



SALFI TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UNAUDITED)
for the 1st Quarter ended September 30, 2019**

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Company Information

BOARD OF DIRECTORS

Mr. Anwar Ahmed Tata - Chairman
Mr. Adeel Shahid Tata - Chief Executive
Mr. Shahid Anwar Tata - Executive Director
Mr. Bilal Shahid Tata - Non Executive Director
Miss Samar Shahid Tata - Non Executive Director
Mr. Farooq Advani - Independent Director
Mr. M. Waris Magoon - Independent Director

AUDIT COMMITTEE

Mr. Farooq Advani - Chairman
Mr. Bilal Shahid Tata - Member
Miss Samar Shahid Tata - Member
Mr. Ghulam Raza Hemani - Secretary

HR & REMUNERATION COMMITTEE

Mr. Farooq Advani - Chairman
Mr. Shahid Anwar Tata - Member
Mr. Bilal Shahid Tata - Member
Miss Samar Shahid - Member
Mr. M. Ali Mirza - Secretary

CHIEF FINANCIAL OFFICER

Mr. Haseeb Hafeezuddeen

COMPANY SECRETARY

Mr. Muhammad Hussain

Internal Auditor

Mr. Ghulam Raza Hemani

AUDITORS

M/s. Deloitte Yousuf Adil
Chartered Accountants

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
JS Bank Limited
MCB Bank Limited

Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Samba Bank Limited
The Bank of Punjab

LEGAL ADVISOR

Ameen Bandukda & Co. Advocates

REGISTERED OFFICE

6th Floor Textile Plaza,
M.A Jinnah Road Karachi.
Tel# 32412955-3 Lines 32426761-2-4
Fax# 32417710
Email: stm_corporate@tatapakistan.com

FACTORY LOCATION

HX-, Landhi Industria Area
Landhi, Karachi

SHARE REGISTRAR

CDC Share Registrar Service Limited
CDC House, 99-B
Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal
Tel# (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053

WEB

www.tatapakistan.com

Directors' Report

Assalam-o-Alaikum

The Financial Statements (unaudited) of the Company for the 1st Quarter ended, September 30, 2019 is being presented to you.

The Company has incurred a pre-tax loss of Rs.8.849 million (2018 pre-tax profit of Rs.89.081 million) due to the frequent devaluation of Pak Rupee experienced during last year despite increase of 38.61% in turnover, amid a global economic slowdown.

The major reasons for the quarter loss was due to higher price of cotton and financial charges. Last year we took long positions on imported cotton, as we were apprehensive of the cotton prices at the start of the cotton crop season in Pakistan but unfortunately we had fixed the cotton when the prices were high. Thereafter, due to China-USA trade dispute, the global cotton prices suddenly collapsed and since we had to honor all our contracts, our cotton prices remained higher than what is prevailing in the market. Further, the China-USA trade conflict and Chinese economic slow-down impacted the yarn imports into China which left major yarn exporting countries, especially Pakistan and India, devastated. Additionally, a sharp increase in discount rate from 6.75% to 13.75% significantly increased financial charges by 112% to Rs. 118.252 million (2018 Rs.55.734 million).

Current year

The current year started with the withdrawal of zero rating which was enjoyed by the textile sector and resulting imposition of 17 percent Sales Tax and exorbitant increase in rates of many other Withholding schemes has disrupted the local yarn trade on which the Company places heavy reliance. Hence, both the huge increase in taxes and global economic slow-down has adversely impacted our profitability. Although, the Government has been able to bring down the current account deficit through steep devaluation of Pak Rupee, however, meager efforts have been expended towards trade development to enhance exports. Pakistan is still faced with a large fiscal deficit and the Government is forced to collect massive amount of taxes and borrow from whatever source they can. This is resulting in extreme liquidity shortage in the market, leaving precious little resources for the Private Sector.

Raw Material

As the situation stands, the Pakistani Cotton crop has further deteriorated and the size of the crop is estimated around 9 Million bales which is about 2 Million bales less than last year, leading to very high prices in the Local Cotton market. This shortage and subsequent rise in Domestic Cotton prices will keep pressure on our Company's profitability in this coming year.


