



ISLAND TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Nine - Month Period Ended March 31, 2018**

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COMPANY INFORMATION**BOARD OF DIRECTORS****CHAIRMAN:**

Mr. Anwar Ahmed Tata

CHIEF EXECUTIVE:

Mr. Shahid Anwar Tata

DIRECTORS:

Mr. Adeel Shahid Tata
 Mr. Aijaz Ahmed Tariq
 Mr. Bilal Shahid Tata
 Mr. Muhammad Naseem
 Mr. Sheikh Kausar Ejaz

AUDIT COMMITTEE**CHAIRMAN:**

Mr. Muhammad Naseem

MEMBERS:

Mr. Adeel Shahid Tata
 Mr. Sheikh Kausar Ejaz

SECRETARY:

Mr. Owais Ahmed Abbasi

HUMAN RESOURCE & REMUNERATION**COMMITTEE****CHAIRMAN:**

Mr. Muhammad Naseem

MEMBERS:

Mr. Shahid Anwar Tata
 Mr. Adeel Shahid Tata

SECRETARY:

Mr. Aadil Riaz

**COMPANY SECRETARY &
CHIEF FINANCIAL OFFICER:**

Mr. Farooq Advani

BANKERS:

Faysal Bank Limited
 Bank Alfalah Limited
 Meezan Bank Limited
 The Bank of Punjab
 MCB Bank Limited
 National Bank of Pakistan
 Soneri Bank Limited
 Summit Bank Limited
 Askari Bank Limited
 Pak Oman Investment Company Limited
 Dubai Islamic Bank Pakistan Limited
 Allied Bank Limited
 JS Bank Limited

AUDITORS:

M/s. Deloitte Yousuf Adil
 Chartered Accountants

LEGAL ADVISOR:

Ameen Bandukda & Co. Advocates

SHARE REGISTRAR:

Central Depository Company of Pakistan Limited
 CDC House, 99 – B, Block 'B',
 S.M.C.H.S., Main Shakra-e-Faisal
 Tel# (Toll Free) 0800-CDCPL (23275)
 Fax: (92-21) 34326053

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DIRECTORS' REPORT**Assalam-o-Alaikum**

The Financial Statements (un-audited) of the Company for the third quarter ended, March 31, 2018 is being presented to you.

Alhamdulillah, the financial statement of the Company for the 3rd quarter ended March 31, 2018 has shown a good improvement. During the 3rd quarter under review, the Company incurred a pre-tax profit of Rs.130.103 Million as compared to a pre-tax profit of Rs.15.031 Million during the corresponding period of last year.

Textile Industry

Alhamdulillah, your Company has shown a positive enhancement in its Profits for the Quarter under review which was basically due to the Management's decision of procuring Cotton during Peak season, both from local and international market, at a very competitive price, for consumption till year end as subsequently, there was an exorbitant increase in the cost of Cotton during the off season. Other factors contributing to the Company's profits was the long over-due depreciation of Pak Rupee and the Government's incentive to continue with the Export Rebate, though only of 2%, (i.e. 50% of 4% earlier) which is yet to be realized.

Cotton Crop

The Cotton Crop has yet again failed in Punjab, though, Sindh harvested a record crop of 4.25 Million bales. The authorities responsible for Agriculture in Punjab need to be proactive and should find out the reasons for such poor performance of Cotton Crops, since the last three years. Further, there is an urgent need for framing a new agriculture Policy, wherein, Cotton Crop should be given preference over other crops. Our Cotton consumption is estimated at 14.5 Million bales and we have to import around 3 Million bales yearly. We hope and pray for increase in Cotton production and for quality crop during the next year.

Nowadays, the Department of Plant Protection is hindering the Yarn Industry by unnecessarily delaying issuance of Cotton Import Permits especially for Indian Cotton. Moreover, we fail to understand the Government Policy according to which we can import Indian Cotton only through Karachi Port or via Port Qasim. However, the import of Cotton from Wagah Border is not permitted, resulting in additional cost to imports, which is borne by the Pakistan Textile Industry.

