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***TEXTILE MILLS LIMITED***

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*Half*

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*Yearly*

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*Report*

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

## COMPANY INFORMATION

<b>Board of Directors</b>	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
<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>Nomination Committee</b>	Mr. Abdul Rauf Ms. Yusra Amer Syed Khalid Ali	Chairman Member Member
<b>Risk Management Committee</b>	Mr. Anns Amer Mr. Abdul Rauf Syed Khalid Ali	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 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, 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 half year ended December 31, 2020.

	Half year ended	
	31 December 2020	31 December 2019
	(Rupees in Thousand)	
REVENUE	940,312	763,540
COST OF SALES	(857,854)	(740,670)
GROSS PROFIT	82,458	22,870
DISTRIBUTION COST	(836)	(1,311)
ADMINISTRATIVE EXPENSES	(23,564)	(21,314)
OTHER EXPENSES	(3,388)	(1,161)
OTHER INCOME	10,509	9,600
FINANCE COST	(19,473)	(31,145)
PROFIT / (LOSS) BEFORE TAXATION	45,706	(22,461)
TAXATION	(36,630)	(16,461)
LOSS AFTER TAXATION	9,076	(38,922)
EARNINGS / (LOSS) PER SHARE- BASIC AND DILUTED (RUPEES)	0.94	(4.03)

**REVIEW OF OPERATING RESULTS**

During the period under review sales were Rupees 940.312 million as compared to Rupees 763.540 million of corresponding period. Cost of sales was Rupees 857.854 million as compared to Rupees 740.670 million of corresponding period. The Company earned a profit after taxation amounting to Rupees 9.076 million as compared to corresponding period in which the Company incurred a loss after taxation was Rupees 38.922 million.

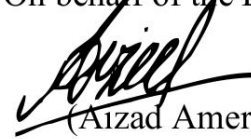
**FUTURE OUTLOOK**

The global conditions have changed significantly after the Covid-19 pandemic. The demand for all textile products has been increased in the first half of the financial year 2021. At present our operations are functioning at full capacity. We are expecting an increase in the revenue and profitability in the second half of the financial year 2021. Moreover, the management of your Company is continuously increasing its production capacity and every possible effort is being made 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 24, 2021

## حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کی غیر آڈٹ شدہ 31 دسمبر 2020 کو ختم ہونے والی پہلی ششماہی تک کی مالیاتی کارکردگی پیش کر رہے ہیں۔

مالیاتی نتائج:

31 دسمبر 2019	31 دسمبر 2020	
(رقم ہزاروں میں)	(رقم ہزاروں میں)	
763,540	940,312	آمدن
(740,670)	(857,854)	فروخت کی لاگت
22,870	82,458	مجموعی نفع
(1,311)	(836)	تقسیم کی لاگت
(21,314)	(23,564)	انتظامیہ اخراجات
(1,161)	(3,388)	دیگر اخراجات
9,600	10,509	دیگر آمدن
(31,145)	(19,473)	مالیاتی لاگت
(22,461)	45,706	ٹیکس سے پہلے نفع / (نقصان)
(16,461)	(36,630)	ٹیکس
(38,922)	9,076	ٹیکس کے بعد نفع / (نقصان)
(4.03)	0.94	نفع / (نقصان) فی حصہ - روپے

کارروائی کے نتیجہ کا جائزہ:

دوران جائزہ ششماہی آمدن مبلغ 940.312 ملین ہوئی۔ جبکہ اس کے مقابل پچھلے سال کی ششماہی آمدن مبلغ 763.540 ملین تھی

فروخت کی لاگت مبلغ 857.854 ملین ہے۔ جبکہ اس کے مقابل پچھلے سال کی ششماہی میں فروخت کی لاگت مبلغ

740.670 ملین تھی۔ کمپنی کو اس ششماہی میں ٹیکس کے بعد مبلغ 9.076 ملین کا نفع ہوا۔ جب کہ اس کے مقابل پچھلے سال کی

ششماہی میں مبلغ 38.922 ملین کا نقصان ہوا تھا۔

مستقبل کا خاکہ:

کووڈ-19 کی وجہ سے عالمی حالات بہت تبدیل ہو گئے۔ مالی سال 2021 کی پہلی ششماہی میں ٹیکسٹائل کی تمام مصنوعات کی مانگ میں بہت اضافہ ہوا۔ اس وقت ہماری ملز مکمل پیداواری صلاحیت پر چل رہی ہے۔ ہم مالی سال 2021 کی دوسری ششماہی میں آمدن اور منافع میں اضافے کی امید رکھتے ہیں۔ مزید برآں آپ کی کمپنی کی انتظامیہ لگاتار اپنی پیداواری صلاحیت بڑھا رہی ہے۔ اور زیادہ سے زیادہ نفع کمانے کی ہر ممکن کوشش کی جا رہی ہے۔ تاکہ حصہ داروں کو اپنی سرمایہ کاری پر زیادہ فائدہ مل سکے۔

اعتراف:

بورڈ اپنے گاہوں، 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 24 فروری 2021

**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 2020 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 2020 and 31 December 2019 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 2020.

