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***TEXTILE MILLS LIMITED***



*3rd*

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*Quarter*

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*Report*

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**March 31, 2022  
(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 Limited	
<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 the Company are pleased to present their un-audited condensed interim financial information of the Company for the nine months ended March 31, 2022. The comparative financial results of the company are reproduced hereunder:

	<b>Nine months ended</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>(Rupees in Thousand)</b>	
REVENUE	2,092,178	1,502,844
COST OF SALES	(1,921,089)	(1,341,089)
GROSS PROFIT	171,089	161,755
DISTRIBUTION COST	(1,690)	(1,027)
ADMINISTRATIVE EXPENSES	(39,143)	(36,353)
OTHER EXPENSES	(6,092)	(7,706)
OTHER INCOME	9,591	15,758
FINANCE COST	(23,675)	(28,448)
PROFIT BEFORE TAXATION	110,080	103,979
TAXATION	(17,696)	(75,825)
PROFIT AFTER TAXATION	92,384	28,154
EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	9.56	2.91

**REVIEW OF OPERATING RESULTS**

During the period under review sales were Rupees 2,092.178 million as compared to Rupees 1,502.844 million of corresponding period. Cost of sales was Rupees 1,921.089 million as compared to Rupees 1,341.089 million of corresponding period. The Company earned a profit after taxation amounting to Rupees 92.384 million as compared to corresponding period in which the Company earned a profit after taxation amounting to Rupees 28.154 million.

**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.

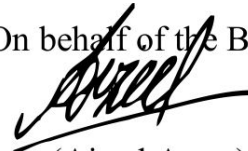
The management of your is company continuously striving to increase its production capacity, Modernization and Replacement (BMR) of its plant and machinery in order to improve productivity and efficiencies. Moreover, we anticipate that the financial year 2021-22 will be good for textile industry but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

FAISALABAD  
Dated: April 29, 2022

On behalf of the Board



(Aizad Amer)  
Chief Executive Officer

## حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کی غیر آڈٹ شدہ 31 مارچ 2022 کو ختم ہونے والی نو ماہی تک کی مالیاتی کارکردگی پیش کر رہے ہیں۔

مالیاتی نتائج:

31 مارچ 2021	31 مارچ 2022	
(رقم ہزاروں میں)	(رقم ہزاروں میں)	
1,502,844	2,092,178	آمدن
(1,341,089)	(1,921,089)	فروخت کی لاگت
161,755	171,089	مجموعی نفع
(1,027)	(1,690)	تقسیم کی لاگت
(36,353)	(39,143)	انتظامیہ اخراجات
(7,706)	(6,092)	دیگر اخراجات
15,758	9,591	دیگر آمدن
(28,448)	(23,675)	مالیاتی لاگت
103,979	110,080	ٹیکس سے پہلے نفع
(75,825)	(17,696)	ٹیکس
28,154	92,384	ٹیکس کے بعد نفع
2.91	9.56	منافع فی حصہ

کارروائی کے نتیجے کا جائزہ:

دوران جائزہ نو ماہی آمدن مبلغ 2,092.178 ملین میں ہوئی۔ جبکہ اس کے مقابل پچھلے سال کی نو ماہی آمدن مبلغ 1,502.844 ملین تھی فروخت کی لاگت مبلغ 1,921.089 ملین ہے۔ جبکہ اس کے مقابل پچھلے سال کی نو ماہی میں فروخت کی لاگت مبلغ 1,341.089 ملین تھی۔ کمپنی کو اس نو ماہی میں ٹیکس کے بعد مبلغ 92.384 ملین کا نفع ہوا جب کہ اس کے مقابل پچھلے سال کی نو ماہی میں مبلغ 28.154 ملین کا نفع ہوا تھا۔

## مستقبل کا خاکہ:

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 سپننگ 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۔ گورنمنٹ کی سستی بجلی اور گیس کی صورت میں مدد اس مالی سال کے آخر تک جاری رہے گی۔ اور ہم امید کرتے ہیں کہ اس سے ٹیکسٹائل انڈسٹری بہت تیزی سے بڑھے گی۔ 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

فیصل آباد

مورخہ 29 اپریل 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	NOTE	Un-Audited 31 March 2022	Audited 30 June 2021	NOTE	Un-Audited 31 March 2022	Audited 30 June 2021
		(RUPEES IN THOUSAND)			(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 2021: 10 000 000) ordinary shares of Rupees 10 each		96,600	96,600	6	1,049,945	1,044,827
Issued, subscribed and paid up share capital		360,000	360,000	7	3,143	-
Directors' loans					4,403	3,759
Capital reserves					1,057,491	1,048,586
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		300,748	307,540			
Accumulated loss		107,188	14,774			
<b>Total equity</b>		<b>926,564</b>	<b>840,942</b>			
<b>LIABILITIES</b>						
<b>NON-CURRENT LIABILITIES</b>						
Deferred income tax liability		137,203	145,659		71,493	72,439
Lease liability		1,837	-		507,252	536,696
Staff retirement gratuity		37,100	34,640		39,238	88,876
		176,140	180,299		5,777	4,608
<b>CURRENT LIABILITIES</b>						
Trade and other payables		432,085	441,759		62,509	75,794
Unclaimed dividend		1,357	792		8,788	8,113
Accrued mark-up		8,252	5,978		51,424	68,836
Short term borrowings		454,747	467,314		-	5,500
Provision for taxation		26,152	40,634		221,325	68,270
<b>TOTAL LIABILITIES</b>		<b>922,593</b>	<b>956,477</b>		<b>967,806</b>	<b>929,132</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		1,098,733	1,136,776			
<b>TOTAL EQUITY AND LIABILITIES</b>	5	<b>2,025,297</b>	<b>1,977,718</b>		<b>2,025,297</b>	<b>1,977,718</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

