے آرڈرز کی وجہ سے ٹیکسٹائل انڈسٹری خاص طور پر سپنگ انڈسٹری نے بھاری سرمایہ کاری کے ساتھ اپنی پیداواری صلاحیت کو بڑھانا شروع کر دیا تو اس سے آنے والے سالوں میں ہمیں زیادہ کاٹن درکار ہوگی۔ ملکی کاٹن کی پیداوار بڑھانے کے لیے فوری اقدامات کی ضرورت ہے۔ گورنمنٹ کو اس سلسلہ میں بیج بہتر کرنے اور اس سیکٹر میں توجہ کی ضرورت ہے اس سیزن میں کاٹن کی قیمتیں بہت زیادہ غیر مستحکم ہیں۔ لیکن آپ کی کمپنی کی مینجمنٹ بہترین کاٹن خریدنے کے لیے کاٹن مارکیٹ پہ کڑی نظر رکھے ہوئے ہے۔ آپ کی کمپنی کی مینجمنٹ اپنی پیداوار بڑھانے کے لیے لگاتار پیداواری صلاحیت بڑھا رہی ہے۔ اور نئی اور جدید مشینری لگا رہی ہے۔ مزید برآں ہم امید کرتے ہیں کہ مالی سال 2021-22 ٹیکسٹائل انڈسٹری کے لیے اچھا ثابت ہوگا۔ لیکن مہنگے خام مال کی وجہ سے منافع کم ہو سکتا ہے۔

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

خواجہ عامر خورشید

ڈائریکٹر

فیصل آباد

مورخہ 30 اکتوبر 2021

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	NOTE	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021 (Rupees in thousand)	NOTE	Un-audited 30 September 2021 (Rupees in thousand)	Audited 30 June 2021 (Rupees in thousand)
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital		100,000	100,000			
10 000 000 (30 June 2021: 10 000 000) ordinary shares of Rupees 10 each						
Issued, subscribed & paid up share capital		96,600	96,600			
Directors' loan		460,000	360,000			
Capital Reserves						
Premium on issue of shares reserve		17,250	17,250			
Equity portion of shareholders' loans		44,778	44,778			
Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax		305,280	307,540			
Accumulated loss		50,357	14,774			
Total equity		974,265	840,942			
LIABILITIES						
NON-CURRENT LIABILITIES						
Deferred income tax liability		171,189	145,659			
Staff retirement gratuity		36,955	34,640			
		208,144	180,299			
CURRENT LIABILITIES						
Trade and other payables		428,686	441,759			
Unclaimed dividend		792	792			
Accrued mark-up		3,333	5,978			
Short term borrowings		399,272	467,314			
Provision for taxation		14,103	40,634			
TOTAL LIABILITIES		846,186	956,477			
		1,054,330	1,136,776			
CONTINGENCIES AND COMMITMENTS	5					
TOTAL EQUITY AND LIABILITIES		2,028,595	1,977,718			
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	6	1,052,586	1,044,827			
Long term deposits and prepayments		9,557	3,759			
		1,062,143	1,048,586			
CURRENT ASSETS						
Stores, spare parts and loose tools		82,057	72,439			
Stock in trade		579,305	536,696			
Trade debts		128,477	88,876			
Loans and advances		14,952	4,608			
Income tax		42,470	75,794			
Short term deposits and prepayments		10,966	8,113			
Other receivables		67,623	68,836			
Short term investments		5,500	5,500			
Cash and bank balances		35,102	68,270			
		966,452	929,132			
TOTAL ASSETS		2,028,595	1,977,718			

The annexed notes form an integral part of this condensed interim financial information.