Future Outlook


There are six segments in Textile Industry in Pakistan, namely, Denim, Towel, Home Textile, Knitted Garments, Yarn and Grey Fabric. To a great extent the export of Yarn and Grey Fabric depends on the Chinese Market but due to the trade conflict between China and USA, our exports have severely declined. We hope the Government will review this critical situation and work on providing a major share to the Textile Industry in the Trade Agreement with China. The Government should also work out some incentives/tax benefits for this segment of the Industry.

Acknowledgement

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


ADEEL SHAHID TATA
CHIEF EXECUTIVE


BILAL SHAHID TATA
DIRECTOR

Karachi


Dated: October 29, 2019

Salfi Textile Mills Ltd.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
Note Rupees in 000.....	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,493,855	5,330,657
Intangible assets	846	902
Long term investments	19,503	16,902
Long term deposits	1,023	1,023
	5,515,227	5,349,484
CURRENT ASSETS		
Stores, spares and loose tools	43,034	47,698
Stock-in-trade	1,397,831	2,211,911
Trade debts	339,066	418,506
Loans and advances	303,737	310,330
Trade deposits and short-term prepayments	4,994	1,535
Other receivables	13,088	15,264
Other financial assets	24,740	24,740
Sales tax refundable	86,315	85,659
Cash and bank balances	9,931	6,963
	2,222,736	3,122,606
	7,737,963	8,472,090
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	33,426	33,426
Reserves	505,996	505,996
Unappropriated profit	379,080	386,082
Revaluation reserve of property, plant and equipment	3,368,298	3,388,248
	4,286,800	4,313,752
NON-CURRENT LIABILITIES		
Long-term finance	396,366	216,844
Deferred liabilities	207,377	200,728
	603,743	417,572
CURRENT LIABILITIES		
Trade and other payables	522,426	467,398
Unclaimed dividend	1,271	1,271
Interest / mark-up accrued on borrowings	80,692	105,821
Short-term borrowings	2,076,693	2,965,649
Current portion of long-term finances	76,257	129,306
Provision for income tax	90,081	71,321
	2,847,420	3,740,766
	7,737,963	8,472,090
TOTAL EQUITY AND LIABILITIES		
CONTINGENCIES AND COMMITMENTS		
	7	

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


ADEEL SHAHID TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDDIEN
CHIEF FINANCIAL OFFICER


BILAL SHAHID TATA
DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

		September 30, 2019	September 30, 2018
	Note	-----Rupees in 000-----	
Revenue from contract with customers-net	8	1,978,436	1,427,313
Cost of goods sold	9	(1,785,831)	(1,231,567)
Gross profit		192,605	195,746
Distribution cost		(36,198)	(20,753)
Administrative expenses		(32,831)	(27,641)
Other operating expenses		(14,886)	(7,388)
Finance cost		(118,252)	(55,735)
		(202,167)	(111,517)
		(9,562)	84,229
Other income		713	4,852
(Loss)/Profit before taxation		(8,849)	89,081
Taxation		(18,103)	(15,137)
(Loss)/Profit for the period		(26,952)	73,944
Other comprehensive income			
Unrealized gain of remeasurement of available-for-sale investment		-	8
Total comprehensive income for the period		(26,952)	73,952
(Loss)/earnings per share - basic and diluted (Rupees)		(8.06)	22.12

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ADEEL SHAHID TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


BILAL SHAHID TATA
DIRECTOR


Salfi Textile Mills Ltd.