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2022**

	NOTE			
	Nine months ended		Quarter ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	------(RUPEES IN THOUSAND)-----			
SALES	2,092,178	1,502,844	785,649	562,532
COST OF SALES	(1,921,089)	(1,341,089)	(728,069)	(483,235)
GROSS PROFIT	171,089	161,755	57,580	79,297
DISTRIBUTION COST	(1,690)	(1,027)	(561)	(191)
ADMINISTRATIVE EXPENSES	(39,143)	(36,353)	(13,520)	(12,789)
OTHER EXPENSES	(6,092)	(7,706)	(1,008)	(4,318)
OTHER INCOME	9,591	15,758	7,131	5,249
FINANCE COST	(23,675)	(28,448)	(9,237)	(8,975)
PROFIT BEFORE TAXATION	110,080	103,979	40,385	58,273
TAXATION	(17,696)	(75,825)	(22,095)	(39,195)
PROFIT AFTER TAXATION	92,384	28,154	18,290	19,078
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	9.56	2.91	1.89	1.97

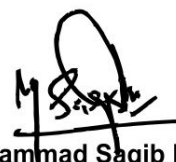
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**AIZAD AMER**  
Chief Executive Officer



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2022**

	Nine months ended		Quarter ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	----- (RUPEES IN THOUSAND) -----			
PROFIT AFTER TAXATION	92,384	28,154	18,290	19,078
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 INCOME FOR THE PERIOD	<u>92,384</u>	<u>28,154</u>	<u>18,290</u>	<u>19,078</u>

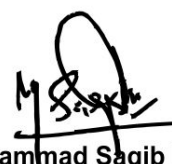
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**AIZAD AMER**  
Chief Executive Officer



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2022

	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	Unappropriated profit / (Accumulated loss)		
<b>Balance as at 30 June 2020 - (Audited)</b>	96,600	360,000	17,250	44,778	317,538	(113,481)	266,085	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation and sale of property, plant and equipment - net of deferred income tax	-	-	-	-	(5,834)	5,834	-	
Adjustment of surplus on sale of plant and machinery - net of deferred income tax	-	-	-	-	(571)	571	-	
Profit for the nine months ended 31 March 2021	-	-	-	-	-	-	-	
Other comprehensive income for the nine months ended 31 March 2021	-	-	-	-	-	-	-	
Total comprehensive income for the nine months ended 31 March 2021	-	-	-	-	-	-	-	
<b>Balance as at 31 March 2021 - (Un-audited)</b>	96,600	360,000	17,250	44,778	311,133	(78,922)	294,239	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	3,647	(3,647)	-	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(7,240)	7,240	-	
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 quarter ended 30 June 2021	-	-	-	-	-	91,341	91,341	
Other comprehensive loss for the quarter ended 30 June 2021	-	-	-	-	-	(1,238)	(1,238)	
Total comprehensive income for the quarter ended 30 June 2021	-	-	-	-	-	90,103	90,103	
<b>Balance as at 30 June 2021- (Audited)</b>	96,600	360,000	17,250	44,778	307,540	14,774	384,342	
Transaction with owners - Final cash dividend for the year ended 30 June 2021 at the rate of Rupee 0.70 per share	-	-	-	-	-	(6,762)	(6,762)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation and sale of property, plant and equipment - net of deferred income tax	-	-	-	-	(6,792)	6,792	-	
Profit for the nine months ended 31 March 2022	-	-	-	-	-	92,384	92,384	
Other comprehensive income for the nine months ended 31 March 2022	-	-	-	-	-	-	-	
Total comprehensive income for the nine months ended 31 March 2022	-	-	-	-	-	92,384	92,384	
<b>Balance as at 31 March 2022 - (Un-audited)</b>	96,600	360,000	17,250	44,778	300,748	107,188	469,664	

