

# AN

**TEXTILE MILLS LIMITED**



*3rd*

*Quarter*

*Report*

**March 31, 2023  
(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 the Company are pleased to present their un-audited condensed interim financial information of the Company for the nine months ended March 31, 2023. The comparative financial results of the company are reproduced hereunder:

	Nine months ended	
	31 March 2023	31 March 2022
	(Rupees in Thousand)	
REVENUE FROM CONTRACT WITH CUTOMER	1,187,726	2,092,178
COST OF SALES	(1,165,478)	(1,921,089)
GROSS PROFIT	22,248	171,089
DISTRIBUTION COST	(776)	(1,690)
ADMINISTRATIVE EXPENSES	(38,896)	(39,143)
OTHER EXPENSES	(139)	(6,092)
OTHER INCOME	380	9,591
FINANCE COST	(77,245)	(23,675)
(LOSS) / PROFIT BEFORE TAXATION	(94,428)	110,080
TAXATION	(43,254)	(17,696)
(LOSS) / PROFIT AFTER TAXATION	(137,682)	92,384
(LOSS) / EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	(14.25)	9.56

**REVIEW OF OPERATING RESULTS**

During the period under review sales were Rupees 1,187.726 million as compared to Rupees 2,092.178 million of corresponding period. Cost of sales was Rupees 1,165.478 million as compared to Rupees 1,921.089 million of corresponding period. The Company incurred a loss after taxation amounting to Rupees 137.682 million as compared to corresponding period in which the Company earned a profit after taxation amounting to Rupees 92.384 million.

**FUTURE OUTLOOK**

The devastating floods in Pakistan have severely damaged the country's cotton crop. Local reports indicate that around 45-50 percent of cotton crop is submerged in the major cotton production areas of Punjab, Sindh and Balochistan. The destruction of cotton crop in this season was a huge challenge for the industry. In last season, the industry faced severe shortage of domestic raw materials. The current business environment is very challenging. In addition to floods, the political unrest, Import restrictions and dollar price hike affected the business conditions badly. These factors have resulted in inflation, undermined the

rupee, increase in cotton prices, driven up the cost of electricity per unit and most importantly harmed business confidence. Furthermore with the weak current financial position of the government foreign reserves importing raw material too looks very difficult.

Due to the above-mentioned factors, subsequent to financial year ended 30 June 2022, the Company had temporarily closed its operations due to unforeseen downturn in the market and unavailability of good quality cotton in local market. However the operations of the mills were resumed partially in November 2022.

We hope that a change in Government Policies and facilitation to textile sector will bring fruitful results for the Company.

**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, 2023

On behalf of the Board



Aizad Amer  
Chief Executive Officer



Khawaja Amer Khurshid  
Director

### حصص یافتگان کے لئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ اپنی کمپنی کی غیر آڈٹ شدہ 31 مارچ 2023 کو ختم ہونے والی نو ماہی تک کی مالیاتی کارکردگی پیش کر رہے ہیں۔

مالیاتی نتائج:

31 مارچ 2022	31 مارچ 2023	
(رقم ہزاروں میں)	(رقم ہزاروں میں)	
2,092,178	1,187,726	آمدن
(1,921,089)	(1,165,478)	فروخت کی لاگت
171,089	22,248	مجموعی نفع
(1,690)	(776)	تقسیم کی لاگت
(39,143)	(38,896)	انتظامیہ اخراجات
(6,092)	(139)	دیگر اخراجات
9,591	380	دیگر آمدن
(23,675)	(77,245)	مالیاتی لاگت
110,080	(94,428)	ٹیکس سے پہلے (نقصان) / نفع
(17,696)	(43,254)	ٹیکس
92,384	(137,682)	ٹیکس کے بعد (نقصان) / نفع
9.56	(14.25)	(نقصان) / منافع فی حصہ

کارروائی کے نتیجے کا جائزہ:

دورانِ جائزہ نو ماہی آمدن مبلغ 1,187.726 ملین میں ہوئی۔ جبکہ اس کے مقابل پچھلے سال کی نو ماہی آمدن مبلغ 2,092.178 ملین تھی فروخت کی لاگت مبلغ 1,165.478 ملین ہے۔ جبکہ اس کے مقابل پچھلے سال کی نو ماہی میں فروخت کی لاگت مبلغ 1,921.089 ملین تھی۔ کمپنی کو اس نو ماہی میں ٹیکس کے بعد مبلغ 137.682 ملین کا نقصان ہوا جب کہ اس کے مقابل پچھلے سال کی نو ماہی میں مبلغ 92.384 ملین کا نفع ہوا تھا۔

