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***TEXTILE MILLS LIMITED***

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*3rd*

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*Quarter*

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*Report*

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**March 31, 2020  
(UN-AUDITED)**

## COMPANY INFORMATION

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

**DIRECTORS' REVIEW TO THE SHAREHOLDERS**

The Directors of the Company are pleased to present their un-audited condensed interim financial information of the Company for the nine months ended March 31, 2020. The comparative financial results of the company are reproduced hereunder:

	Nine months ended	
	31 March 2020	31 March 2019
	(Rupees in Thousand)	
REVENUE	1,165,457	1,360,471
COST OF SALES	(1,134,068)	(1,282,966)
GROSS PROFIT	31,389	77,505
DISTRIBUTION COST	(1,452)	(1,069)
ADMINISTRATIVE EXPENSES	(32,049)	(30,542)
OTHER EXPENSES	(1,161)	(213)
OTHER INCOME	13,057	10,638
FINANCE COST	(48,492)	(30,288)
(LOSS) / PROFIT BEFORE TAXATION	(38,708)	26,031
TAXATION	(13,699)	(37,245)
LOSS AFTER TAXATION	(52,407)	(11,214)
LOSS PER SHARE- BASIC AND DILUTED (RUPEES)	(5.43)	(1.16)

**REVIEW OF OPERATING RESULTS**

During the period under review sales were Rupees 1,165.457 million as compared to Rupees 1,360.471 million of corresponding period. Cost of sales was Rupees 1,134.068 million as compared to Rupees 1,282.966 million of corresponding period. The Company incurred a loss after taxation amounting to Rupees 52.407 million as compared to corresponding period in which loss after taxation was Rupees 11.214 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. Due to Covid-19, Government of Pakistan imposed lockdown from 24<sup>th</sup> march 2020. This lockdown was extended by the government of Pakistan after several times after the initial lockdown. That's why Operations of our mills remain closed from 24<sup>th</sup> March 2020 uptill today.

**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: May 28, 2020

حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ  
 بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کی غیر آڈٹ شدہ 31 مارچ 2020 کو ختم ہونے والی نو ماہی تک کی مالیاتی  
 کارکردگی پیش کر رہے ہیں۔  
 مالیاتی نتائج:

31 مارچ 2019 (رقم ہزاروں میں)	31 مارچ 2020 (رقم ہزاروں میں)	
1,360,471	1,165,457	آمدن
(1,282,966)	(1,134,068)	فروخت کی لاگت
77,505	31,389	مجموعی نفع
(1,069)	(1,452)	تقسیم کی لاگت
(30,542)	(32,049)	انتظامیہ اخراجات
(213)	(1,161)	دیگر اخراجات
10,638	13,057	دیگر آمدن
(30,288)	(48,492)	مالیاتی لاگت
26,031	(38,708)	ٹیکس سے پہلے (نقصان) / نفع
(37,245)	(13,699)	ٹیکس
(11,214)	(52,407)	ٹیکس کے بعد نقصان
(1.16)	(5.43)	نقصان فی حصہ

کارروائی کے نتیجہ کا جائزہ:

دوران جائزہ نو ماہی آمدن مبلغ 1,165.457 ملین میں ہوئی۔ جبکہ اس کے مقابل پچھلے سال کی نو ماہی آمدن مبلغ 1,360.471 ملین تھی فروخت کی لاگت مبلغ 1,134.068 ملین ہے۔ جبکہ اس کے مقابل پچھلے سال کی نو ماہی میں فروخت کی لاگت مبلغ 1,282.966 ملین تھی۔ کمپنی کو اس نو ماہی میں ٹیکس کے بعد مبلغ 52.407 ملین کا نقصان جب کہ اس کے مقابل پچھلے سال کی نو ماہی میں مبلغ 11.214 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۔ پاکستان کی گورنمنٹ نے کووڈ-19 (Covid 19) کی وجہ سے 24 مارچ 2020 کو لاک ڈاون نافذ کر دیا۔ پاکستان کی گورنمنٹ نے ابتدائی لاک ڈاون کے بعد لاک ڈاون میں کافی دفعہ توسیع کی۔ اسی وجہ سے ہماری مل کے آپریشنز 24 مارچ سے آج تک بند ہیں۔