Fiber

There has been an increase in the PSF price both locally and internationally due to devaluation of Pak Rupee against US Dollar, increase in raw material prices of PSF and correlation of increased in Cotton Prices. The Company has ensured best buy under the circumstances and have secured stocks till fiscal year.

Burden of Taxes

There is an excessive burden of Withholding Taxes in numbers as well as values. Though, most of these taxes are our responsibility, however, lot of other taxes which we deduct from our suppliers are added to our cost, as they are not registered with the Tax Authorities. Furthermore, tax deducted by supplier on our behalf is accumulating as refunds, since many years. Besides, the industry is also burdened with various Government levies, i.e. Infrastructure Cess, Textile Cess, Education Cess, GIDC Cess, SESSI, EOBI, etc.

The Government should at least fulfil its promises and release the refunds of pending Sales and Income Taxes and Export Rebate Claims as the pending refunds are seriously hitting the viability of the Textile Industry.

Going Forward

We have done well in the quarter under review. Going forward, we see a healthy pattern of demand for Yarn both locally and internationally. At present we have enough stock of Cotton and our Mill efficiency and quality standards are being maintained at the highest level. Inshallah, we shall close the fiscal year with healthier profits.

Acknowledgment

We acknowledge the contribution of each and every employee of the Company. We also like to express our thanks to our customers for the trust shown in our products and the bankers for their continued support to the company. We are also grateful to our shareholders for their confidence in our Management.

On behalf of the Board of Directors



Shahid Anwar Tata
Chief Executive

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2018

		Un-Audited March 31, 2018	Audited June 30, 2017 (Restated)
	Note Rupees in 000	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2	4,036,737	4,197,161
Intangible assets		58	113
Long term investments		322,067	309,978
Long term deposits		792	1,605
		4,359,654	4,508,857
CURRENT ASSETS			
Stores, spares and loose tools		32,355	30,547
Stock-in-trade		1,268,205	1,406,651
Trade debts		486,948	514,263
Loans and advances		497,465	219,033
Short term prepayments		4,601	1,642
Other receivables		57,170	40,770
Other financial assets		26,068	25,900
Sales tax refundable		52,094	92,395
Cash and bank balances		9,826	37,317
		2,434,732	2,368,518
TOTAL ASSETS		6,794,386	6,877,375
EQUITY AND LIABILITIES			
EQUITY			
Share capital		5,000	5,000
Reserves		898,998	898,990
Unappropriated profit		355,738	186,611
Revaluation reserve of property, plant and equipment		653,976	677,600
		1,913,712	1,768,201
NON-CURRENT LIABILITIES			
Deferred liabilities		287,323	182,362
Long term finance	3	2,584,243	2,431,311
		2,871,566	2,613,673
CURRENT LIABILITIES			
Trade and other payables		338,983	263,030
Short term borrowings		1,496,598	1,570,789
Interest / mark-up accrued on borrowings		47,927	92,994
Current portion of long- term finance		125,600	568,688
		2,009,108	2,495,501
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		6,794,386	6,877,375