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

A. CASH FLOWS FROM OPERATING ACTIVITIES

	September 30, 2019	September 30, 2018
	----- Rupees in '000' -----	
(Loss)/Profit before taxation	(8,849)	89,081
Adjustments for :		
Depreciation	45,523	37,919
Amortization	56	64
Provision for staff gratuity	7,985	8,180
Provision for staff compensated absences	4,402	3,799
Finance cost	118,252	55,735
Loss on disposal of property, plant and equipment	15	716
Unrealized (gain) on long term Investment	(1)	-
Operating cash flows before movements in working capital	<u>167,383</u>	<u>195,494</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	4,664	3,469
Stock-in-trade	814,079	(721,382)
Trade debts - considered good	79,440	160,376
Loans and advances	22,794	6,586
Trade deposits & short term prepayments	(3,459)	(4,324)
Other receivables	2,176	5,770
Sales tax refundable	(656)	(8,178)
Increase in current liabilities		
Trade and other payables	55,029	340,803
Cash generated from / (used in) operations	<u>1,141,450</u>	<u>(21,386)</u>
Finance cost paid	(143,381)	(68,355)
Income taxes paid	(16,201)	(17,766)
Staff gratuity paid	(2,577)	(1,412)
Compensated absences paid	(2,502)	(2,510)
Net cash generated from / (used in) operating activities	<u>976,789</u>	<u>(111,429)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(208,776)	(24,583)
Proceeds from disposal of property, plant and equipment	40	1,491
Purchase of intangible assets	-	(417)
Long-term deposit	-	100
Long-term investment	(2,601)	-
Net cash used in investing activities	<u>(211,337)</u>	<u>(23,409)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances Repayment	(63,049)	(111,120)
Long term finances Obtain	189,521	-
Short-term borrowings repayments	(815,044)	(486,558)
Net cash used in financing activities	<u>(688,572)</u>	<u>(597,678)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>76,880</u>	<u>(732,516)</u>
Cash and cash equivalents at July 01	<u>(1,556,606)</u>	<u>(1,332,483)</u>
Cash and cash equivalents at September 30	<u>(1,479,726)</u>	<u>(2,064,999)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	9,931	7,481
Short-term running finance	(1,489,657)	(2,072,480)
	<u>(1,479,726)</u>	<u>(2,064,999)</u>

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


ADEEL SHAHID TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDDEEN
CHIEF FINANCIAL OFFICER


BILAL SHAHID TATA
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Revenue Reserve			Capital Reserve			
	Share Capital	General Reserve	Other reserve	Unrealized (loss)/ gain on investment available-for-Sale	Unappropriated profit	Revaluation Surplus	Total
Balance at July 01, 2018	33,426	500,000	5,996	(153)	152,728	1,492,666	2,184,663
Total Comprehensive income							
Profit for the quarter	-	-	-	-	73,944	-	73,944
Other comprehensive income	-	-	-	8	-	-	8
Total comprehensive income for the period	-	-	-	8	73,944	-	73,952
Transfer from surplus on revaluation of property, plant and equipment on account of : - incremental depreciation	-	-	-	-	10,328	(10,328)	-
Balance as at September 30, 2018	33,426	500,000	5,996	(145)	237,000	1,482,338	2,258,615
Balance at July 01, 2019	33,426	500,000	5,996	-	386,082	3,388,248	4,313,752
Total Comprehensive income							
Loss for the quarter	-	-	-	-	(26,952)	-	(26,952)
Transfer from surplus on revaluation of property, plant and equipment on account of : - incremental depreciation	-	-	-	-	19,950	(19,950)	-
Balance as at September 30, 2019	33,426	500,000	5,996	-	379,080	3,368,298	4,286,800

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


ADEEL SHAHID TATA
CHIEF EXECUTIVE


HASEEB HAFEEZ UDDEEN
CHIEF FINANCIAL OFFICER


BILAL SHAHID TATA
DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1 THE COMPANY AND ITS OPERATIONS

Salfi Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan on January 05, 1968 under the Companies Act, 1913 (repealed) now The Companies' Act 2017 and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th floor Textile Plaza, M.A. Jinnah Road, Karachi in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at Landhi Industrial Estate, Karachi in the Province of Sindh.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the 1st quarter ended September 30, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2019.
- 2.2 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest thousand rupee.
- 2.3 This condensed interim financial information is unaudited and all relevant compliance with Companies Act, 2017 has been made accordingly. The comparative condensed balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2019; the comparative condensed profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity of the Company have been extracted from the unaudited condensed interim financial information for the 1st quarter ended September 30, 2019.

3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2019. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2019, which do not have any impact on this condensed interim financial information. In addition to the foregoing, the Companies Act, 2017 has added certain disclosure requirements which will be applicable on the Company's annual financial statements.