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 پرتوانائی 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، بکریز، اور ملازموں کے تعاون، عزم اور محنت کی تعریف کرتا ہے اور اسے اپنے ریکارڈ میں لاتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

  
ایزد عامر

فیصل آباد

مورخہ 28 مئی 2020

چیف ایگزیکٹو آفیسر

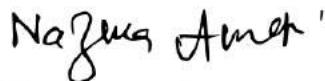
**CHAIRPERSON'S REVIEW**

For the nine months ended March 31, 2020

The Board of Directors of AN Textile Mills Limited (“the Company”) is performing its duties in accordance with law and in the best interest of the Company and its shareholders as required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board’s overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the nine months ended March 31, 2020, the Board’s overall performance and effectiveness has been assessed as Satisfactory. This is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization’s business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board’s business.

AN Textile Mills Limited complies with all the requirements set out in the Law with respect to the composition, procedures and meetings of the Board of Directors and its committees. Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time prior to the board and its committees’ meetings. The Board has exercised all its powers in accordance with relevant laws and regulation and the non-executive and independent directors are equally involved in important decisions of the Board.



Mrs. Nazma Amer  
Chairperson

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	NOTE	Un-Audited 31 March 2020 (RUPEES IN THOUSAND)	Audited 30 June 2019 (RUPEES IN THOUSAND)	NOTE	Un-Audited 31 March 2020 (RUPEES IN THOUSAND)	Audited 30 June 2019 (RUPEES IN THOUSAND)
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>						
Authorized share capital		100,000	100,000			
10,000,000 (30 June 2019: 10,000,000) ordinary shares of Rupees 10 each		96,600	96,600			
Issued, subscribed and paid up share capital		360,000	360,000			
Directors' loans						
<b>Capital reserves</b>						
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		281,463	290,931			
<b>Accumulated loss</b>		(82,757)	(35,954)			
<b>Total equity</b>		717,334	773,605			
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Deferred income tax liability		65,912	69,265			
Staff retirement gratuity		24,910	18,274			
Long term security deposit		4,000	4,000			
		94,822	91,539			
<b>CURRENT LIABILITIES</b>						
Trade and other payables		378,632	208,435			
Unclaimed dividend		744	742			
Accrued mark-up		15,564	15,083			
Short term borrowings		488,565	526,495			
Provision for taxation		17,052	22,636			
		900,557	773,391			
<b>TOTAL LIABILITIES</b>		995,379	864,930			
<b>CONTINGENCIES AND COMMITMENTS</b>						
<b>TOTAL EQUITY AND LIABILITIES</b>						
		1,712,713	1,638,535			
		1,712,713	1,638,535			
		50,855	42,702			
		543,194	423,233			
		24,525	31,678			
		74,637	82,936			
		2,803	1,555			
		47,163	52,785			
		5,500	5,500			
		35,219	50,052			
		783,896	690,441			
		50,855	42,702			
		543,194	423,233			
		24,525	31,678			
		74,637	82,936			
		2,803	1,555			
		47,163	52,785			
		5,500	5,500			
		35,219	50,052			
		783,896	690,441			

  
**ANNS AMER**  
 Director

  
**AIZAD AMER**  
 Chief Executive Officer

  
**Muhammad Saqib Ehsan**  
 Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2020**

NOTE	Nine months ended		Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
------(RUPEES IN THOUSAND)-----				
SALES	1,165,457	1,360,471	401,917	423,329
COST OF SALES	(1,134,068)	(1,282,966)	(393,398)	(380,016)
GROSS PROFIT	31,389	77,505	8,519	43,313
DISTRIBUTION COST	(1,452)	(1,069)	(141)	(112)
ADMINISTRATIVE EXPENSES	(32,049)	(30,542)	(10,735)	(10,657)
OTHER EXPENSES	(1,161)	(213)	-	-
OTHER INCOME	13,057	10,638	3,457	3,644
FINANCE COST	(48,492)	(30,288)	(17,347)	(14,196)
(LOSS) / PROFIT BEFORE TAXATION	(38,708)	26,031	(16,247)	21,992
TAXATION	(13,699)	(37,245)	2,762	(11,894)
(LOSS) / PROFIT AFTER TAXATION	<u>(52,407)</u>	<u>(11,214)</u>	<u>(13,485)</u>	<u>10,098</u>
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	<u>(5.43)</u>	<u>(1.16)</u>	<u>(1.40)</u>	<u>1.05</u>