## مستقبل کا خاکہ:

پاکستان میں تباہ کن سیلاب نے ملک کی کپاس کی فصل کو شدید نقصان پہنچایا ہے۔ مقامی اطلاعات کے مطابق پنجاب، سندھ اور بلوچستان کے کپاس کی بڑی پیداوار والے علاقے تقریباً 45-50 فی صد زیر آب رہے اس سیزن میں کپاس کی پیداوار کی کمی انڈسٹری کے لیے ایک بہت بڑا چیلنج تھا۔ گزشتہ سیزن میں انڈسٹری کو خام مال کی شدید قلت کا سامنا کرنا پڑا۔ موجودہ کاروباری ماحول بہت مشکل ہے سیلاب کے علاوہ سیاسی عدم استحکام، درآمدی پابندیوں اور ڈالر کی قیمت میں اضافے نے کاروباری حالات کو بری طرح متاثر کیا۔ ان عوامل کے نتیجے میں مہنگائی ہوئی، روپیہ کمزور ہوا کپاس اور فی یونٹ بجلی کی قیمتوں میں اضافہ ہوا۔ سب سے بڑھ کر یہ کہ کاروباری اعتماد کو نقصان پہنچا۔ مزید برآں گورنمنٹ کی کمزور مالی حالت اور زر مبادلہ کے ذخائر میں کمی کی وجہ سے خام مال درآمد کرنا بہت مشکل ہو گیا ہے۔ مندرجہ بالا عوامل کی وجہ سے 30 جون 2022 کو ختم ہونے والے مالی سال کے بعد کمپنی نے غیر متوقع مندی اور مقامی مارکیٹ میں اچھے معیار کی کپاس کی عدم دستیابی کی وجہ سے اپنی پیداوار کو عارضی طور پر بند کر دیا تھا۔ تاہم کمپنی نے اپنی پیداوار کو نومبر 2022 میں جزوی طور پر بحال کر لیا ہے۔

ہم امید کرتے ہیں کہ حکومتی پالیسیوں میں تبدیلی اور ٹیکسٹائل کی صنعت کو سہولیات دینے سے کمپنی مفید نتائج لے آئے گی۔

## 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 29 اپریل 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	NOTE	Un-Audited 31 March 2023 (RUPEES IN THOUSAND)	Audited 30 June 2022 (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 2022: 10 000 000) ordinary shares of Rupees 10 each		96,600	96,600
Issued, subscribed and paid up share capital		360,000	360,000
Directors' loans			
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		291,838	298,499
(Accumulated loss) / un-appropriated profit		(13,661)	117,360
<b>Total equity</b>		<b>796,805</b>	<b>934,487</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred income tax liability		150,009	121,601
Lease liability		1,296	1,528
Staff retirement gratuity		188,272	36,508
<b>CURRENT LIABILITIES</b>			
Trade and other payables		219,500	220,468
Unclaimed dividend		1,023	1,023
Accrued mark-up on short term borrowings		26,640	5,443
Current portion of lease liability		311	295
Short term borrowings		779,280	581,133
Provision for taxation		14,847	35,085
<b>TOTAL LIABILITIES</b>		<b>1,041,601</b>	<b>843,447</b>
		1,229,873	1,003,084
<b>CONTINGENCIES AND COMMITMENTS</b>	5		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,026,678</b>	<b>1,937,571</b>

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



Aizad Amer  
Chief Executive Officer



Khawaja Amer Khurshid  
Director



Muhammad Saqib Ehsan  
Chief Financial Officer

	NOTE	Un-Audited 31 March 2023 (RUPEES IN THOUSAND)	Audited 30 June 2022 (RUPEES IN THOUSAND)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,037,939	1,059,112
Right-of-use asset		2,529	2,975
Long term deposits and prepayments		4,360	3,874
		1,044,828	1,065,961

	Un-Audited 31 March 2023	Audited 30 June 2022
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	99,873	83,668
Stock in trade	622,444	580,509
Trade debts	36,047	27,690
Loans and advances	1,145	4,115
Income tax	72,550	79,111
Short term deposits and prepayments	8,976	8,012
Other receivables	91,935	62,630
Cash and bank balances	48,880	25,875
	981,850	871,610