AIZAD AMER
 Chief Executive Officer


AMER KHURSHID
 Director


Muhammad Saqib Ehsan
 Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021**

	NOTE	Quarter ended	
		30 September 2021	30 September 2020
(Rupees in Thousand)			
REVENUE		643,542	433,893
COST OF SALES	7	(554,274)	(405,340)
GROSS PROFIT		<u>89,268</u>	<u>28,553</u>
DISTRIBUTION COST		(427)	(273)
ADMINISTRATIVE EXPENSES		(13,007)	(12,268)
OTHER INCOME		2,351	6,182
FINANCE COST		(5,229)	(9,783)
PROFIT BEFORE TAXATION		<u>72,956</u>	<u>12,411</u>
TAXATION		(39,633)	(8,857)
PROFIT AFTER TAXATION		<u><u>33,323</u></u>	<u><u>3,554</u></u>
EARNINGS PER SHARE- BASIC AND DILUTED		<u><u>3.45</u></u>	<u><u>0.37</u></u>

The annexed notes form an integral part of this condensed interim financial information.



AIZAD AMER
Chief Executive Officer



AMER KHURSHID
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021**

	Quarter ended	
	30 September 2021	30 September 2020
	(Rupees in thousand)	
PROFIT AFTER TAXATION	33,323	3,554
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	33,323	3,554

The annexed notes form an integral part of this condensed interim financial information.



AIZAD AMER
Chief Executive Officer



AMER KHURSHID
Director



Muhammad Saqib Ehsan
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021

	SHARE CAPITAL	DIRECTORS' LOAN	RESERVES					TOTAL	TOTAL EQUITY
			CAPITAL RESERVE				REVENUE RESERVE		
			Share premium	Equity portion of Shareholder's loan	Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	Sub total	Accumulated loss		
(RUPEES IN THOUSAND)									
Balance as at 30 June 2020 - (Audited)	96,600	360,000	17,250	44,778	317,538	379,566	(113,481)	266,085	722,685
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(1,590)	(1,590)	1,590	-	-
Profit for the period ended	-	-	-	-	-	-	3,554	3,554	3,554
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	3,554	3,554	3,554
Balance as at 30 September 2020 - (Un-audited)	96,600	360,000	17,250	44,778	315,948	377,976	(108,337)	269,639	726,239
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(2,187)	(2,187)	2,187	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(6,221)	(6,221)	6,221	-	-
Transactions with owners:									
- Director's loan repaid during the year	-	(100,675)	-	-	-	-	-	-	(100,675)
- Director's loan obtained during the year	-	100,675	-	-	-	-	-	-	100,675
Profit for the period	-	-	-	-	-	-	115,941	115,941	115,941
Other comprehensive income for the period	-	-	-	-	-	-	(1,238)	(1,238)	(1,238)
Total comprehensive income for the period	-	-	-	-	-	-	114,703	114,703	114,703
Balance as at 30 June 2021- (Audited)	96,600	360,000	17,250	44,778	307,540	369,568	14,774	384,342	840,942
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(2,260)	(2,260)	2,260	-	-
Transactions with owners:									
- Director's loan repaid during the year	-	100,000	-	-	-	-	-	-	100,000
Profit for the period	-	-	-	-	-	-	33,323	33,323	33,323
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	33,323	33,323	33,323
Balance as at 30 September 2021- (Un-audited)	96,600	460,000	17,250	44,778	305,280	367,308	50,357	417,665	974,265

The annexed notes form an integral part of this condensed interim financial information.



AIZAD AMER
Chief Executive Officer



AMER KHURSHID
Director



Muhammad Saqib Ehsan
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021

	NOTE	Quarter ended	
		30 September 2021	30 September 2020
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	8	(25,927)	(1,412)
Finance cost paid		(7,874)	(14,767)
Income tax paid		(7,310)	(5,237)
Staff retirement gratuity paid		(997)	(1,972)
Net decrease in long loans		-	20
Net increase in long term deposits and prepayments		(5,798)	(265)
NET CASH USED IN OPERATING ACTIVITIES		(47,906)	(23,633)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant & equipment		(34,347)	(19,818)
Proceeds from sale of property, plant and equipment		17,000	1,435
Profit on investments received		127	-
Net cash used in investing activities		(17,220)	(18,383)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction with owners		100,000	-
Short term borrowings - net		(68,042)	16,119
NET CASH FROM FINANCING ACTIVITIES		31,958	16,119
NET DECREASE IN CASH AND CASH EQUIVALENTS		(33,168)	(25,897)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		68,270	35,489
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		35,102	9,592


The annexed notes form an integral part of this condensed interim financial information.