4 FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2019.

5 PROPERTY, PLANT AND EQUIPMENT

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	-----Rupees in '000'-----	
Operating fixed assets	5.1 5,298,136	5,287,733
Capital work in progress	5.2 195,719	42,923
	<u>5,493,855</u>	<u>5,330,656</u>

- 5.1 Details of additions and disposals to operating fixed assets are as under:

	Additions /transfers from CWIP	Disposal (Written down value)	Sales Proceeds
	----- Rupees in '000' -----		
During the Three-month period ended September 30,2019 (Unaudited)			
Plant & Machinery	54,145	-	-
Factory Equipment	353	-	-
Furniture & Fixture	908	-	-
Office Equipment	574	35	27
Motor Vehicle	-	20	13
	<u>55,980</u>	<u>55</u>	<u>40</u>

	Additions /transfers from CWIP	Disposal (Written down value)	Sales Proceeds
	----- Rupees in '000' -----		
During the year ended ed June 30,2019 (Audited)			
Buildings on leasehold land	3,617	-	-
Plant & Machinery	22,594	2,200	1,484
Electric Instalation	-	214	-
Mill equipment	250	-	-
Furniture & Fixture	665	-	-
Office Equipment	2,789	18	15
Vehicles	-	1,521	3,335
	29,915	3,953	4,834

5.2 During the period, the addition to capital work in progress is amounting to Rs. 152.79 million.(June 30, 2019: Rs.18.01 million).

6 LONG TERM FINANCE

Banking companies - secured

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	----- Rupees in '000' -----	
Term Finance	471,841	345,184
Car Finance	781	967
	472,622	346,151
Less: Current portion shown under current liabilities		
Term Finance	(75,580)	(128,444)
Car Finance	(677)	(863)
	(76,257)	(129,307)
	396,365	216,844

6.1 & 6.2

6.1 These finances are secured against first equitable mortgage on fixed assets and first specific charge over imported machinery of the Company, vehicles acquired from vehicle loans and guarantee of directors of the Company. These finances are subject to mark-up at the rates ranging from 3 - 6 month KIBOR plus 1% to 1.25% per annum (June 30, 2019: 3 - 6 month KIBOR plus 1% to 1.25% per annum).

6.2 Long term financing

Balance as on July 01,	346,150	587,502
Additions	189,521	-
Repayment during the period	(63,048)	(241,352)
Balance as on September 30,	472,623	346,150
Less: current portion of long term financing	(76,257)	(129,306)
	396,366	216,844

7 CONTINGENCIES & COMMITMENTS

7.1 Contingencies

There is no contingency to report as at September 30, 2019 and June 30, 2019.

7.2 Commitments

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	----- Rupees in '000' -----	
(i) Civil works	1,017	1,045
(ii) Letters of credit for		
- Stores and spares	7,234	3,014
- Raw material	-	123,503
- Machinery	67,461	267,436
(iii) Bank guarantees issued on behalf of the company	125,799	125,799
(iv) Bills discounted		
- local	-	10,105
- export	1,386,154	1,256,129
(v) Outstanding sales contract	204,271	115,797

Salfi Textile Mills Ltd.

7.2.1 This includes bank guarantee related to Sindh Development and maintenance of infrastructure cess amounting to Rs. 100.20 million (June 30, 2019: Rs.96.90 million).

8 SALES

8.1 Sales include sales made to local customers (including indirect exports) and direct exports amounting to Rs. 528 million (2018: 838 million) The export are made to Asia Pacific region amounting to Rs. 1,450 million (2018: 589 million)

		September 30, 2019	September 30, 2018
		Unaudited	
		----- Rupees in '000' -----	
9 COST OF GOODS SOLD	Note		
Cost of goods manufactured	9.1	1,823,988	1,543,897
Finished goods (including waste stock)			
Opening Stock	9.2	321,232	137,476
Closing Stock	9.2	(360,366)	(449,806)
		(39,134)	(312,330)
Cost of manufactured goods sold		1,784,854	1,231,567
Cost of raw material sold		977	-
		<u>1,785,831</u>	<u>1,231,567</u>
9.1 Cost of goods manufactured			
Raw material	9.1.1	1,491,041	1,264,573
Packing material		21,243	16,836
Stores and spares		27,237	21,136
Salaries, wages and benefits		106,697	93,112
Power and fuel		122,192	108,202
Insurance		2,964	1,913
Repairs and maintenance		1,438	766
Depreciation		44,438	36,755
Amortization		29	29
Other overheads		9,570	7,271
		<u>1,826,849</u>	<u>1,550,593</u>
Work-in-process			
Opening stock		48,512	37,443
Closing stock		(51,373)	(44,139)
		(2,861)	(6,696)
		<u>1,823,988</u>	<u>1,543,897</u>
9.1.1 Raw material consumed			
Opening stock		1,842,166	936,157
Purchases - net		634,967	1,666,932
		2,477,133	2,603,089
Closing stock		(986,092)	(1,338,516)
		<u>1,491,041</u>	<u>1,264,573</u>

9.2 Net realizable value of finished goods was lower than its cost, which resulted in write down of Rs. 11.06 million (September 30, 2018 Rs.3.12 million) charged to cost of sales.