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

*Riaz Ahmad & Co.*

Faisalabad

Date: February 24, 2021



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Un-Audited 31 December 2020 (RUPEES IN THOUSAND)	Audited 30 June 2020 (RUPEES IN THOUSAND)	NOTE	Un-Audited 31 December 2020 (RUPEES IN THOUSAND)	Audited 30 June 2020 (RUPEES IN THOUSAND)
<b>EQUITY AND LIABILITIES</b>					
<b>SHARE CAPITAL AND RESERVES</b>					
<b>Authorized share capital</b>					
10 000 000 (30 June 2020: 10 000 000) ordinary shares of Rupees 10 each	100,000	100,000			
<b>Issued, subscribed and paid up share capital</b>	96,600	96,600			
9 660 000 (30 June 2020: 9 660 000) ordinary shares of Rupees 10 each fully paid in cash					
<b>Directors' loans</b>	360,000	360,000			
<b>Capital reserves</b>					
Premium on issue of shares	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	313,648	317,538			
<b>Accumulated loss</b>	(100,515)	(113,481)			
<b>Total equity</b>	731,761	722,685			
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Deferred income tax liability	89,795	67,269			
Staff retirement gratuity	27,839	27,152			
Long term security deposit	-	4,000			
	117,634	98,421			
<b>CURRENT LIABILITIES</b>					
Trade and other payables	430,148	356,816			
Unclaimed dividend	872	1,861			
Accrued mark-up	7,199	11,977			
Short term borrowings	505,768	446,405			
Provision for taxation	14,105	19,727			
	958,092	836,786			
<b>TOTAL LIABILITIES</b>	1,075,726	935,207			
<b>CONTINGENCIES AND COMMITMENTS</b>					
<b>TOTAL EQUITY AND LIABILITIES</b>	1,807,487	1,657,892	3		
The annexed notes form an integral part of these condensed interim financial statements.					
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	952,031	862,057	4		
Investment properties	92,335	102,968			
Long term loans	49	20			
Long term deposits and prepayments	3,911	3,859			
	1,048,326	968,904			
<b>CURRENT ASSETS</b>					
Stores, spare parts and loose tools	53,742	56,617			
Stock in trade	488,939	440,895			
Trade debts	5,153	6,139			
Loans and advances	69,781	72,544			
Short term deposits and prepayments	10,237	2,177			
Other receivables	88,828	69,627			
Short term investment	5,500	5,500			
Cash and bank balances	36,981	35,489			
	739,161	688,988			
<b>TOTAL ASSETS</b>	1,807,487	1,657,892			

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 2020**

	NOTE	Half year ended		Quarter ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
------(RUPEES IN THOUSAND)-----					
REVENUE		940,312	763,540	506,419	455,507
COST OF SALES	5	(857,854)	(740,670)	(452,514)	(476,278)
GROSS PROFIT / (LOSS)		82,458	22,870	53,905	(20,771)
DISTRIBUTION COST		(836)	(1,311)	(563)	(969)
ADMINISTRATIVE EXPENSES		(23,564)	(21,314)	(11,296)	(10,121)
OTHER EXPENSES		(3,388)	(1,161)	(3,388)	(1,161)
OTHER INCOME		10,509	9,600	4,327	6,083
FINANCE COST		(19,473)	(31,145)	(9,690)	(15,650)
PROFIT / (LOSS) BEFORE TAXATION		45,706	(22,461)	33,295	(42,589)
TAXATION		(36,630)	(16,461)	(27,773)	2,466
PROFIT / (LOSS) AFTER TAXATION		9,076	(38,922)	5,522	(40,123)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)		0.94	(4.03)	0.57	(4.15)

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 COMPREHENSIVE INCOME (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Half year ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	----- (RUPEES IN THOUSAND) -----			
PROFIT / (LOSS) AFTER TAXATION	9,076	(38,922)	5,522	(40,123)
OTHER COMPREHENSIVE INCOME				
<b>Items that will not be reclassified subsequently to profit or loss</b>	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>9,076</u>	<u>(38,922)</u>	<u>5,522</u>	<u>(40,123)</u>