AIZAD AMER
Chief Executive Officer



AMER KHURSHID
Director



Muhammad Saqib Ehsan
Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2021**

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 its share are quoted 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

This condensed interim financial information is unaudited and is being submitted to shareholders as required by the Companies Act, 2017. This condensed interim financial information of the Company for the 1st quarter ended 30 September 2021 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2021.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information 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 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information 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.

During preparation of this condensed interim financial information, 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 preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

5. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Sindh High Court, Karachi made decision on 04 June 2021 about the levy of Sindh Infrastructure Cess, against which the Company was contingently liable for Rupees 3 million although guarantees were submitted by the Company's Bank for the same amount. Against the decision, the Company lodged a constitution petition no. 4719/2021 dated 13 August 2021, subsequent to reporting date in Supreme Court of Pakistan (SCP). Thereafter, on 01 September 2021, SCP allowed the petition, suspended the judgement of Sindh High Court, Karachi and leave to appeal was granted. On advice of legal counsel, in view of possible favourable outcome, no provision is accounted for in these financial statements.

ii) Guarantees of Rupees 43.090 million (2021: Rupees 43.090 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 (FESCO) 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 (2021: 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 the appeal. Then the department filed a reference before the Lahore High Court, Lahore against this order. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

iv) An appeal was filed in Lahore High Court, Lahore on 10 August 2017 against cost of supply of Re-Gasified Liquefied Natural Gas (RLNG) by SNGPL amounting to Rupees 12.224 million (2021: Rupees 12.224 million). This appeal was allowed by Lahore High Court, Lahore on 13 December 2019 by asking Oil and Gas Regulatory Authority (OGRA) to conduct a public hearing to determine the level of cost of supply of RLNG. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds that the decision of the proposed public hearing of OGRA will be decided in favour of the Company.

v) On 13 August 2020, the Supreme Court of Pakistan upheld the Gas Infrastructure Development Cess (GIDC) Act, 2015 to be constitutional and intra vires. In connection with this decision, the Company filed a writ petition in Lahore High Court, Lahore on 16 September 2020 against the charge of GIDC at the rate of captive power consumer instead of industrial consumer. Lahore High Court, Lahore suspended the payment of Rupees 26.344 million related to this difference, subject to furnishing of post dated cheques which are being submitted by the Company. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favourable outcome of the petition.

vi) 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 (2021: 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 financial statements in view of favorable outcome of the appeal.

vii) 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 (2021: 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 financial statements in view of favorable outcome of the appeal.

viii) 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 (2021: 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 financial statements in view of favorable outcome of the appeal.

ix) An appeal has been filed by the Company before Appellate Tribunal Inland Revenue, Lahore on 30 July 2021 against the order of Assistant Commissioner Inland Revenue (Appeals) for demand of Rupees 8.966 million (2021: Rupees 8.966 million). 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 financial statements in view of favorable outcome of the appeal.

b) Commitments

- i) Letters of credit for capital expenditures are of Rupees 10.817 million (2021: Rupees 25.644 million).
ii) Letters of credit other than for capital expenditure are of Rupees 113.517 million (2021: Rupees 220.015 million).