10 TAXATION

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. After considering the effects on deferred taxation on the portion of income subject to final tax regime.

11 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Name of the associated companies are same as disclosed in annual audited financial statement of June 30, 2019. Transactions and outstanding balance with related parties are as follows:

Three-month period ended
September 30, 2019 September 30, 2018
 ----- Unaudited -----
 ----- Rupees in '000' -----

Relationship with the party	Nature of transactions		
Associates undertakings	Purchase of power	119,825	105,190
	Purchase of Store Item	-	36
	Share of expense received	779	595
	Share of expense paid	2,169	135
	Licensing Income	356	356
	Rent Income	150	150
Key management personnel	Short-term benefits	16,332	13,515
Directors	Short-term benefits	2,178	1,950
	Meeting fee	160	70
	Rent Expense	1,023	1,023

12 FAIR VALUE HIERARCHY

The Company's leasehold land, buildings on leasehold land and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's freehold land, buildings on leasehold land and plant and machinery were last carried out as at June 30, 2019 by Messers Iqbal A.Nanjee & Company (Private)Limited (valuer),an independent valuer not related to the Company. The valuer is listed on panel of Pakistan Banks Association and they have appropriate qualification and experience in the fair value measurement of properties, plant and machinery.

Information about fair value hierarchy and assets classified under the hierarchy are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value measurement for the Company are classified into different levels are as follows:

	Level 1	Level 2	Level 3	Total
	-----Rupees in '000' -----			
As at September 30, 2019 (Unaudited)				
Leasehold land	-	1,816,000	-	1,816,000
Building on leasehold land	-	1,206,450	-	1,206,450
Plant and machinery	-	2,198,488	-	2,198,488
	-	5,220,938	-	5,220,938
As at June 30, 2019 (Audited)				
Leasehold land	-	1,816,000	-	1,816,000
Building on leasehold land	-	1,221,721	-	1,221,721
Plant and machinery	-	2,171,715	-	2,171,715
	-	5,209,436	-	5,209,436


There were no transfers between levels of fair value hierarchy during the period.

As at setember 30, 2019 and June 30, 2019, there were no other financial assets and liabilities that warranted classification under above levels.

The carrying value of all other financial assets and liabilities approximate their fair values.

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements has been approved and authorized for issue on October 29, 2019 by the Board of Directors of the Company.


 ADEEL SHAHID TATA
 CHIEF EXECUTIVE


 HASEEB HAFEEZUDEEN
 CHIEF FINANCIAL OFFICER


 BILAL SHAHID TATA
 DIRECTOR

ڈائریکٹرز رپورٹ

السلام ٹیکسٹائل

30 ستمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات آپ کو پیش کئے جا رہے ہیں۔

عالمی معاشی سرستی کے باعث ٹرن اور میں 39 فیصد اضافہ کے باوجود گزشتہ سال کے دوران روپے کی قدر میں متواتر کمی کی وجہ سے کمپنی کو مبلغ 8.849 ملین روپے کا قفل از ٹیکس خسارہ ہوا (2018 میں قفل از ٹیکس منافع مبلغ 89.081 ملین روپے تھا)۔

