AN

TEXTILE MILLS LIMITED

1st Quarter Report

September 30, 2022
(UN-AUDITED)

COMPANY INFORMATION

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

DIRECTORS' REVIEW TO THE SHAREHOLDERS

The Directors of your Company feel pleasure to submit un-audited condensed interim financial information of your Company for the 1st quarter ended September 30, 2022.

	Quarter ended	
	30 September 2022	30 September 2021
	(Rupees in Thousand)	
REVENUE	401,354	643,542
COST OF SALES	(416,448)	(554,274)
GROSS (LOSS) / PROFIT	(15,094)	89,268
DISTRIBUTION COST	(251)	(427)
ADMINISTRATIVE EXPENSES	(13,460)	(13,007)
OTHER INCOME	-	2,351
FINANCE COST	(16,556)	(5,229)
(LOSS) / PROFIT BEFORE TAXATION	(45,361)	72,956
TAXATION	11,159	(39,633)
(LOSS) / PROFIT AFTER TAXATION	(34,202)	33,323
(LOSS) / EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	(3.54)	3.45

REVIEW OF OPERATING RESULTS

During the period under review, revenue was Rupees 401.354 million as compared to corresponding period's sales amounting to Rupees 643.542 million. The cost of sales was Rupees 416.448 million as compared to Rupees 554.274 million in the corresponding period. Financial charges were 16.556 million as compared to 5.229 million of the corresponding period due to increase in policy rate. The company incurred loss after taxation of Rupees 34.202 million as compared to profit after taxation of Rupees 33.323 million in the corresponding period.

FUTURE OUTLOOK

The current year has started with many challenges with world-wide recession, demand destruction and devasting floods in Pakistan which have severely damaged the country's cotton crop. Local reports indicate that the domestic cotton crop has been severely affected and it will be far short of target. Moreover, there has been reduction in world cotton production. However, due to world-recession, the consumption of cotton has been decreased in all textile producing countries which

shows significant decrease in demand of goods. During the current year the crop forecast is almost 5 to 6 million bales, and we must import remaining bales to meet our requirements. This will result in maintaining pressure on the exchange rate.

Due to the above-mentioned factors, all the textile producing countries are now facing the prospect of demand destruction and unless the world economies begin to recover, we see an extremely difficult year ahead. In view of the above, the operations of the Company has been temporarily closed since 17 August 2022 due to unforeseen downturn in the market and unavailability demand of goods. The management of your company is optimistic to start its operations again in November 2022. However, the sponsor directors of the Company are fully committed to facilitate the company for smooth running of its operations.

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: October 28, 2022

(Kh. Amer Khurshid)
Director

حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کی غیر آڈٹ شدہ 30 ستمبر 2022 کو ختم ہونے والی پہلی سہ ماہی تک کی مالیاتی کارکردگی پیش کر رہے ہیں۔

مالیاتی نتائج:

	30 ستمبر 2022 (رقم ہزاروں میں)	30 ستمبر 2021 (رقم ہزاروں میں)
آمدن	401,354	643,542
فروخت کی لاگت	(416,448)	(554,274)
مجموعی (نقصان) / نفع	(15,094)	89,268
تقسیم کی لاگت	(251)	(427)
انتظامیہ اخراجات	(13,460)	(13,007)
دیگر آمدن	-	2,351
مالیاتی لاگت	(16,556)	(5,229)
ٹیکس سے پہلے (نقصان) / نفع	(45,361)	72,956
ٹیکس	11,159	(39,633)
ٹیکس کے بعد (نقصان) / نفع	(34,202)	33,323
(نقصان) / نفع فی حصہ - روپے	(3.54)	3.45

کاروائی کے نتیجہ کا جائزہ:

دورانِ جائزہ سہ ماہی آمدن مبلغ 401.354 ملین ہوئی۔ جبکہ اس کے مقابل پچھلے سال کی سہ ماہی آمدن مبلغ 643.542 ملین تھی فروخت کی لاگت مبلغ 416.448 ملین ہے۔ جبکہ اس کے مقابل پچھلے سال کی سہ ماہی میں فروخت کی لاگت مبلغ 554.274 ملین تھی۔ کمپنی کی مالیاتی لاگت اس سہ ماہی میں 16.556 ملین رہی۔ جبکہ اس کے مقابل پچھلے سال کی سہ ماہی کی مالیاتی لاگت 5.229 ملین تھی اور یہ اضافہ پالیسی ریٹ میں اضافے کی وجہ سے ہوا۔ کمپنی کو اس سہ ماہی میں ٹیکس کے بعد مبلغ 34.202 ملین کا نقصان ہوا۔ جب کہ اس کے مقابل پچھلے سال کی سہ ماہی میں مبلغ 33.323 ملین کا نفع ہوا تھا۔

مستقبل کا ڈھانچہ:

موجودہ سال کا آغاز عالمی سطح پر کساد بازاری، طلب کی کمی اور پاکستان میں تباہ کن سیلاب کے ساتھ بہت سے مسائل کے ساتھ ہوا۔ جس سے ملک میں کپاس کی فصل کو شدید نقصان ہوا۔ مقامی رپورٹس کے مطابق کپاس کی فصل شدید متاثر ہوئی ہے اور یہ اپنے ہدف سے بہت کم رہ جائے گی۔ مزید یہ کہ کپاس کی عالمی پیداوار میں بھی کمی آئی ہے۔ تاہم عالمی سطح پر کساد بازاری کی وجہ سے تمام ٹیکسٹائل مصنوعات پیدا کرنے والے ممالک میں کپاس کی طلب میں کمی آئی ہے جو اشیاء کی طلب میں نمایاں کمی کو ظاہر کرتی ہے۔ رواں سال کے دوران کپاس کی فصل کی پیداوار کی پیش گوئی پانچ سے چھ ملین گانٹھیں ہیں۔ اور ہمیں اپنی ضروریات کو پورا کرنے کے لیے باقی ماندہ گانٹھیں درآمد کرنا ہونگی۔ اس کے نتیجے میں شرح تبادلہ پر دباؤ برقرار رہے گا۔

مندرجہ بالا عوامل کی وجہ سے تمام ٹیکسٹائل مصنوعات پیدا کرنے والے ممالک اب طلب کی تباہی کے امکانات کا سامنا کر رہے ہیں۔ اور جب تک عالمی معیشتیں بحال نہیں ہوتیں ہمیں آنے والا سال مشکل نظر آ رہا ہے۔ مذکورہ بالا عوامل کے پیش نظر مارکیٹ میں غیر متوقع مندی اور اشیاء کی طلب میں کمی کی وجہ سے آپ کی کمپنی کی پیداوار 17 اگست 2022 سے عارضی طور پر بند ہے۔ آپ کی کمپنی کی انتظامیہ نومبر 2022 میں اپنی پیداوار دوبارہ شروع کرنے کے لیے پرامید ہے۔ آپ کی کمپنی کے ڈائریکٹرز کمپنی کے معاملات کو اچھے سے چلانے کے لیے ہر قسم کی سہولت فراہم کرنے کے لیے پوری طرح پر عزم ہیں۔

اعتراف:

بورڈ اپنے گاہکوں، سپلائرز، بنکرز، اور ملازموں کے تعاون، عزم اور محنت کی تعریف کرتا ہے اور اسے اپنے ریکارڈ میں لاتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