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



**AIZAD AMER**  
Chief Executive Officer



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2020**

	Nine months ended		Quarter ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	----- (RUPEES IN THOUSAND) -----			
(LOSS) / PROFIT AFTER TAXATION	(52,407)	(11,214)	(13,485)	10,098
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to subsequently profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(52,407)	(11,214)	(13,485)	10,098

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



**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 NINE MONTHS ENDED 31 MARCH 2020

	RESERVES						TOTAL EQUITY	
	SHARE CAPITAL	DIRECTORS' LOANS	CAPITAL RESERVE		REVENUE RESERVE			TOTAL
			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		
<b>Balance as at 30 June 2018 - (Audited)</b>	96,600	360,000	17,250	44,778	282,631	344,659	747,289	
A adjustment on adoption of IFRS 9	-	-	-	-	-	-	(7,081)	
<b>Adjusted total equity as at 01 July 2018</b>	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	-	-	-	-	(4,562)	(4,562)	4,562	
Loss for the nine months ended 31 March 2019	-	-	-	-	-	-	(11,214)	
Other comprehensive income for the nine months ended 31 March 2019	-	-	-	-	-	-	-	
Total comprehensive loss for the nine months ended 31 March 2019	-	-	-	-	-	-	(11,214)	
<b>Balance as at 31 March 2019 - (Un-audited)</b>	96,600	360,000	17,250	44,778	278,069	340,097	728,994	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(1,245)	(1,245)	1,245	
Profit for the quarter ended 30 June 2019	-	-	-	-	-	-	30,234	
Other comprehensive income for the quarter ended 30 June 2019	-	-	-	-	14,107	14,107	270	
Total comprehensive income for the quarter ended 30 June 2019	-	-	-	-	14,107	14,107	30,504	
<b>Balance as at 30 June 2019- (Audited)</b>	96,600	360,000	17,250	44,778	290,931	352,959	317,005	
Transaction with owners - Final dividend for the year ended 30 June 2019 at the rate of Rupee 0.40 per share	-	-	-	-	-	-	(3,864)	
Incremental depreciation and sale of property, plant and equipment - net of deferred income tax	-	-	-	-	(9,468)	(9,468)	9,468	
Loss for the nine months ended 31 March 2020	-	-	-	-	-	-	(52,407)	
Other comprehensive income for the nine months ended 31 March 2020	-	-	-	-	-	-	-	
Total comprehensive loss for the nine months ended 31 March 2020	-	-	-	-	-	-	(52,407)	
<b>Balance as at 31 March 2020 - (Un-audited)</b>	96,600	360,000	17,250	44,778	281,463	343,491	717,334	

Balance as at 30 June 2018 - (Audited)  
A adjustment on adoption of IFRS 9

**Adjusted total equity as at 01 July 2018**

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax

Loss for the nine months ended 31 March 2019

Other comprehensive income for the nine months ended 31 March 2019

Total comprehensive loss for the nine months ended 31 March 2019

Balance as at 31 March 2019 - (Un-audited)

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax

Profit for the quarter ended 30 June 2019

Other comprehensive income for the quarter ended 30 June 2019

Total comprehensive income for the quarter ended 30 June 2019

Balance as at 30 June 2019- (Audited)

Transaction with owners - Final dividend for the year ended 30 June 2019 at the rate of Rupee 0.40 per share

Incremental depreciation and sale of property, plant and equipment - net of deferred income tax

Loss for the nine months ended 31 March 2020

Other comprehensive income for the nine months ended 31 March 2020

Total comprehensive loss for the nine months ended 31 March 2020

Balance as at 31 March 2020 - (Un-audited)