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



FAROOQ ADVANI
CHIEF FINANCIAL OFFICER



ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2018

	Note	Nine-month period ended		Three-month period ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
----- Rupees in 000 -----					
Sales - net		4,646,465	4,180,978	1,601,089	1,540,007
Cost of goods sold	5	(4,047,183)	(3,856,656)	(1,347,626)	(1,423,844)
Gross profit		599,282	324,322	253,463	116,163
Distribution cost		(91,303)	(82,196)	(30,435)	(27,146)
Administrative expenses		(62,014)	(45,665)	(25,265)	(14,733)
Other operating expenses		(22,343)	(2,825)	(9,807)	(1,541)
Finance cost		(232,376)	(218,728)	(76,226)	(77,034)
		(408,036)	(349,414)	(141,733)	(120,454)
Share of profit/(loss) from associates - net of tax		12,079	(2,200)	9,524	2,493
Other income		30,030	22,698	8,849	16,829
		42,109	20,498	18,373	19,322
Profit/(loss) before taxation		233,355	(4,594)	130,103	15,031
Provision for Taxation		(87,853)	(40,423)	(35,075)	(14,029)
Profit/(loss) for the period		145,502	(45,017)	95,028	1,002
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Company's share in unrealised gain on remeasurement of associates'					
Investment - net of deferred tax		9	3	11	7
Total comprehensive income / (loss) for the period		145,511	(45,014)	95,039	1,009
Earnings per share - basic and diluted (Rupees)		291.00	(90.03)	190.06	2.00

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



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FAROOQ ADVANI
CHIEF FINANCIAL OFFICER



ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE-MONTH ENDED MARCH 31, 2018**

	March 31, 2018	March 31, 2017
	----- Rupees in '000' -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	233,355	(4,594)
Adjustments for :		
Depreciation	164,367	155,562
Amortisation	57	846
Provision for staff gratuity & compensated absences	26,791	24,954
Finance cost	232,376	218,728
Loss on sale of property, plant and equipment	4,799	1,121
Share of (profit)/loss from associate	(12,079)	2,200
Provision for doubtful debts	(556)	115
Operating cash flows before working capital changes	649,110	398,932
(Increase) / decrease in current assets		
Stores, spares and loose tools	(1,808)	(2,451)
Stock-in-trade	138,446	(298,530)
Trade debts	27,871	(204,636)
Loans and advances	(231,538)	(70,751)
Short-term prepayments	(2,959)	11,190
Other receivables	(16,400)	(17,445)
Sales tax refundable	40,301	122,914
Increase in current liabilities		
Trade and other payables	75,962	51,967
Net cash generated from/(used in) operations	678,985	(8,810)
Finance cost paid	(277,442)	(260,554)
Staff gratuity & compensated absences paid	(9,963)	(16,065)
Income taxes paid	(46,616)	(42,521)
Net cash generated from / (used in) operating activities	344,964	(327,950)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to other financial assets	(168)	(2,824)
Addition to property, plant and equipment	(13,638)	(50,425)
Proceeds from disposal of property, plant and equipment	4,896	289
Long-term deposit received / (paid) net	813	(455)
Addition to intangible assets	-	(237)
Net cash used in investing activities	(8,097)	(53,652)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finance obtained	-	2,699
Long-term finance repaid	(290,157)	-
Dividend paid	(8)	-
Short term borrowings (repaid) / obtained-net	(352,462)	139,306
Net cash used in financing activities	(642,627)	142,005
Net decrease in cash and cash equivalents (A+B+C)	(305,761)	(239,597)
Cash and cash equivalents at July 01	(679,976)	(589,064)
Cash and cash equivalents at March 31	(985,737)	(828,661)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,826	17,298
Short - term running finance	(995,563)	(845,959)
	(985,737)	(828,661)

