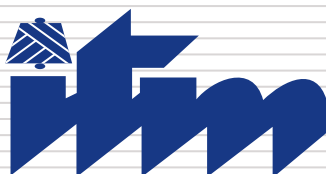


# IDREES

## TEXTILE MILLS LIMITED

CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE FIRST QUARTER  
ENDED SEPTEMBER 30, 2020  
(UN-AUDITED)





## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Muhammad Idrees Allawala	- Chairman
	Mr. S. M. Mansoor Allawala	- CEO
	Mr. Naeem Idrees Allawala	- Director
	Mr. Omair Idrees Allawala	- Director
	Mr. Rizwan Idrees Allawala	- Director
	Mr. Muhammad Israil	- Director
	Mr. Muhammad Saeed	- Director
	Mr. Muhammad Iqbal	- Director
<b>AUDIT COMMITTEE</b>	Mr. Muhammad Saeed	- Chairman
	Mr. Muhammad Iqbal	- Member
	Mr. Muhammad Israil	- Member
	Syed Shahid Sultan	- Secretary
<b>COMPANY SECRETARY</b>	Syed Shahid Sultan	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Muhammad Jawaid	
<b>AUDITORS</b>	M/s. Deloitte Yousuf Adil	
	Chartered Accountants	
<b>HUMAN RESOURCE &amp; REMUNERATION COMMITTEE</b>	Mr. Muhammad Saeed	- Chairman
	Mr. Mr. Muhammad Iqbal	- Member
	Mr. Rizwan Idrees Allawala	- Member
<b>BANKERS</b>	National Bank of Pakistan	
	Bank Alfalah Limited	
	Habib Metropolitan Bank Ltd.	
	Soneri Bank Limited	
	Silk Bank Ltd.	
	Meezan Bank Ltd.	
	Bank of Punjab Ltd.	
	BankIslami Pakistan Ltd.	
	MCB Islamic Bank Ltd.	
	Dubai Islamic Bank Pakistan Ltd.	
	J.S Bank Ltd.	
<b>REGISTERED OFFICE</b>	Samba Bank Limited	
	6-C, Ismail Centre, 1st Floor,	
	Central Commercial Area,	
	Bahadurabad,	
	Karachi - 74800.	
<b>SHARES REGISTRAR MILLS</b>	M/S. JWAFFS Registrar Service (Pvt) Ltd.	
	Kot Shah Mohammad,	
	Tehsil Nankana,	
	District Nankana,	
	Punjab.	
	www.idreestextile.com	

***IN THE NAME OF ALLAH  
THE MOST BENEFICENT AND MERCIFUL***

The Directors are pleased to present the un-audited financial statements of your Company for the first quarter ended on September 30, 2020.

**FINANCIAL AND OPERATIONAL OVERVIEW**

The principal activity of the Company is manufacturing and sale of yarn. During the period under review there has not been any material change in the Company's business activities.

During the period the Company's turnover amounted to Rs. 801.07 million as compared to Rs. 865.75 million in the same period of last year. Gross profit amounted to Rs. 73.59 million compared to Rs. 70.10 million for the corresponding period and profit after tax amounted to Rs. 9.61 million against loss after tax of Rs. 14.23 million in the comparable period. Earnings per share amounted to Re. 0.48 against loss per share of Re. 0.72 in the same period of last year.

By the grace of Allah, the Company closed the quarter under review in profit and the management has successfully steered the Company in the challenging economic environment prevalent in the Country post COVID-19 lockdowns. The Company's financial cost has also reduced in the first quarter of FY 21 as compared to the same period of FY20. Gross profit percentage has also improved as compared to the corresponding period. Pakistan's economy has started to rebound in the first quarter of FY21. Timely action by the Government has helped in restoring confidence of the business community. The State Bank of Pakistan (SBP) also took a number of measures to help the companies in managing their cash flows that were affected due to the lockdowns.