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



**AIZAD AMER**  
Chief Executive Officer



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2020**

	NOTE	Nine months ended	
		31 March 2020	31 March 2019
<b>(RUPEES IN THOUSAND)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	7	101,383	(82,182)
Finance cost paid		(48,011)	(25,615)
Income tax paid		(12,839)	(16,244)
Staff retirement gratuity paid		(3,279)	(2,958)
Net increase in long term deposits and prepayments		(465)	(411)
<b>Net cash generated from / (used in) operating activities</b>		<b>36,789</b>	<b>(127,410)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		10	138
Capital expenditure on property, plant and equipment		(9,838)	(14,822)
Profit on long term investments received		-	121
<b>Net cash used in investing activities</b>		<b>(9,828)</b>	<b>(14,563)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(3,864)	(5)
Short term borrowings - net		(37,930)	148,013
<b>Net cash (used in) / from financing activities</b>		<b>(41,794)</b>	<b>148,008</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(14,833)</b>	<b>6,035</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>50,052</b>	<b>4,764</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>35,219</b>	<b>10,799</b>

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



**AIZAD AMER**  
Chief Executive Officer



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2020**

**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 is listed on Pakistan Stock Exchange Limited. Its registered office and mills premises are located 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 un-audited and is being submitted to shareholders as required by the Companies Act, 2017. This condensed interim financial information of the Company for the nine months ended 31 March 2020 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 of the Company for the year ended 30 June 2019.

**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 2019.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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 2019.

**5. 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 capital commitment as at 31 March 2020 (30 June 2019: Rupees Nil).
- ii) Letters of credit or contracts other than for capital expenditure are of Rupees 8.562 million (30 June 2019: Rupees 14.376 million)

Un-Audited	Audited
31 March	30 June
2020	2019
(RUPEES IN THOUSAND)	

#### 6. PROPERTY, PLANT AND EQUIPMENT

Opening book value	828,706	818,372
<b>Add:</b>		
Cost of additions during the period / year (Note 6.1)	9,838	21,836
Transferred from investment properties	-	8,923
Effect of surplus on revaluation	-	19,869
	9,838	50,628
	838,544	869,000
<b>Less:</b>		
Book value of deletions during the period / year - vehicles	2	89
Depreciation charged during the period / year	29,578	40,205
	29,580	40,294
	808,964	828,706

Un-audited	
Nine months ended	
31 March 2020	30 June 2019
(RUPEES IN THOUSAND)	

**6.1 Cost of additions during the period / year**

Plant and machinery	8,603	17,254
Electric installations / appliances	-	1,291
Furniture, fixtures	-	110
Factory equipment	-	60
Vehicles	1,235	3,121
	9,838	21,836

Un-audited	
Nine months ended	
31 March 2020	31 March 2019
(RUPEES IN THOUSAND)	

**7. CASH GENERATED FROM OPERATIONS**

(Loss) / profit before taxation	(38,708)	26,031
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	29,578	29,969
Gain on sale of property, plant and equipment	8	49
Reversal of allowance for expected credit losses	(2,400)	-
Provision for staff retirement gratuity	9,915	7,315
Provision against doubtful other receivables	1,161	-
Profit on long term investments	-	(197)
Finance cost	48,492	30,288
Working capital changes (Note 7.1)	53,337	(175,637)
	101,383	(82,182)

**7.1 Working capital changes****Increase in current assets:**

Stores, spare parts and loose tools	(8,153)	(4,434)
Stock in trade	(119,961)	(235,171)
Trade debts	9,553	(11,159)
Loans and advances	(1,512)	6,121
Short term deposits and prepayments	(1,248)	(807)
Other receivables	4,461	1,996
	(116,860)	(243,454)
Increase in trade and other payables	170,197	67,817
	53,337	(175,637)

**8. 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		
<b>Associated companies / undertakings</b>				
Blue Moon Filling Station	Director of the Company is partner of the undertaking	Fuel purchased	1,738	1,458
<b>Other related parties</b>				
Short term borrowings	Directors of the Company	Loans obtained / (repaid)	-	5,500

Un-Audited	Audited
31 March	30 June
2020	2019
(RUPEES IN THOUSAND)	

**ii) Period end balances**

Trade and other payables	15,819	14,081
Short term borrowings	20,703	20,703

**9. 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 2019.

**10. DATE OF AUTHORIZATION**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 28 May, 2020.

**11. CORRESPONDING FIGURES**

In order to comply with the requirements of IAS 34, 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 statement of comprehensive income and condensed interim cash flow statement 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".

**12. 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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