	Un-Audited 30 September 2021	Audited 30 June 2021
	Rupees in thousand	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 6.1)	1,023,540	1,026,171
Capital work-in-progress	29,046	18,656
	1,052,586	1,044,827
6.1 Operating fixed assets		
Opening book value	1,026,171	862,057
Add: Cost of additions during the period / year (Note 6.1.1)	23,957	141,182
Transferred from investment properties (Note 6.1.2)	-	105,059
	1,050,128	1,108,298
Less: Book value of deletions during the period / year (Note 6.1.3)	14,740	37,422
	1,035,388	1,070,876
Less: Depreciation charged for the period / year	11,848	44,705
	1,023,540	1,026,171
6.1.1 Cost of additions during the period / year		
Buildings on free hold land - mills	2,635	2,153
Plant and machinery	18,848	123,880
Electric installations	2,474	4,042
Vehicles	-	11,107
	23,957	141,182
6.1.2 Cost of assets transferred from investment properties during the period / year		
Freehold land	-	36,093
Buildings on free hold land - mills	-	50,766
Buildings on free hold land - others	-	18,200
	-	105,059

Un-Audited	Audited
30 September 2021	30 June 2021

Rupees in thousand

6.1.3 Book value of deletions during the period / year

Plant and machinery	14,740	36,544
Vehicles	-	878
	<u>14,740</u>	<u>37,422</u>

(Un-Audited)	
Quarter ended	
30 September 2021	30 September 2020

7. COST OF SALES

Raw material consumed (Note 7.1)	361,583	269,344
Loading and unloading	64	669
Salaries, wages and other benefits	39,710	28,596
Staff retirement benefits	3,047	2,657
Stores, spares and loose tools consumed	20,471	19,734
Packing material consumed	6,226	5,958
Repairs and maintenance	393	308
Fuel and power	103,801	77,911
Insurance	576	629
Other factory overheads	191	116
Depreciation	10,822	8,924
	<u>546,884</u>	<u>414,846</u>

Work in process

Opening stock	32,053	22,665
Closing stock	(29,400)	(26,839)
	<u>2,653</u>	<u>(4,174)</u>
Cost of goods manufactured	549,537	410,672

Finished goods

Opening stock	38,130	16,164
Closing stock	(33,393)	(21,496)
	<u>4,737</u>	<u>(5,332)</u>
	<u>554,274</u>	<u>405,340</u>

7.1 Raw material consumed

Opening Stock	466,513	317,650
Add: Purchases during the period	411,582	294,508
	<u>878,095</u>	<u>612,158</u>
Less: Closing Stock	(516,512)	(342,814)
	<u>361,583</u>	<u>269,344</u>

(Un-Audited)	
Quarter ended	
30 September 2021	30 September 2020

8. CASH GENERATED FROM OPERATIONS

Profit before taxation	72,956	12,411
Adjustments for non-cash charges and other items:		
Depreciation	11,848	9,915
Provision for gratuity	3,312	2,920
Profit on long term investments	(91)	-
Gain on sale of property, plant and equipment	(2,260)	(1,056)
Finance cost	5,229	9,783
Working capital changes (Note 8.1)	(116,921)	(35,385)
	<u>(25,927)</u>	<u>(1,412)</u>

8.1 Working capital changes**Decrease / (Increase) in current assets:**

Stores, spare parts and loose tools	(9,618)	3,310
Stock in trade	(42,609)	49,746
Trade debts	(39,601)	(1,159)
Loans and advances	(10,344)	(17,273)
Short term deposits and prepayments	(2,853)	(8,407)
Other receivables	1,177	57,961
	(103,848)	84,178
Decrease in trade and other payables	(13,073)	(119,563)
	<u>(116,921)</u>	<u>(35,385)</u>

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies 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:

i) Transactions

Particulars	Basis of relationship	Nature of transaction		
Other related parties				
Short term borrowings	Directors of the Company	Loans obtained	5,000	32,500

10. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2021.

11. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors of the Company and authorised for issue on 30 October 2021.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet 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 profit and loss account, condensed interim profit or loss and other comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

13. GENERAL

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



AIZAD AMER
Chief Executive Officer



AMER KHURSHID
Director



Muhammad Saqib Ehsan
Chief Financial Officer

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