ایزد عامر

چیف ایگزیکٹو آفیسر

خواجہ عامر خورشید

ڈائریکٹر

فیصل آباد

مورخہ 28 اکتوبر 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	NOTE	Un-audited 30 September 2022	Audited 30 June 2022
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
10 000 000 (30 June 2022: 10 000 000) ordinary shares of Rupees 10 each		100,000	100,000
Issued, subscribed & paid up share capital		96,600	96,600
Directors' loan		360,000	360,000
Capital Reserves			
Premium on issue of shares reserve		17,250	17,250
Equity portion of shareholders' loans		44,778	44,778
Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax		298,499	298,499
Un-appropriated profit		83,158	117,360
Total equity		900,285	934,487
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income tax liability		105,426	121,601
Lease liability		1,370	1,528
Staff retirement gratuity		37,402	36,508
		144,198	159,637
CURRENT LIABILITIES			
Trade and other payables		210,043	220,468
Unclaimed dividend		1,023	1,023
Accrued mark-up		10,343	5,443
Current portion of lease liability		308	295
Short term borrowings		790,288	581,133
Provision for taxation		5,016	35,085
		1,017,021	843,447
TOTAL LIABILITIES		1,161,219	1,003,084
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		2,061,504	1,937,571

	NOTE	Un-audited 30 September 2022	Audited 30 June 2022
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,048,479	1,059,112
Right-of-use asset	7	2,826	2,975
Long term deposits and prepayments		4,301	3,874
		1,055,606	1,065,961
CURRENT ASSETS			
Stores, spare parts and loose tools		78,912	83,668
Stock in trade		706,794	580,509
Trade debts		13,095	27,690
Loans and advances		17,461	4,115
Income tax		56,755	79,111
Short term deposits and prepayments		11,527	8,012
Other receivables		113,784	62,630
Short term investments		-	-
Cash and bank balances		7,570	25,875
		1,005,898	871,610
TOTAL ASSETS		2,061,504	1,937,571

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

Aizad Amer	Khawaja Amer Khurshid	Muhammad Saqib Ehsan
Chief Executive Officer	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	NOTE	Quarter ended	
		30 September 2022	30 September 2021
		(Rupees in Thousand)	
REVENUE		401,354	643,542
COST OF SALES	8	(416,448)	(554,274)
GROSS (LOSS) / PROFIT		(15,094)	89,268
DISTRIBUTION COST		(251)	(427)
ADMINISTRATIVE EXPENSES		(13,460)	(13,007)
OTHER INCOME		-	2,351
FINANCE COST		(16,556)	(5,229)
(LOSS) / PROFIT BEFORE TAXATION		(45,361)	72,956
TAXATION		11,159	(39,633)
(LOSS) / PROFIT AFTER TAXATION		(34,202)	33,323
(LOSS) / EARNINGS PER SHARE- BASIC AND DILUTED		(3.54)	3.45

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

Aizad Amer	Khawaja Amer Khurshid	Muhammad Saqib Ehsan
Chief Executive Officer	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	Quarter ended	
	30 September 2022	30 September 2021
	(Rupees in thousand)	
(LOSS) / PROFIT AFTER TAXATION	(34,202)	33,323
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(34,202)	33,323

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

Aizad Amer	Khawaja Amer Khurshid	Muhammad Saqib Ehsan
Chief Executive Officer	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

			RESERVES						
			CAPITAL RESERVE				REVENUE		
	SHARE CAPITAL	DIRECTORS' LOAN	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	Un-appropriated profit	TOTAL	TOTAL EQUITY
	----------(RUPEES IN THOUSAND)----------								
Balance as at 30 June 2021 - (Audited)	96,600	360,000	17,250	44,778	307,540	369,568	14,774	384,342	840,942
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(2,260)	(2,260)	2,260	-	-
Profit for the period ended	-	-	-	-	-	-	33,323	33,323	33,323
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-		-	-		-	33,323	33,323	33,323
Balance as at 30 September 2021 - (Un-audited)	96,600	360,000	17,250	44,778	305,280	367,308	50,357	417,665	874,265
Transaction with owners - Final dividend for the year ended 30 June 2021 at the rate of Rupee 0.70 per share	-	-	-	-	-	-	(6,762)	(6,762)	(6,762)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	(6,781)	(6,781)	6,781	-	-
Profit for the period	-	-	-	-	-	-	63,175	63,175	63,175
Other comprehensive income for the period	-	-	-	-	-	-	3,809	3,809	3,809
Total comprehensive income for the period	-	-	-	-	-	-	66,984	66,984	66,984
Balance as at 30 June 2022- (Audited)	96,600	360,000	17,250	44,778	298,499	360,527	117,360	477,887	934,487
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-		-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	(34,202)	(34,202)	(34,202)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-		-	-	-	-	(34,202)	(34,202)	(34,202)
Balance as at 30 September 2022- (Un-audited)	96,600	360,000	17,250	44,778	298,499	360,527	83,158	443,685	900,285