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



FAROOQ ADVANI
CHIEF FINANCIAL OFFICER



ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2018**

	Reserves					Unappropriated profit/(Loss)	Revaluation Reserve of Property Plant & Equipment	Total
	Issued, subscribed and paid up capital	General reserve	Other reserve	Company's share in other comprehensive income(Loss) of associates				
	5,000	900,000	591	(1,661)	146,910	-	1,050,839	
Balance at July 01, 2016 as previously reported	-	-	-	(1,661)	-	465,111	465,111	
Impact of change in accounting policy - note 1.5	5,000	900,000	591	(1,661)	146,910	465,111	1,515,950	
Balance at July 01, 2016 - restated								
Comprehensive income								
Loss after taxation for the nine-month period ended March 31, 2017	-	-	-	-	(45,017)	-	(45,017)	
Other comprehensive income - net of tax	-	-	-	3	-	-	3	
	-	-	-	3	(45,017)	-	(45,014)	
Transfer from surplus on revaluation of property, plant and equipment on account of :								
- incremental depreciation - net of deferred tax	-	-	-	-	12,627	(12,627)	-	
-Own	-	-	-	-	4,208	(4,208)	-	
-Company's share in associates	-	-	-	-	16,835	(16,835)	-	
-disposal - net of deferred tax	-	-	-	-	533	(533)	-	
-Own	-	-	-	-	193	(193)	-	
-Company's share in associates	-	-	-	-	726	(726)	-	
Balance as at March 31, 2017	5,000	900,000	591	(1,658)	119,454	447,550	1,470,936	
Profit after taxation for the three-month period ended June 30, 2017	-	-	-	-	57,532	-	57,532	
Other comprehensive income - net of tax	-	-	-	57	675	-	732	
	-	-	-	57	58,207	-	58,264	

	Reserves			Unappropriated profit/(Loss)	Revaluation Reserve of Property Plant & Equipment	Total
	Issued, subscribed and paid up capital	General reserve	Other reserve			
Transfer from surplus on revaluation of property, plant and equipment on account of : -Incremental depreciation - net of deferred tax -Own -Company's share in associates	-	-	-	7,695	(7,695)	-
	-	-	-	1,255	(1,255)	-
	-	-	-	8,950	(8,950)	-
Revaluation arising during the year-own	-	-	-	-	287,748	287,748
Adjustment due to change in tax rate -Own -Company's share in associates	-	-	-	-	(39,019)	(39,019)
	-	-	-	-	(9,728)	(9,728)
	-	-	-	-	(48,747)	(48,747)
Balance as at June 30, 2017	5,000	900,000	591	186,611	677,601	1,786,201
Comprehensive income						
Profit after taxation for the nine-month period ended March 31, 2018	-	-	-	145,502	-	145,502
Other comprehensive income -net of tax	-	-	9	-	-	9
	-	-	9	145,502	-	145,511
Transfer from surplus on revaluation of property, plant and equipment on account of : -Incremental depreciation - net of deferred tax -Own -Company's share in associates	-	-	-	18,826	(18,826)	-
	-	-	-	3,955	(3,955)	-
	-	-	-	22,781	(22,781)	-
-disposal - net of deferred tax -Own -Company's share in associates	-	-	-	603	(603)	-
	-	-	-	241	(241)	-
	-	-	-	844	(844)	-
Balance as at March 31, 2018	5,000	900,000	591	355,738	653,976	1,913,712

The annexed note from an integral Part of this condensed interim financial information.


SHAHID ANWAR TATA
CHIEF EXECUTIVE


FAROOQ ADVANI
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ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Island Textile Mills Limited (the company) was incorporated in Pakistan on May 20, 1970 as a public limited company under the Companies act, 1913 as repealed by the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The registered office of the company is situated at 6th floor Textile Plaza, M.A. Jinnah Road, Karachi. The principal activity of the company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at Kotri Industrial Estate in the province of Sindh.
- 1.2 These condensed interim financial statements have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standard (IAS) 34: Interim Financial Reporting as notified under the Companies Act, 2017 and the directives issued under the Act and in compliance with the requirement of section 237 of the Companies Act, 2017 and Rule Book of the Pakistan Stock Exchange Limited.
- 1.3 This condensed interim financial information has been prepared under 'historical cost convention' modified for:
- certain items of property, plant and equipment which have been included at revalued amounts;
- recognition of certain staff retirement benefits at present value
- long term investment under equity method
- 1.4 The accounting policies and methods of computation followed in the preparation of the 3rd quarterly financial statements are the same as those of the published annual financial statements for the period ended June 30, 2017 except for change accounting treatment relating to revaluation of fixed assets, as described in note 1.5.
- 1.5 The surplus on revaluation of fixed assets, which was previously disclosed in the balance-sheet of the company after capital and reserves, will now be included as part of equity with corresponding inclusion in statement of changes in equity. The change has been accounted for retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