**FUTURE OUTLOOK**

We believe that the pace of Pakistan's economic revival will gain momentum in FY21 and, with a phenomenal increase in online retailing around the world, the demand for Pakistan's textile products is likely to rise substantially. A sizeable improvement in exports can give a boost to the Company's turnover and improve profitability in the coming months. We are already seeing that global retailers' demand for goods from South Asian Region is picking up and we hope to see an improvement in export orders, especially from China and we also expect greater demand from the local market. Other major factors that directly impact the financial results are; Pak Rupee vs US Dollar parity, decision on discount rate by SBP and energy tariff for the textile sector. The Company's management remains fully cognizant of the developments and is committed to ensure safeguard of stakeholders' interest.

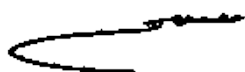
**DIRECTORS' REMUNERATION**

The Company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of remuneration paid to directors have been disclosed in note 12 of the annexed financial statements.

**ACKNOWLEDGEMENT**

The Board is thankful to all the stakeholders for their co-operation and trust

For and on behalf of the Board



**Muhammad Idrees Allawala**  
Chairman



**S.M. Mansoor Allawala**  
Chief Executive

Karachi. October 27, 2020

آپ کی کمپنی کے ڈائریکٹر ان 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے غیر آؤٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔  
**عملی اور مالیاتی کارکردگی کا جائزہ:-**

زیر جائزہ مدت کے دوران خالص فروخت کی مالیت 801.07 ملین روپے رہی جبکہ تقابلی مدت میں 865.75 ملین روپے رہی کل منافع 73.59 ملین روپے جبکہ پچھلے سال اس مدت میں 70.10 ملین روپے تھا بعد از ٹیکس منافع 9.61 ملین روپے جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس خسارہ 14.23 ملین تھا زیر غور مدت کے لئے فی حصص آمدنی 0.48 روپیہ جبکہ تقابلی مدت میں فی حصص خسارہ 0.72 روپیہ تھا۔

اللہ کے فضل و کرم سے اس سہ ماہی کا اختتام منافع پر ہوا ہے اور انتظامیہ نے کوڈ 19 کے بعد ملک میں چیلنجنگ معاشی ماحول میں کمپنی کو کامیابی سے آگے بڑھایا ہے۔ مالی سال 21 کی پہلی سہ ماہی میں کمپنی کی مالی لاگت میں بھی کمی واقع ہوئی ہے جبکہ مالی سال 20 کی اسی مدت کے مقابلے میں مجموعی منافع کا تناسب بھی اسی دورانیے میں بہتر ہوا ہے۔ مالی سال 21 کی پہلی سہ ماہی میں پاکستان کی معیشت میں تیزی آنا شروع ہو گئی ہے۔ حکومت کی طرف سے بروقت کارروائی سے کاروباری برادری کے اعتماد کو بحال کرنے میں مدد ملی ہے۔ اسٹیٹ بینک آف پاکستان نے لاک ڈاؤن کی وجہ سے کمپنیوں کو ان کے کیش فلو کا انتظام بہتر کرنے میں مدد فراہم کرنے کے لئے بہت سے اقدامات کیے ہیں۔  
**مستقبل پر نظر:-**

ہمارا ماننا ہے کہ مالی سال 21 میں پاکستان کی معاشی بحالی کی رفتار مضبوط ہوگی اور دنیا بھر میں آن لائن خوردہ فروشی میں غیر معمولی اضافے کے ساتھ، پاکستان کی ٹیکسٹائل مصنوعات کی طلب میں کافی حد تک اضافہ ہونے کا امکان ہے۔ برآمدات میں نمایا بہتری کمپنی کے کاروبار کو فروغ دے سکتی ہے اور آنے والے مہینوں میں منافع کو بہتر بنا سکتی ہے۔ ہم پہلے ہی دیکھ رہے ہیں کہ ہمیں عالمی خوردہ فروشوں کی جنوبی ایشیائی خطے سے اشیاء کی طلب میں اضافہ ہو رہا ہے اور ہمیں امید کہ برآمدی آرڈر میں بہتری دیکھنے کو ملے گی، خاص طور پر چین سے اور ہم مقامی مارکیٹ سے بھی زیادہ مانگ کی توقع کرتے ہیں۔ جن دیگر اہم عوامل کا براہ راست اثر مالی نتائج پر پڑتا ہے ان میں پاک روپیہ کی قدر بمقابلہ امریکی ڈالر، اسٹیٹ بینک کا ڈسکاؤنٹ ریٹ پر فیصلہ اور ٹیکسٹائل کے شعبے کے لئے توانائی کے نرخ شامل ہیں۔ کمپنی کی انتظامیہ ان پیش رفتوں پر گہری نگاہ رکھتی ہے اور اسٹیک ہولڈرز کے مفادات کے تحفظ کو یقینی بنانے کے لئے پرعزم ہے۔  
**ڈائریکٹر ان کے لئے معاوضہ کی پالیسی:-**