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

Aizad Amer	Khawaja Amer Khurshid	Muhammad Saqib Ehsan
Chief Executive Officer	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2022

	NOTE	Quarter ended	
		30 September 2022	30 September 2021
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	9	(197,420)	(25,927)
Finance cost paid		(11,656)	(7,874)
Income tax paid		(12,729)	(7,310)
Staff retirement gratuity paid		(3,222)	(997)
Net decrease in long loans		-	-
Net increase in long term deposits and prepayments		(427)	(5,798)
NET CASH USED IN OPERATING ACTIVITIES		(225,454)	(47,906)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant & equipment		(1,861)	(34,347)
Proceeds from sale of property, plant and equipment		-	17,000
Profit on investments received		-	127
Net cash used in investing activities		(1,861)	(17,220)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction with owners		-	100,000
Repayment of lease liability		(145)	-
Short term borrowings - net		209,155	(68,042)
NET CASH FROM FINANCING ACTIVITIES		209,010	31,958
NET DECREASE IN CASH AND CASH EQUIVALENTS		(18,305)	(33,168)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		25,875	68,270
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,570	35,102

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

Aizad Amer	Khawaja Amer Khurshid	Muhammad Saqib Ehsan
Chief Executive Officer	Director	Chief Financial Officer

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 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 its share are quoted on Pakistan Stock Exchange Limited. Its registered office and mills premises are situated at 35 Kilometers Sheikhupura Road, Faisalabad. The principal activity of the Company is manufacturing, sale and trading of yarn and cloth.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and is being submitted to shareholders as required by the Companies Act, 2017. This condensed interim financial information of the Company for the 1st quarter ended 30 September 2021 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements for the year ended 30 June 2022.

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 2022.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

5. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) 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 (2022: Rupees 22.378 million) by the tax department regarding disallowance of minimum tax adjustment for the tax year 2011. The Appellate Tribunal Inland Revenue disposed the appeal. Then the department filed a reference before the Lahore High Court, Lahore against this order. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

ii)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 (2022: Rupees 14.663 million) by the tax department regarding disallowance of withholding taxes as adopted in income tax return for the tax year 2016. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

iii) 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 (2022: Rupees 114.118 million) by the tax department by nullifying the proration of the income between FTR and NTR as adopted by the Company for the tax year 2014. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

iv)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 (2022: Rupees 5.766 million) on the issue of proration of expenses and prorated the specific expenses related to normal tax regime to final tax regime. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

v) 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 (2022: Rupees 8.966 million). The original order was issued by the Assistant Commissioner Inland Revenue for non-deduction of withholding tax on certain parties under various clauses of section 153 of the Income Tax Ordinance, 2001. The related provision is not made in these financial statements in view of favorable outcome of the appeal.

vi) Appeals have been filed on 23 April 2022 before Commissioner Inland Revenue (Appeals) to contest the disallowance of refunds against current demands by Assistant Commissioner Inland Revenue amounting to Rupees 20.816 million (2022: Rupees 20.816 million) in total. The related provision is not made in these financial statements in the view of favourable outcome of these appeals.

vii) 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 have been 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.

viii) 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 (2022: Rupees 12.224 million). This appeal was allowed by Lahore High Court, Lahore on 13 December 2019 by asking Oil and Gas Regulatory Authority (OGRA) to conduct a public hearing to determine the level of cost of supply of RLNG. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds that the decision of the proposed public hearing of OGRA will be decided in favour of the Company.

ix) 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 (2022: 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. However the case is not yet fixed for hearing by SCP. On advice of legal counsel, in view of possible favourable outcome, no provision is accounted for in these financial statements.

x) Guarantees of Rupees 48.237 million (2022: 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.

b) **Commitments**

i) Letters of credit for capital expenditure are of Rupees Nil as at 30 September 2022 (2022: Rupees Nil).

ii) Letters of credit for other than capital expenditure are of Rupees 97.511 million (2022: Rupees 429.314 million).