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 CHANGES IN EQUITY (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	SHARE CAPITAL	DIRECTORS' LOANS	RESERVES				ACCUMULATED LOSS	TOTAL EQUITY
			CAPITAL RESERVES			Total		
			Premium on issue of shares	Equity portion of shareholders' loan	Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax			
------(RUPEES IN THOUSAND)-----								
<b>Balance as at 30 June 2019 - (Audited)</b>	96,600	360,000	17,250	44,778	290,931	352,959	773,605	
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)	
<b>Balance as at 31 December 2019 - (Un-audited)</b>	96,600	360,000	17,250	44,778	287,789	349,817	730,819	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(3,185)	(3,185)	-	
Loss for the period	-	-	-	-	-	-	(41,405)	
Other comprehensive income for the period	-	-	-	-	32,934	32,934	337	
Total comprehensive loss for the period	-	-	-	-	32,934	32,934	(8,134)	
<b>Balance as at 30 June 2020 - (Audited)</b>	96,600	360,000	17,250	44,778	317,538	379,566	722,685	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(3,890)	(3,890)	-	
Profit for the period	-	-	-	-	-	-	9,076	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	-	-	9,076	
<b>Balance as at 31 December 2020 - (Un-audited)</b>	96,600	360,000	17,250	44,778	313,648	375,676	731,761	

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



ANNS AMER  
Director



AIZAD AMER  
Chief Executive Officer



Muhammad Saqib Ehsan  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	NOTE	Half year ended	
		31 December 2020	31 December 2019
<b>(RUPEES IN THOUSAND)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	6	82,168	50,565
Finance cost paid		(24,251)	(32,861)
Income tax paid		(11,978)	(10,221)
Net increase in long term loans		(29)	(19)
Staff retirement gratuity paid		(5,154)	(2,502)
Net (increase) / decrease in long term deposits and prepayments		(52)	14
<b>Net cash generated from operating activities</b>		<u>40,704</u>	<u>4,976</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		3,481	10
Capital expenditure on property, plant and equipment		(101,289)	(3,162)
Profit on investments received		222	214
<b>Net cash used in investing activities</b>		<u>(97,586)</u>	<u>(2,938)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		59,363	10,741
Dividend paid		(989)	(3,864)
<b>Net cash from financing activities</b>		<u>58,374</u>	<u>6,877</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		1,492	8,915
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		35,489	50,052
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<u><u>36,981</u></u>	<u><u>58,967</u></u>

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

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)  
FOR THE HALF YEAR ENDED 31 DECEMBER 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 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 do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2020. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

**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 annual financial statements of the Company for the year ended 30 June 2020.

**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 2020.

**3. CONTINGENCIES AND COMMITMENTS****a) Contingencies**

- i) The Company is contingently liable for Rupees 3.000 million (30 June 2020: Rupees 3.000 million) to Director Excise and Taxation on account of import duty.
- ii) Guarantees of Rupees 43.090 million (30 June 2020: 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 (30 June 2020: 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) On 13 August 2020, the Supreme Court of Pakistan has 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. Post dated cheques have been furnished monthly by the Company. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these condensed interim financial statements as there are strong grounds of favourable outcome of the petition.



- v) 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 (30 June 2020: 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 condensed interim 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.
- 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 (30 June 2020: 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.
- 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 (30 June 2020: 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.
- 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 (30 June 2020: 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.
- ix) An appeal has been filed by the Company before Commissioner Inland Revenue (Appeals), Faisalabad for the tax year 2017 involving a demand of Rupees 8.966 million (30 June 2020: 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) Letters of credit for capital expenditure were of Rupees 4.885 million (30 June 2020: Rupees Nil).
- ii) Letters of credit for other than capital expenditure were of Rupees 181.426 million (30 June 2020: Rupees 63.887 million).

Un-audited 31 December 2020	Audited 30 June 2020
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(RUPEES IN THOUSAND)

#### 4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 4.1)	909,493	862,057
Capital work-in-progress (Note 4.2)	42,538	-
	<u>952,031</u>	<u>862,057</u>

##### 4.1 Operating fixed assets

Opening book value	862,057	828,706
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##### Add:

Cost of additions during the period / year (Note 4.1.1)	58,751	14,845
Transferred from investment properties	10,634	15,721
Effect of surplus on revaluation	-	42,644
	<u>69,385</u>	<u>73,210</u>

	931,442	901,916
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Less: Book value of deletions during the period / year - vehicles	878	179
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	<u>930,564</u>	<u>901,737</u>
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Less: Depreciation charged during the period / year	21,071	39,680
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	<u>909,493</u>	<u>862,057</u>
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##### 4.1.1 Cost of additions during the period / year

Plant and machinery	47,809	12,685
Electric installations / appliances	198	-
Vehicles	10,744	2,160

	<u>58,751</u>	<u>14,845</u>
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##### 4.2 Capital work-in-progress

Plant and machinery	42,538	-
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(Un-audited)			
Half year ended		Quarter ended	
31 December 2020	31 December 2019	31 December 2020	31 December 2019