کمپنی کے منافع کو متعدد عوامل نے متاثر کیا جن میں روپے کی قدر میں مثالی کمی، پاکستان اور چین میں معاشی سرستی، چین امریکہ تجارتی تنازعہ جس نے یارن کی قیمتوں، درآمد شدہ کپاس کی لاگت، زیادہ شرح سود اور افراط زر کے عمومی اثرات کو متاثر کیا، شامل ہیں۔ چین امریکہ ٹیئرف تجارتی تنازعہ اور عالمی اور چینی معاشی سرستی کے باعث یارن کی فروخت کی قیمتیں نیچے گرنی رہیں، اور اس کے ساتھ ہی چین کی طرف سے کپاس کی درآمد بھی کم ہو گئی جس کے باعث یارن کے بڑے برآمداتی ملک خاص طور پر پاکستان اور بھارت متاثر ہوئے۔ کمپنی نے فصلوں کے برف سے کم مقدار کی وجہ سے درآمد شدہ کپاس پر بھاری انحصار کیا جو کہ پاکستانی روپے کی قدر میں کمی اور ڈکائونٹ ریٹ میں 6.75 فیصد سے 13.75 فیصد تک تیزی سے اضافہ ایک اور پہلو تھا جس نے ہمارے منافع کو متاثر کیا ہے جس سے مالی معافوں میں 112 فیصد کا اضافہ جو کہ مبلغ 118.252 ملین روپے ہو گیا (2018ء میں مبلغ 55.734 ملین روپے)۔

حالیہ سال:

اس سال کا آغاز نیکسٹائل ٹیکسٹائل سے حاصل ہونے والی زیورڈ ٹینگ سے دستبرداری کے ساتھ ہوا اور اس کے نتیجے میں 17 فیصد بلیز ٹیکس لگایا گیا اور بہت سارے دوہولڈنگ ٹیکسوں کی شرح میں غیر معمولی اضافہ ہوا جس سے مقامی مارکیٹ جس پر ہم یارن کی فروخت پر زیادہ بھروسہ کرتے ہیں، پر مکمل طور پر ختم پڑا۔ لہذا عالمی معاشی سرستی کے ساتھ ٹیکسوں میں زیورڈ سے اضافہ نے ہماری فروخت کو طبعی طور پر متاثر کیا اگرچہ حکومت نے پاکستانی روپے کی قیمت میں کمی کے ذریعے کرنٹ اکاؤنٹ خسارے کو تھپتھپا ختم کر دیا ہے، تاہم برآمدات کو بڑھانے کیلئے تجارتی ترقی کی طرف بہت کم کوششیں کی گئیں۔ پاکستان کو اب بھی شدید مالی خسارے کا سامنا ہے جس کے لئے اس پر باؤڈا ڈال جا رہا ہے کہ وہ بڑے پیمانے پر ٹیکس اٹھتا کرے، اس کے نتیجے میں مارکیٹ میں لیکویٹیٹی کی انتہائی قلت پیدا ہو گئی جس سے نجی شعبے کے لئے قیمتی وسائل بڑھ گئے۔

خام مال:

پیش نظر صورتحال کے تحت پاکستانی کپاس کی فصل مزید بگڑ چکی ہے اور فصل کا حجم لگ بھگ 9 ملین بیلز کے حساب سے لگایا گیا ہے جو کہ گزشتہ سال کی نسبت 2 ملین بیلز کم ہے جس کے باعث مقامی کپاس مارکیٹ میں پینتیس بہت زیادہ بڑھ گئی ہیں۔ مقامی کپاس کی قیمتوں میں اضافہ کے نتیجے میں آنے والے سال میں آپ کی کمپنی کے منافع پر دباؤ رہے گا۔


مستقبل کا نظریہ:


پاکستان میں ٹیکسٹائل کی صنعت میں چھ شعبے ہیں یعنی ڈنیم، تولیہ، ہوم ٹیکسٹائل، ٹینگ گاؤٹس، یارن اور گرے فبیرکس۔ یارن اور گرے فبیرکس کی برآمدات کا زیادہ تر انحصار چینی مارکیٹ پر ہے لیکن چین اور امریکہ کے مابین تجارتی تنازعہ کے باعث ہماری برآمدات میں شدید کمی آئی ہے۔ ہمیں امید ہے کہ حکومت اس نازک صورتحال کا جائزہ لے گی اور چین کے ساتھ تجارتی معاہدے میں ٹیکسٹائل انڈسٹری کو بڑھاتا رہا کرے گا۔ حکومت کو صنعت کے اس حصے کیلئے مراعات/ٹیکس کے فوائد پر بھی عمل کرنا چاہئے۔

اظہار تشکر:

ہم کمپنی کے ہر ملازم کی شکریت کا اظہار کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے ٹیکسٹائلز جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیئر ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے


بلال شاہد
ڈائریکٹر


چیف ایگزیکٹو
عدیل شاہد

کراچی مورچہ 29 اکتوبر 2019ء

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