کمپنی اپنے نان ایگزیکٹو ڈائریکٹر ان اور انڈیپینڈنٹ ڈائریکٹر کو معاوضہ کی ادائیگی نہیں کرتی کی سوائے کمپنی کے اجلاسوں میں شرکت کی فیس کے اظہار تشکر منسلک مالیاتی گوشواروں کے نوٹ نمبر 12 میں ڈائریکٹر ان کو ادا کی جانے والی اجرت کی مجموعی رقم ظاہر کی گئی ہے۔  
**اظہار تشکر:-**

بورڈ تعاون کرنے اور اعتماد کے لئے تمام اسٹیک ہولڈرز کا شکریہ ادا ہے۔

کمپنی کے بورڈ آف ڈائریکٹر کی جانب سے

ایس ایم منصور واللہ والا

محمد ادریس اللہ والا

کراچی: اکتوبر 27، 2020ء

**CONDENSED INTERIM BALANCE SHEET**  
As at September 30, 2020



		(Unaudited) September 30, 2020	(Audited) June 30, 2020
		----- Rupees -----	
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	6	1,697,979,750	1,662,696,972
Long-term deposits		25,144,885	26,665,335
		<b>1,723,124,635</b>	<b>1,689,362,307</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		43,236,204	47,580,982
Stock-in-trade	7	1,182,691,762	1,538,057,914
Trade debts		737,491,550	782,098,181
Loans and advances		48,989,218	67,718,460
Deposits and short term prepayments		12,475,209	7,928,309
Other receivables		73,981,451	66,431,692
Other Financial Assets	8	75,210,870	73,746,320
Cash and bank balances		59,593,729	18,400,305
		<b>2,233,669,993</b>	<b>2,601,962,163</b>
		<b>3,956,794,628</b>	<b>4,291,324,470</b>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		198,528,000	198,528,000
Capital reserve			
Surplus on revaluation of Property, Plant & Equipments		633,848,096	633,848,096
Unappropriated profit		776,377,029	765,112,693
		<b>1,608,753,125</b>	<b>1,597,488,789</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term finance		168,304,458	153,555,474
Liabilities against assets subject to finance lease		24,132,386	28,145,710
Deferred liabilities		218,926,412	232,272,424
<b>CURRENT LIABILITIES</b>			
Trade and other payables		287,023,045	397,347,898
Interest / mark-up accrued		45,547,515	68,008,376
Short term borrowings	4	1,439,447,425	1,638,057,210
Current portion of long term loan		113,709,011	99,356,884
liabilities against assets subject to finance lease		26,803,418	31,498,402
Unclaimed Dividend		2,424,885	2,424,885
Provision for taxation		21,722,948	43,168,418
		<b>1,936,678,247</b>	<b>2,279,862,073</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	<b>3,956,794,628</b>	<b>4,291,324,470</b>

The annexed notes form an integral part of these financial statements

Chief Executive

Chief Financial Officer

Director

# CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)

For The First Quarter Ended September 30, 2020



		<i>Three Month Ended</i>	
		<i>September 30, 2020</i>	<i>September 30, 2019</i>
		<i>..... Rupees .....</i>	
Sales		801,070,395	865,749,851
Cost of goods sold	9	(727,479,946)	(795,643,361)
Gross profit		73,590,449	70,106,490
Distribution cost		5,113,068	3,752,916
Administrative expenses		18,239,510	19,182,817
Other operating expenses	10	1,220,021	9,704,431
Finance cost		47,415,325	58,566,340
Other operating income	11	(1,853,329)	(1,288,063)
		70,134,595	89,918,440
Profit before taxation		3,455,854	(19,811,950)
Taxation			
Current		(10,336,288)	(10,802,603)
Deferred		16,595,355	16,378,175
Prior year		(103,772)	-
Provision for taxation		6,155,295	5,575,572
Profit after taxation		9,611,149	(14,236,378)
Other Comprehensive Income		-	-
		9,611,149	(14,236,378)
		0.48	(0.72)