	Un-Audited	Audited
	30 September 2022	30 June 2022
	Rupees in thousand	
6. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	1,059,112	1,026,171
Add: Cost of additions during the period / year (Note 6.1)	1,861	144,831
	1,060,973	1,171,002
Less: Book value of plant and machinary disposed off during the period / year	-	62,306
	1,060,973	1,108,696
Less: Depreciation charged for the period / year	12,494	49,584
	1,048,479	1,059,112
6.1 Cost of additions during the period / year		
Buildings on free hold land - mills	-	2,635
Plant and machinery	1,861	132,055
Electric installations	-	10,046
Vehicles	-	95
	1,861	144,831
7. RIGHT-OF-USE ASSET		
Opening book value	2,975	-
Add: Addition during the period / year	-	3,368
	2,975	3,368
Less: Depreciation charged during the period / year	149	393
Balance as on 30 September	2,826	2,975

	(Un-Audited)	
	Quarter ended	
	30 September 2022	30 September 2021
8. COST OF SALES		
Raw material consumed (Note 8.1)	214,843	361,583
Loading and unloading	97	64
Salaries, wages and other benefits	25,831	39,710
Staff retirement benefits	3,816	3,047
Stores, spares and loose tools consumed	7,070	20,471
Packing material consumed	2,613	6,226
Repairs and maintenance	297	393
Fuel and power	83,047	103,801
Insurance	799	576
Other factory overheads	263	191
Depreciation	11,367	10,822
	350.043	546.884

Work in process		
Opening stock	21,076	32,053
Closing stock	(34,937)	(29,400)
	(13,861)	2,653
Cost of goods manufactured	336,182	549,537
Finished goods		
Opening stock	131,229	38,130
Closing stock	(50,963)	(33,393)
	80,266	4,737
	416,448	554,274

8.1 Raw material consumed

Opening Stock	428,205	466,513
Add: Purchases during the period	407,532	411,582
	835,737	878,095
Less: Closing Stock	(620,894)	(516,512)
	214,843	361,583

9. CASH GENERATED FROM OPERATIONS

(Loss)/Profit before taxation	(45,361)	72,956
Adjustments for non-cash charges and other items:		
Depreciation	12,643	11,848
Provision for gratuity	4,116	3,312
Profit on long term investments	-	(91)
Gain on sale of property, plant and equipment	-	(2,260)
Finance cost	16,556	5,229
Working capital changes (Note 9.1)	(185,374)	(116,921)
	(197,420)	(25,927)

9.1 Working capital changes

Decrease / (Increase) in current assets:		
Stores, spare parts and loose tools	4,756	(9,618)
Stock in trade	(126,285)	(42,609)
Trade debts	14,595	(39,601)
Loans and advances	(13,346)	(10,344)
Short term deposits and prepayments	(3,515)	(2,853)
Other receivables	(51,154)	1,177
	(174,949)	(103,848)
Decrease in trade and other payables	(10,425)	(13,073)
	(185,374)	(116,921)

10. 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:

			Un-Audited	Audited
			30 September 2022	30 June 2022
			Rupees in thousand	
i) Transactions				
Particulars	**Basis of relationship**	**Nature of transaction**		
Other related parties				
Short term borrowings	Directors of the Company	Loans obtained	-	5,000
Dividend paid to directors	Members of board of directors and their spouses	Dividend paid	5,558	-

11. 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 2022.

12. DATE OF AUTHORIZATION

This condensed interim financial information was approved by the Board of Directors of the Company and authorised for issue on 28 October 2022.

13. CORRESPONDING FIGURES

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

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

14. GENERAL

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

Aizad Amer	**Khawaja Amer Khurshid**	**Muhammad Saqib Ehsan**
Chief Executive Officer	**Director**	**Chief Financial Officer**