	Un-Audited 31 March 2023	Audited 30 June 2022
<b>TOTAL ASSETS</b>	<b>2,026,678</b>	<b>1,937,571</b>

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2023**

NOTE	Nine months ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	------(RUPEES IN THOUSAND)-----			
RAVENUE FROM CONTRACTS WITH CUSTOMERS	1,187,726	2,092,178	515,734	785,649
COST OF SALES	(1,165,478)	(1,921,089)	(512,912)	(728,069)
GROSS PROFIT	22,248	171,089	2,822	57,580
DISTRIBUTION COST	(776)	(1,690)	(222)	(561)
ADMINISTRATIVE EXPENSES	(38,896)	(39,143)	(13,268)	(13,520)
OTHER EXPENSES	(139)	(6,092)	-	(1,008)
OTHER INCOME	380	9,591	-	7,131
FINANCE COST	(77,245)	(23,675)	(26,864)	(9,237)
(LOSS) / PROFIT BEFORE TAXATION	(94,428)	110,080	(37,532)	40,385
TAXATION	(43,254)	(17,696)	(24,064)	(22,095)
(LOSS) / PROFIT AFTER TAXATION	(137,682)	92,384	(61,596)	18,290
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	(14.25)	9.56	(6.38)	1.89

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



**Aizad Amer**  
Chief Executive Officer



**Khawaja Amer Khurshid**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2023**

Nine months ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022

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

(LOSS) / PROFIT AFTER TAXATION	(137,682)	92,384	(61,596)	18,290
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OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to subsequently profit or loss

	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-

TOTAL COMPREHENSIVE (LOSS) /  
INCOME FOR THE PERIOD

	(137,682)	92,384	(61,596)	18,290
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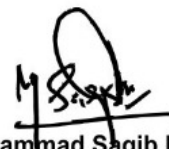
The annexed notes form an integral part of this condensed interim financial information.



**Aizad Amer**  
Chief Executive Officer



**Khawaja Amer Khurshid**  
Director



**Muhammad Saqib Ehsan**  
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2023

	SHARE CAPITAL	DIRECTORS' LOANS	RESERVES				TOTAL	TOTAL EQUITY	
			CAPITAL RESERVE		REVENUE RESERVE	TOTAL			
			Share premium	Equity portion of Shareholder's loan					Surplus on revaluation of property, plant and investment properties - net of deferred income tax
(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
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)	(6,762)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(6,792)	(6,792)	6,792	-	-
Profit for the nine months ended 31 March 2022	-	-	-	-	-	-	92,384	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	92,384
Balance as at 31 March 2022 - (Un-audited)	96,600	360,000	17,250	44,778	300,748	362,776	107,188	469,964	926,564
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	(2,249)	(2,249)	2,249	-	-
Profit for the quarter ended 30 June 2022	-	-	-	-	-	-	4,114	4,114	4,114
Other comprehensive loss for the quarter ended 30 June 2022	-	-	-	-	-	-	3,809	3,809	3,809
Total comprehensive income for the quarter ended 30 June 2022	-	-	-	-	-	-	7,923	7,923	7,923
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	-	-	-	-	(6,661)	(6,661)	6,661	-	-
Loss for the nine months ended 31 March 2023	-	-	-	-	-	-	(137,682)	(137,682)	(137,682)
Other comprehensive income for the nine months ended 31 March 2023	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the nine months ended 31 March 2023	-	-	-	-	-	-	(137,682)	(137,682)	(137,682)
Balance as at 31 March 2023 - (Un-audited)	96,600	360,000	17,250	44,778	291,838	353,866	(13,661)	340,205	796,805

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



Aizad Amer  
Chief Executive Officer



Khawaja Amer Khurshid  
Director




Muhammad Saqib Ehsan  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2023**