		March 31, 2018 (Un-audited)	June 30, 2017 (Audited)
	Note	----- Rupees in '000' -----	
2. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	2.1	4,026,786	4,152,050
Capital work-in-progress		9,951	45,111
		<u>4,036,737</u>	<u>4,197,161</u>

- 2.1 Following additions, transfers and disposals in operating fixed assets were made:

	Acquisitions / transfers from CWIP	Disposal (written down value)	Sale Proceeds
	----- Rupees in '000' -----		
During the Three-month period ended March 31, 2018 (Un-audited)			
Factory Building	1,252	-	-
Plant and machinery	8,598	1,325	195
Electric installations	1,706	-	-
Factory equipment	388	-	-
Computers	223	-	-
Furniture and fixtures	1,394	-	-
Vehicle	97	72	26
	<u>13,658</u>	<u>1,396</u>	<u>221</u>
During the year ended June 30, 2017 (Audited)			
Building - Mill	26,078	-	-
Building - Other	39,022	-	-
Plant and machinery	80,557	11,842	2,927
Electric installation	361	-	-
Mills Equipment	3,572	-	-
Computer Equipment	3,793	-	-
Furniture & Fixture	3,763	-	-
Office Premises	2,365	-	-
Vehicle	93	23	13
	<u>159,604</u>	<u>11,865</u>	<u>2,940</u>

		March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	Note	----- Rupees in '000' -----	
3. LONG TERM FINANCES			
Banking companies - secured			
Syndicate term finance	3.1 & 3.4	2,171,840	2,273,601
Syndicate long term finance facility-1	3.2 & 3.4	439,591	627,988
Syndicate long term finance facility-2	3.3 & 3.4	98,410	98,410
		<u>2,709,841</u>	<u>2,999,999</u>

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	----- Rupees in '000' -----	
Less: Current portion shown under current liabilities		
Syndicate term finance	(125,598)	(454,719)
Syndicate long term finance facility-1	-	(113,968)
	<u>(125,598)</u>	<u>(568,688)</u>
	<u>2,584,243</u>	<u>2,431,311</u>

- 3.1 It represents amount utilized out of a term finance facility of Rs. 3,000 million obtained from a syndicate of commercial banks. It is secured against first pari passu charge on entire fixed assets of the Company and is subject to mark-up at the rates of 6 months KIBOR plus 1.4% per annum (June 30, 2017: 6 months KIBOR plus 1.4% per annum). It is repayable in eight years, including grace period of 36 monthly cumulative for principal repayment. Mark up is payable semi annually in arrears and principal in equal semi annual installments from August 2018.
- 3.2 It represents amount utilized against facility obtained from the agent of the syndicate under a sublimit of Rs. 760 million out of finance facility provided under term finance facility of Rs. 3,000 million as mentioned in note 7.1 above. It is secured against first pari passu charge on entire fixed assets of the Company and it is subject to markup at SBP refinancing rate of 4.5% per annum plus bank spread i.e.1.4% (2017:4.5% per annum plus bank spread i.e. 1.4%) . The facility is repayable in 07 years. Mark up is payable quarterly payments in arrears and principal in equal semi annual installments from 28 November 2017.
- 3.3 It represents amount utilized against facility obtained from the agent of the syndicate under a sublimit of Rs. 760 million out of finance facility provided under term finance facility of Rs. 3,000 million as mentioned in note 7.1 above. It is secured against first pari passu charge on entire fixed assets of the Company and it is subject to markup at SBP refinancing rate of 2.0% per annum plus Bank spread i.e.1.5%(2017: 2.0% per annum plus Bank spread i.e.1.5%) . The facility is repayable in 07 years. Mark up is payable quarterly payments in arrears and principal in equal semi annual installments from 19 April 2019.