(RUPEES IN THOUSAND)

**5. COST OF SALES**

Raw materials consumed	549,650	496,634	280,306	178,984
Loading, unloading, weightment and doubling charges	1,417	1,678	748	912
Salaries, wages and other benefits	69,127	88,470	37,874	46,767
Stores, spare parts and loose tools consumed	41,652	29,718	21,918	17,133
Packing materials consumed	10,758	13,415	4,800	6,789
Repair and maintenance	633	1,642	325	1,239
Fuel and power	163,830	146,624	85,919	75,445
Insurance	1,258	1,057	629	529
Other factory overheads	227	669	111	410
Depreciation	19,225	18,053	10,301	9,031
	<u>857,777</u>	<u>797,960</u>	<u>442,931</u>	<u>337,239</u>
Work-in-process				
Opening stock	22,665	19,574	26,839	20,115
Closing stock	(31,079)	(18,407)	(31,079)	(18,407)
	<u>(8,414)</u>	<u>1,167</u>	<u>(4,240)</u>	<u>1,708</u>
Cost of goods manufactured	<u>849,363</u>	<u>799,127</u>	<u>438,691</u>	<u>338,947</u>
Finished goods				
Opening stock	16,164	8,060	21,496	203,848
Closing stock	(7,673)	(66,517)	(7,673)	(66,517)
	<u>8,491</u>	<u>(58,457)</u>	<u>13,823</u>	<u>137,331</u>
	<u>857,854</u>	<u>740,670</u>	<u>452,514</u>	<u>476,278</u>

Un-audited	
Half year ended	
31 December 2020	31 December 2019

(RUPEES IN THOUSAND)

**6. CASH GENERATED FROM OPERATIONS**

Profit / (loss) before taxation	45,706	(22,461)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	21,071	19,640
Gain on sale of property, plant and equipment	(2,603)	(8)
Profit on short term investment	(151)	(197)
Reversal of allowance for expected credit losses - net	(100)	(2,528)
Provision against doubtful other receivables	-	1,161
Provision for staff retirement gratuity	5,841	6,610
Finance cost	19,473	31,145
Working capital changes (Note 6.1)	(7,069)	17,203
	<u>82,168</u>	<u>50,565</u>

**6.1 Working capital changes**

Decrease / (increase) in current assets:		
Stores, spare parts and loose tools	2,875	(4,375)
Stock in trade	(48,044)	(209,804)
Trade debts	1,086	3,626
Loans and advances	(4,986)	(13,266)
Short term deposits and prepayments	(8,060)	(1,691)
Other receivables	(19,272)	(15,395)
	<u>(76,401)</u>	<u>(240,905)</u>
Increase in trade and other payables	69,332	258,108
	<u>(7,069)</u>	<u>17,203</u>



**7. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise 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 and balances with related parties are as follows:

(Un-audited)			
Half year ended		Quarter ended	
31 December 2020	31 December 2019	31 December 2020	31 December 2019

------(RUPEES IN THOUSAND)-----

**i) Transactions****Associated undertaking**

Fuel purchased	-	1,268	-	571
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**Other related parties**

Loans obtained from directors - net	64,500	-	32,000	-
Remuneration paid to Executives	2,160	1,200	1,080	600
Dividend paid	-	3,168	-	3,168

Un-audited 31 December 2020	Audited 30 June 2020
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(RUPEES IN THOUSAND)

**ii) Period end balances**

Directors' loans	360,000	360,000
Short term borrowings	102,703	38,203
Loans and advances	200	200

**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 2020.

**9. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX****Description****Loans / advances obtained as per Islamic mode:**

Contract liabilities	180,772	169,111
Short term borrowings	102,703	38,203

**Shariah compliant bank deposits / bank balances**

Bank balances	19,680	25,655
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(Un-audited)	
Half year ended	
31 December 2020	31 December 2019

(RUPEES IN THOUSAND)

<b>Revenue earned from shariah compliant business</b>	940,312	763,540
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**Profits earned or interest paid on any conventional loan / advance**

Mark-up on short term borrowings	18,834	30,317
Profit on short term investment	151	197

**Relationship with shariah compliant banks**

Name	Relationship
Meezan Bank Limited	Bank balances
AlBaraka Bank (Pakistan) Limited	Bank balances
Bank Alfalah Limited	Bank balances
Habib Bank Limited	Bank balances

There is no profit earned from shariah compliant bank balances as all the bank balances are in current accounts. Moreover there is no dividend on any investment, no exchange gain earned and no mark-up paid on Islamic mode of financing.

**10. DATE OF AUTHORIZATION**

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 24, 2021.

**11. 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 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.

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made.

**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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