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

Chief Executive

Chief Financial Officer

Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
For The First Quarter Ended September 30, 2020



	<i>Three Month Ended</i>	
	September 30, 2020	September 30, 2019
	<i>..... Rupees .....</i>	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,455,854	(19,811,950)
Adjustments for :		
Depreciation on property, plant and equipment	22,242,752	22,227,671
Provision for staff retirement gratuity	4,377,345	4,282,800
Loss/(Profit) on sale of property, plant and equipment	-	(9,999)
Taxation u/s 161/205	(103,772)	-
Finance cost	47,415,325	58,566,340
Operating cashflow before movement of working capital	77,387,504	65,254,861
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	4,344,778	(2,750,948)
Stock-in-trade	355,366,152	411,358,551
Trade debts	44,606,631	2,538,062
Loans and advances	(4,843,535)	899,299
Deposits and short term prepayments	(4,546,900)	(3,257,247)
Other receivables	(7,549,759)	(3,485,119)
Increase / (decrease) in current liabilities		
Trade and other payable	(110,324,853)	47,963,691
Cash generated from operations	354,440,018	518,521,152
Finance cost paid	(66,432,372)	(64,999,681)
Gratuity paid	(1,128,000)	(2,207,250)
Income tax paid	(8,208,981)	(6,995,652)
Net cash used in operating activities	278,670,666	444,318,569
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(57,525,531)	(662,098)
Proceed from disposal of property, plant and equipment	-	10,000
Sales Tax refund Bond	-	(1,300,000)
Other Financial assets	(1,464,550)	2,999,387
Long term deposits (increased) / decreased	1,520,450	(255,275)
Net cash used in investing activities	(57,469,631)	792,014
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Obtained /(Paid) of long term finance	27,310,483	(6,374,907)
Finance against Imported Merchandise -FIM obtained /(paid)	(211,960,883)	(330,544,498)
Finance lease obtained / (Paid) - net	(8,708,308)	(7,708,004)
Dividend paid	-	-
Net cash from financing activities	(193,358,708)	(344,627,409)
Net decrease in cash and cash equivalents (A+B+C)	27,842,327	100,483,174
Cash and cash equivalents at beginning of the period	(791,008,258)	(781,074,520)
Cash and cash equivalents at end of the period	(763,165,931)	(680,591,346)
<b>Cash and cash equivalents</b>		
Cash and bank balances	59,593,729	36,278,733
Running finance	(345,249,250)	(390,209,843)
Cash finance	(477,510,410)	(326,660,237)
	(763,165,931)	(680,591,347)

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

  
Chief Executive

  
Chief Financial Officer

  
Director

- 1 The Company was incorporated in Pakistan on June 05, 1990 as an unquoted public limited company and is listed on Karachi and Lahore Stock Exchanges. The registered office of the company is situated at 6-C, Ismail Center, Central Commercial Area Bahadurabad, Karachi whereas the manufacturing facility of the company is located at Kot Shah Mohammad, Tehsil Nankana, district Nankana, Punjab. The principal activity of the Company is manufacture and sale of yarn and fabric
- 2 These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan
- 3 The accounting convention, policies and methods of computation followed in the preparation of these interim financial statements are the same as those of the published annual financial statements for the year ended June 30, 2020

	(Unaudited) September 30, 2020	(Audited) June 30, 2020
<b>4. SHORT TERM BORROWINGS</b>		
From Banking Companies - secured	(1,439,447,425)	(1,638,057,210)

## 5. CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

There is no material change in Contingent liabilities as disclosed in annual financial statements of June 30, 2020

### 5.2 Commitments

Letters of credit for import of spare parts, machinery & raw material	258,817,802	56,112,000
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## 6 ADDITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period following additions and disposal were made:

	(Unaudited) Three months ended September 30, 2020		(Audited) Year ended June 30, 2020	
	Additions	Disposals / transfers	Additions	Disposals / transfers
	Rupees			
<b>Operating Fixed assets</b>				
Mill Building	19,354	-	358,966	-
Plant & Machinery (Owned)	21,043,225	-	3,992,827	11,140,000
Plant & Machinery (CWIP)	36,112,561	14,836,000		(1,900,788)
Office equipment	203,154		483,000	-
Furniture & Fixture	-	-	92,900	-
Vehicle (Owned)	147,237		695,852	6,079,000
				(7,738,601)
Plant & Machinery (Leased)	-	(14,836,000)	17,500,000	(11,140,000)
Vehicle (Leased)	-	-	5,266,030	(6,079,000)
	57,525,531	-	28,389,575	(9,639,389)



	(Unaudited) September 30, 2020	(Audited) June 30, 2020
<b>7. STOCK IN TRADE</b>		
Raw Material - in hand	847,985,653	1,004,724,792
Tansit	132,915,686	349,733,833
Work in process	46,980,633	38,283,787
Finished Goods	149,490,175	141,459,240
Waste	5,319,615	3,856,262
	<u>1,182,691,762</u>	<u>1,538,057,914</u>

**8. OTHER FINANCIAL ASSETS**

These represents term deposit receipts with various banks for a period ranging from six months to one year carrying mark-up at the rates ranging from 4.35% to 7.5% (2019: 4.75% to 7.5%) per annum. The banks have lien on these term deposit receipts on account of guarantees provided by such banks.

	September 30, 2020	September 30, 2019
<b>9. COST OF GOODS SOLD</b>		
Raw material consumed	550,403,934	548,906,867
Salaries, wages and benefits	43,281,589	25,904,467
Fuel and power	67,859,818	84,543,808
Stores and spares	29,944,353	21,424,696
Depreciation	20,100,973	19,664,805
Insurance	2,000,000	2,000,000
Repairs and maintenance	1,350,296	594,974
Other manufacturing overheads	1,216,752	1,538,662
	<u>716,157,714</u>	<u>704,578,278</u>
Work-in-process		
Opening stock	38,283,787	26,053,631
Closing stock	(46,980,633)	(25,631,804)
	<u>(8,696,846)</u>	<u>421,827</u>
Cost of goods manufactured	<u>707,460,868</u>	<u>705,000,105</u>
Finished goods		
Opening stock	145,315,502	112,069,188
Closing stock	(154,809,790)	(160,057,247)
	<u>(9,494,288)</u>	<u>(47,988,059)</u>
Cost of Raw Material Sold	<u>29,513,366</u>	<u>138,631,315</u>
	<u>727,479,946</u>	<u>795,643,361</u>
<b>10. OTHER OPERATING EXPENSES</b>		
Infrastructure cess	-	781,504
Exchange loss-net	1,046,221	8,211,706
Export Development Surcharge	173,800	711,221
	<u>1,220,021</u>	<u>9,704,431</u>
<b>11. OTHER INCOME</b>		
Profit on deposits	1,350,760	1,278,064
Gain/ (Loss) on disposal of PPE	19,998	9,999
Sale of scrap	337,500	-
Other Revenue	145,071	-
	<u>1,853,329</u>	<u>1,288,063</u>
<b>12. AGGREGATED TRANSECTIONS WITH ASSOCIATES UNDERTAKINGS AND RELATED PARTIES</b>		

The related parties comprise associated undertakings, key mnagement personnel. The Significant transections with related parties during the period are as follows:

Relationship with Company	Nature of Transactions	(Unaudited) Three Months ended September 30, 2020 Rupees
Provident Fund of the Company	Contribution paid	466,265
Key Management personnel	CEO & directors	1,350,000

**13. DATE OF AUTHORIZATION FOR ISSUE**

The financial statements were authorized for issue on October, 27, 2020 by the Board of Directors of the Company.

**14. GENERAL**

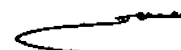
Figures have been re-arranged wherever it was necessary for the purpose of comparison and rounded off nearest to rupee.



Chief Executive



Chief Financial Officer










Director










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