	NOTE	Nine months ended	
		31 March 2023	31 March 2022
<b>(RUPEES IN THOUSAND)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	7	(62,789)	257,634
Finance cost paid		(55,824)	(21,401)
Mark-up paid against lease liability		(224)	-
Income tax paid		(28,524)	(27,349)
Staff retirement gratuity paid		(11,889)	(7,475)
Net increase in long term deposits and prepayments		(486)	(644)
<b>Net cash (used in) / generated from operating activities</b>		<b>(159,736)</b>	<b>200,765</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		384	60,200
Capital expenditure on property, plant and equipment		(15,574)	(96,727)
Short term investment redeemed		-	5,500
Profit on investments received		-	244
<b>Net cash used in investing activities</b>		<b>(15,190)</b>	<b>(30,783)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(6,197)
Lease liability obtained - net		(216)	1,837
Short term borrowings - net		198,147	(12,567)
<b>Net cash generated from / (used in) financing activities</b>		<b>197,931</b>	<b>(16,927)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>23,005</b>	<b>153,055</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>25,875</b>	<b>68,270</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>48,880</b>	<b>221,325</b>

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

  
Aizad Amer  
Chief Executive Officer

  
Khawaja Amer Khurshid  
Director

  
Muhammad Saqib Ehsan  
Chief Financial Officer

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)  
FOR THE NINE MONTHS ENDED 31 MARCH 2023**

**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 yam 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 2023 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 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 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 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) 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.
- vii) 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.
- viii)indh 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.
- ix) Guarantees of Rupees 48.237 million (202: Rupees 48.237 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) There was no capital commitment as at 31 March 2023 (30 June 2022: Rupees Nil).
- ii) Letters of credit or contracts other than for capital expenditure are of Rupees 58.803 million (30 June 2022: Rupees 429.314 million).

Un-Audited	Audited
31 March 2023	30 June 2022

(RUPEES IN THOUSAND)

#### 6. PROPERTY, PLANT AND EQUIPMENT

Opening book value	1,059,112	1,026,171
<b>Add:</b>		
Cost of additions during the period / year (Note 6.1)	15,574	144,831
	1,074,686	1,171,002
<b>Less:</b>		
Book value of deletions during the period / year (Note 6.2)	133	62,306
Depreciation charged during the period / year	36,614	49,584
	36,747	111,890
	1,037,939	1,059,112

Un-audited		Audited	
31 March		30 June	
2023		2022	

(RUPEES IN THOUSAND)

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

Factory building	15,574	2,635
Plant and machinery	-	132,055
Electric installations / appliances	-	10,046
Vehicles	-	95
	<u>15,574</u>	<u>144,831</u>

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

Plant and machinery	-	62,306
Vehicles	133	-
	<u>133</u>	<u>62,306</u>

Un-audited	
Nine months ended	
31 March	31 March
2023	2022

(RUPEES IN THOUSAND)

**7. CASH (USED IN) / GENERATED FROM OPERATIONS**

(Loss) / profit before taxation	(94,428)	110,080
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	36,614	37,719
Depreciation on right-of-use asset	446	-
Gain on sale of property, plant and equipment	(251)	(9,453)
Allowance for expected credit losses	48	-
Provision for staff retirement gratuity	12,349	9,935
Profit on short term investment	-	(139)
Finance cost	77,245	23,675
Working capital changes (Note 7.1)	(94,812)	85,817
	<u>(62,789)</u>	<u>257,634</u>

**7.1 Working capital changes****(Increase) / decrease in current assets:**

Stores, spare parts and loose tools	(16,205)	946
Stock in trade	(41,935)	29,444
Trade debts	(8,357)	49,638
Loans and advances	2,922	(1,169)
Short term deposits and prepayments	(964)	(675)
Other receivables	(29,305)	17,307
	(93,844)	95,491
Decrease in trade and other payables	(968)	(9,674)
	<u>(94,812)</u>	<u>85,817</u>

**8. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of associated companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

**i) Transactions**

Particulars	Basis of relationship	Nature of transaction		
<b>Other related parties</b>				
Short term borrowings	Directors of the Company	Loans obtained / (repa	50,000	5,000

**ii) Period end balances**

Short term borrowings			258,378	208,378
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**9. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended

**10. DATE OF AUTHORIZATION**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on 29 April, 2023.

**11. CORRESPONDING FIGURES**

In order to comply with the requirements of IAS 34, the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately

**12. GENERAL**

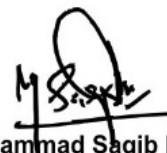
Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Aizad Amer  
Chief Executive Officer



Khawaja Amer Khurshid  
Director



Muhammad Saqib Ehsan  
Chief Financial Officer

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