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 2022**

	NOTE	Nine months ended	
		31 March 2022	31 March 2021
<b>(RUPEES IN THOUSAND)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	257,634	107,648
Finance cost paid		(21,401)	(32,483)
Income tax paid		(27,349)	(19,099)
Net increase in long term loans		-	(20)
Staff retirement gratuity paid		(7,475)	(6,815)
Net increase in long term deposits and prepayments		(644)	(666)
<b>Net cash generated from operating activities</b>		<b>200,765</b>	<b>48,565</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		60,200	41,480
Capital expenditure on property, plant and equipment		(96,727)	(113,344)
Short term investment redeemed		5,500	-
Profit on investments received		244	-
<b>Net cash used in investing activities</b>		<b>(30,783)</b>	<b>(71,864)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(6,197)	(989)
Lease liability obtained - net		1,837	-
Short term borrowings - net		(12,567)	46,780
<b>Net (used in) / generated from financing activities</b>		<b>(16,927)</b>	<b>45,791</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>153,055</b>	<b>22,492</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>68,270</b>	<b>35,489</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>221,325</b>	<b>57,981</b>

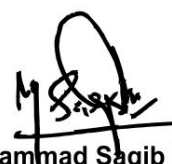
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**AIZAD AMER**  
Chief Executive Officer



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2022**

**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 2022 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 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 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 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 (30 June 2021: 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 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 condensed interim financial statements.
- ii) Guarantees of Rupees 57.313 million (30 June 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 (30 June 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 condensed interim financial statements in view of favorable outcome of the appeal.
- iv) 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.

- 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 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 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 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 condensed interim financial statements in view of favorable outcome of the appeal.
- vii) The Company filed appeal before Appellate Tribunal Inland Revenue, Lahore on 21 March 2019 against the order of Additional Commissioner Inland Revenue for demand of Rupees 114.118 million (30 June 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 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 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 condensed interim 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 (30 June 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 condensed interim financial statements in view of favorable outcome of the appeal.

#### b) Commitments

- i) There was no capital commitment as at 31 March 2021 (30 June 2021: Rupees 25.644 million).
- ii) Letters of credit or contracts other than for capital expenditure are of Rupees 632.824 million (30 June 2021: Rupees 220.015 million).

Un-Audited	Audited
31 March	30 June
2022	2021
(RUPEES IN THOUSAND)	

#### 6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (6.1)	1,042,652	1,026,171
Capital work-in-progress (6.2)	7,293	18,656
	1,049,945	1,044,827

##### 6.1 Operating fixed assets

Opening book value	1,026,171	862,057
<b>Add:</b>		
Cost of additions during the period / year (Note 6.1.1)	104,722	141,182
Transferred from investment properties	-	105,059
	104,722	246,241
	1,130,893	1,108,298
<b>Less:</b>		
Book value of deletions during the period / year (Note 6.1.2)	50,747	37,422
Depreciation charged during the period / year	37,494	44,705
	88,241	82,127
	1,042,652	1,026,171

Un-audited		Audited	
31 March 2022		30 June 2021	

(RUPEES IN THOUSAND)

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

Factory building	2,635	2,153
Plant and machinery	92,922	123,880
Electric installations / appliances	9,070	4,042
Vehicles	95	11,107
	<u>104,722</u>	<u>141,182</u>

**6.1.2 Book value of deletions during the period / year**

Plant and machinery	50,747	36,544
Vehicles	-	878
	<u>50,747</u>	<u>37,422</u>

**6.2 Capital work-in-progress**

Plant and machinery	<u>7,293</u>	<u>18,656</u>
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**7 RIGHT-OF-USE ASSET****Vehicle:**

Opening book value	-	-
Add: Addition during the period / year	3,368	-
	<u>3,368</u>	<u>-</u>
Less: Depreciation charged during the period / year	225	-
	<u>3,143</u>	<u>-</u>

Un-audited	
Nine months ended	
31 March 2022	31 March 2021

(RUPEES IN THOUSAND)

**8. CASH GENERATED FROM OPERATIONS**

Profit before taxation	110,080	103,979
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	37,719	32,990
Gain on sale of property, plant and equipment	(9,453)	(4,703)
Reversal of allowance for expected credit losses	-	(529)
Provision for staff retirement gratuity	9,935	8,760
Profit on short term investment	(139)	(227)
Finance cost	23,675	28,448
Working capital changes (Note 8.1)	85,817	(61,070)
	<u>257,634</u>	<u>107,648</u>

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

Stores, spare parts and loose tools	946	(9,438)
Stock in trade	29,444	(89,143)
Trade debts	49,638	(4,942)
Loans and advances	(1,169)	(11,003)
Short term deposits and prepayments	(675)	(6,341)
Other receivables	17,307	19,697
	<u>95,491</u>	<u>(101,170)</u>
(Decrease) / increase in trade and other payables	(9,674)	40,100
	<u>85,817</u>	<u>(61,070)</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		
<b>Other related parties</b>				
Short term borrowings	Directors of the Company	Loans obtained / (repaid)	5,000	54,500

**ii) Period end balances**

Short term borrowings			208,378	92,703
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**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

**11. DATE OF AUTHORIZATION**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 29 April, 2022.

**12. 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

**13. GENERAL**

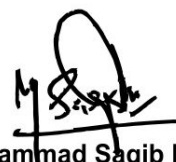
Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



**AIZAD AMER**  
Chief Executive Officer



**ANNS AMER**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer

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