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	----- Rupees in '000' -----	
3.4 LONG TERM FINANCING		
Balance as on July 01,	2,999,999	2,997,300
Additions	-	2,699
Repayment	(290,157)	-
Balance as on	2,709,842	2,999,999
Less: current portion of long-term financing	(125,598)	(568,688)
	<u>2,584,243</u>	<u>2,431,311</u>

4. CONTINGENCIES AND COMMITMENTS

4.1. Contingencies

Estimated financial impact of labour and workmen compensation cases in court of law

843 843

4.2. Commitments

Letters of credit for		
- Raw material	428,803	251,166
- Spares and Machinery	4,837	13,819
Bank guarantees	112,218	105,469
Bills discounted	383,066	572,960
Outstanding sales contracts	151,448	22,289

- 4.2.1 This includes bank guarantee related to Sindh Infrastructure Development Cess amounting to Rs. 92.55 million (June 30, 2017: Rs.85.10 million) for which provision amounting to Rs. 82.06 million (June 30, 2017: Rs.74.20 million) has been made.

5. COST OF GOODS SOLD

Note	Nine-month period ended		Three-month period ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	----- Un-audited ----- ----- Rupees in '000' -----			
Opening finished goods	129,814	296,887	108,491	435,488
Cost of goods manufactured	4,016,118	3,811,523	1,359,335	1,269,509
	<u>4,145,931</u>	<u>4,108,410</u>	<u>1,467,826</u>	<u>1,704,997</u>
Cost stock lost	-	(4,980)	-	-
Closing finished goods	(120,200)	(281,153)	(120,200)	(281,153)
	<u>4,025,731</u>	<u>3,822,277</u>	<u>1,347,626</u>	<u>1,423,844</u>
Cost of raw material sold	21,451	34,379	-	-
Cost of goods sold	<u>4,047,183</u>	<u>3,856,656</u>	<u>1,347,626</u>	<u>1,423,844</u>

5.1 Cost of goods manufactured

	Note	Nine-month period ended		Three-month period ended	
		March 31,	March 31,	March 31,	March 31,
		2018	2017	2018	2017
----- Un-audited ----- Rupees in '000'					
Raw material consumed	5.1.1	3,150,962	2,941,958	1,071,478	997,246
Stores and spares		64,675	60,651	22,849	20,874
Packing material		58,934	55,251	20,266	17,985
Fuel and power		325,026	365,439	111,456	114,590
Salaries, wages and benefits		226,894	217,137	72,403	63,550
Depreciation		161,655	152,992	53,997	54,662
Insurance		8,578	11,380	3,024	4,046
Repairs and maintenance		2,936	6,588	988	3,168
Amortization		-	6		6
Other overheads		9,091	12,503	3,856	3,954
		4,008,750	3,823,905	1,360,316	1,280,081
Work-in-process					
Opening stock		44,957	38,874	36,609	40,684
Closing stock		(37,590)	(51,256)	(37,590)	(51,256)
		7,368	(12,382)	(981)	(10,572)
		4,016,118	3,811,523	1,359,335	1,269,509
5.1.1 RAW MATERIAL CONSUMED					
Opening stock		1,231,880	684,917	1,264,773	1,156,155
Purchases - net		3,029,496	3,243,841	917,120	827,891
		4,261,377	3,928,758	2,181,893	1,984,046
Closing stock		(1,110,415)	(986,800)	(1,110,415)	(986,800)
		3,150,962	2,941,958	1,071,478	997,246

5.2 Net realisable value of finished goods was lower than its cost, resulting in a write-down of Rs. 0198 million (March 31, 2017: Rs. 0.927 million) charged to cost of goods sold.

6. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies/undertakings, director, key management personnel and their relatives. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions with related parties are as follows:

	Relationship with the party	Nature of transactions	Three-month period ended	
			March 31,	March 31,
			2018	2017
----- Un-audited ----- Rupees in '000'				
	Associated undertakings	Share of expense received	1,613	1,132
		Share of expense paid	672	1,153
		Purchase of electricity	99,065	61,655
		Rent expense	150	150
	Key management personnel	Short-term benefits	8,939	12,605
	Directors	Short-term benefits	2,113	813
		Directors meeting fee	70	30
		Rent expense	1,323	866

7. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved and authorized for issue on April 25, 2018 by the Board of Directors of the Company.

SHAHID ANWAR TATA
CHIEF EXECUTIVE

FAROOQ ADVANI
CHIEF FINANCIAL OFFICER

ANWAR AHMED TATA
CHAIRMAN/DIRECTOR

ڈائریکٹرز رپورٹ
السلام علیکم

31 مارچ 2018ء کو ختم ہونے والی تیسری سہ ماہی کیلئے کمپنی کے مالیاتی حسابات (غیر آڈٹ شدہ) آپ کیلئے پیش کئے جا رہے ہیں۔

الحمد للہ، 31 مارچ 2018ء کو ختم ہونے والی تیسری سہ ماہی میں کمپنی کے مالیاتی حسابات میں واضح بہتری آئی ہے۔ زیر جائزہ مدت کے دوران کمپنی نے قبل از ٹیکس منافع مبلغ 130.103 ملین روپے حاصل کیا جس کا موازنہ گزشتہ سال کی اسی مدت کے قبل از ٹیکس منافع 15.031 ملین روپے سے کیا جاسکتا ہے۔

ٹیکسٹائل صنعت:

الحمد للہ آپ کی کمپنی نے زبر جائزہ سہ ماہی مدت کے دوران ٹیکسٹائل کی صنعت میں مثبت منافع حاصل کیا ہے جو کہ بنیادی طور پر بیک بیزن کے دوران مقامی اور عالمی مارکیٹ میں کمپاس کی خریداری مناسب قیمت میں انتظامیہ کے بروقت فیصلوں کی وجہ سے ہوا۔ جبکہ بعد کے بیزن کے دوران کمپاس کی قیمت میں اضافہ ہوا۔ کمپنی کے منافع میں اضافہ کے دیگر عوامل میں پاکستانی روپے کی قدر میں کمی جو کہ ایک عرصہ سے زکی ہوئی تھی۔ ایک اور حوصلہ افزا امور جو کہ حکومت کی جانب سے برآمدات پر چھوٹ ہے جو کہ کم ہو کر 2% فیصد ہو گیا ہے (گزشتہ 4% کا 50%) جو اب بھی تک وصول ہو رہا ہے۔

کمپاس کی فصل:

پنجاب میں کمپاس کی فصل کو اب تک ناکامی کا سامنا ہے جبکہ سندھ میں ریکارڈ فصل 4.25 ملین بیلز حاصل ہوئی ہیں۔ پنجاب میں زراعت کے لئے حکام ذمہ دار ہیں انہیں چاہئے کہ وہ کمپاس کی فصل کی خراب کارکردگی کیلئے اس کے اسباب کا جائزہ لیں جسے گزشتہ تین سالوں سے ناکامی کا سامنا ہے۔ مزید یہ کہ فوری نوعیت کے طور پر نئی زرعی پالیسی کو تشکیل دینے کی ضرورت ہے جس میں کمپاس کی فصل کو دیگر فصلوں کے مقابلے میں ترجیح دی جانی چاہئے۔ ہماری کمپاس کا تخمینہ 14.5 ملین بیلز ہے اور ہمیں ہر سال تقریباً 15 ملین بیلز اپورٹ کرنا پڑتی ہے۔ ہمیں امید ہے اور ہم دعا کرتے ہیں کہ اگلے سال کے دوران کمپاس کی پیداوار اور مقامی کوالٹی میں اضافہ ہو۔

ان دنوں پلانٹ پروجیکشن ڈپارٹمنٹ غیر ضروری طور پر کمپاس کی اپورٹ پرمٹ بالخصوص ہندوستانی بارڈر کے لئے تاخیری حربے استعمال کر رہا ہے۔ مزید یہ کہ ہم یہ سمجھتے ہیں کہ حکومت کی پالیسیاں جس کے مطابق ہم کراچی پورٹ یا پورٹ قاسم کے توسط سے انڈین کمپاس اپورٹ کر سکتے ہیں جبکہ واپس بارڈر سے کمپاس کی اپورٹ کی اجازت نہیں ہے جس کے نتیجے میں اپورٹ کے حوالے سے پاکستان ٹیکسٹائل انڈسٹری کو اضافی اخراجات برداشت کرنے پڑے ہیں۔

فائبر:

مکلی اور عالمی طور پر PSF کی قیمت میں اضافہ ہوا ہے جو کہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کی وجہ سے اور PSF کے خام مال کی قیمتوں میں اضافہ کی وجہ سے کمپاس کی قیمتوں میں بھی اضافہ ہوا ہے۔ کمپنی اس بات کو یقینی بناتی ہے کہ ان حالات میں مالیاتی سال کے دوران اسٹاک کو محفوظ کیا جائے۔

مخصوص آلات کا بوجھ:

وہ وہ ملنگ میکینسز اور بوجھ اضافی طور پر ڈالا جا رہا ہے جبکہ ان میکینسز کو ادارہ ہمارے ذمہ داری ہے جبکہ دیگر میکینسز کی کوئی بھی اپنی سلاٹرز سے کرتے ہیں اور اسے اپنے اخراجات میں شامل کرتے ہیں کیونکہ وہ ٹیکس اڈیشن میں رجسٹرڈ نہیں ہیں۔ اس کے علاوہ حکومت کی جانب سے مختلف اجراءات بشمول کسٹم ڈیوٹیز، انفراسٹرکچر ٹیکس، سروس ٹیکس، ٹیکسٹائل ٹیکس، ایجوکیشن ٹیکس، جی آئی ڈی ٹیکس، ایس ای ایس ایس آئی، ای او بی آئی اور سنڈھ سٹریٹیکس وغیرہ۔ حکومت کو چاہئے کہ وہ اپنے وعدے پورے کرے اور سٹریٹیکس و ایکٹس اور پیکچورٹ ریویٹ کے کلیمز کے تحت ریویڈ جاری کرے کیونکہ اس ریویڈ میں تاخیر سے ٹیکسٹائل انڈسٹری کو شدید نقصان پہنچ رہا ہے۔

اگلا قدم:

ہم نے زبر جائزہ سہ ماہی میں بہترین کارکردگی دکھائی ہے۔ اگلے قدم کے طور پر ہم مکلی اور عالمی طور پر پلانٹ کی طلب میں بہتری دیکھ رہے ہیں۔ اس وقت ہمارے پاس کمپاس کی کافی اسٹاک موجود ہے اور ہماری مل بہترین معیار کو برقرار رکھے ہوئے ہے۔ انشاء اللہ ہم اس مالیاتی سال کو بہترین نتائج کے ساتھ مکمل کریں گے۔

اعتراف:

ہم اپنی ٹیم کی محنت اور کوشش کا اعتراف کرتے ہیں جنہوں نے کمپنی کی کامیابی اور ترقی میں مسلسل پناہ کر دارا دیا۔ ہم اپنے بینکرز، خریداران اور صارفین کا بھی کمال تعاون پر شکر ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

محمد

شاہد انوار ناٹا

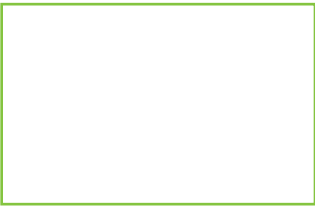
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