



ISLAND TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements (UNAUDITED)
For The Nine - Month Period Ended March 31, 2020**

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COMPANY INFORMATION**BOARD OF DIRECTORS**

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

AUDIT COMMITTEE

Mr. Farooq Advani- Chairman
Mr. Adeel Shahid Tata – Member
Miss Samar Shahid Tata - Member
Mr. Ghazanfer Yaseen - Secretary

HR & REMUNERATION COMMITTEE

Mr. Farooq Advani - Chairman
Mr. Shahid Anwar Tata - Member
Mr. Adeel Shahid Tata - Member
Miss Samar Shahid Tata- Member
Mr. Muhammad Ali Mirza - Secretary

CHIEF FINANCIAL OFFICER

Mr. Haseeb Hafeezuddeen

COMPANY SECRETARY

Mr. Muhammad Hussain

INTERNAL AUDITOR

Mr. Ghazanfer Yaseen

AUDITORS

M/s. Deloitte Yousuf Adil
Chartered Accountants

BANKERS

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

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: itm.corporate@tatapakistan.com

FACTORY LOCATION

A/12, S.I.T.E. Kotri
District Jamshoro (Sindh)

SHARE REGISTRAR

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

WEB

www.tatapakistan.com

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

The financial statements (un-audited) of the Company for the Nine Months Ended March 31, 2020 is being presented to you.

The Company has incurred a pre-tax loss of Rs.41,427 million for the Nine Month Ended March 31, 2020, as compared to pre-tax profit of Rs.214.672 million during the corresponding period of last year.

The primary reason for the loss incurred is due to the rise in Finance Cost as KIBOR had gone up from 9.17% to 13.75% over last year. Although, we have endeavored to reduce borrowing as much as possible by reducing inventories to reduced working capital requirement, however, it has impacted our company significantly.

Currently, Pakistan is confronted with the crisis of Covid-19 outbreak like the whole world. Measures taken by the Government to control the pandemic has affected the economic activity and businesses have come to a halt not only in Pakistan but globally as well. Because of the Corona Virus the world wide commodities, stock markets, finance markets and oil prices have collapsed and also Cotton. As we have honored all our contracts so we have lot of Cotton in stock and in the pipeline and the value of all that cotton has now reduced drastically, due to the Corona pandemic.

Our Spinning Mills have ceased operation, due to the lock down policy of the Government and we are uncertain how long this situation will last. However, we support the efforts and measures taken by both Federal and Provincial Governments during this time of crisis. The Government has also taken some positive steps like deferring loan repayments, providing salary loans and speeding up of refunds, but these measures still fall short to keep the Textile Industry afloat.

As the World Economy is badly shaken in lockdown situation, so there is every likelihood that we will face severe economic recession for months to come. Under the circumstances, one of the important steps that the government should take is to give fair subsidy to various elements in the agricultural value chain at the sowing stage (seed, electricity, fertilizer, pesticides, etc.) so cotton growers can obtain their inputs at reduced cost which will help provide cheaper raw material to Spinning Sector. Further, the Government needs to take radical measures in development of quality seeds, through modern research technology and through monitoring of pesticides and fertilizers. Unless our cotton seeds are upgraded, we do not foresee any enhancement in quality and quantity of Cotton production.

FUTURE OUTLOOK

There are a lot of uncertainties in the foreseeable future so we cannot confirm the outcome of current situation as already there are prediction of negative growth. However, as the Government has allowed some of the Industries, including Textile sector to operate under strict guidelines, so we will endeavor to restart our Yarn productions for survival of our Mills.

ACKNOWLEDGEMENT

It is most important to mention the untiring efforts of all our team members who are engaged in up-holding their commitment to the Company's success and growth. We also thank our Bankers, Vendors and Customers for their consistent trust and support.

On behalf of the Board of Directors



Shahid Anwar Tata
Chief Executive



Adeel Shahid Tata
Director

Dated: April 30, 2020
Karachi

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**
**March 31, June 30,
2020 2019**
(Un-Audited) (Audited)
Note Rupees in 000
ASSETS
NON-CURRENT ASSETS

Property, plant and equipment	5	5,479,116	5,646,123
Intangible assets		643	797
Investments in associates		-	584,988
Long term investments		-	4,400
Long term deposits		1,434	1,434
		5,481,193	6,237,742

CURRENT ASSETS

Stores, spares and loose tools		41,371	43,423
Stock-in-trade	7	1,711,047	2,229,105
Trade debts		630,962	868,462
Loans and advances		487,945	389,148
Short term prepayments		4,867	979
Other receivables		13,577	8,824
Other financial assets		46,972	34,341
Sales tax refundable		62,327	56,995
Cash and bank balances		37,323	21,119
		3,036,391	3,652,396

TOTAL ASSETS
8,517,584 9,890,138
EQUITY AND LIABILITIES
EQUITY

Share capital		5,000	5,000
Reserves		900,591	900,591
Unappropriated profit		707,208	889,738
Revaluation reserve of property, plant and equipment		2,115,459	2,557,353
		3,728,258	4,352,682

NON-CURRENT LIABILITIES

Deferred liabilities		222,820	305,593
Long term finance	6	1,149,958	1,697,331
		1,372,778	2,002,924

CURRENT LIABILITIES

Trade and other payables		832,967	557,742
Unclaimed Dividend		1,099	1,040
Short term borrowings		1,846,051	2,148,499
Interest / mark-up accrued on borrowings		76,669	155,041
Current portion of long- term finance	6	600,000	600,000
Provision for income tax		59,762	72,210
		3,416,548	3,534,532

TOTAL EQUITY AND LIABILITIES
8,517,584 9,890,138
CONTINGENCIES AND COMMITMENTS
8

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


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


HASEEB HAFEEZUDDEEN
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

**CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE - MONTH PERIOD AND QUARTER ENDED MARCH 31, 2020**

	Note	Nine-month period ended		Quarter ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- Rupees in 000 -----			
Revenue from contract with customers - net	9	5,667,607	4,931,977	1,658,262	1,904,460
Cost of goods sold	10	(5,103,839)	(4,169,492)	(1,457,980)	(1,668,403)
Gross profit		563,768	762,485	200,282	236,057
Distribution cost		(98,033)	(78,869)	(33,753)	(28,173)
Administrative expenses		(102,652)	(94,379)	(34,324)	(31,381)
Other operating expenses		(20,448)	(46,458)	(1,313)	(30,251)
Finance cost		(382,467)	(324,322)	(112,880)	(130,673)
		(603,600)	(544,028)	(182,270)	(220,478)
Share of loss from associates - net of tax		(4,428)	(7,280)	-	(9,798)
Other income/(Loss)		2,833	3,495	668	(9,477)
		(1,595)	(3,785)	668	(19,275)
(Loss)/profit before taxation		(41,427)	214,672	18,680	(3,696)
Taxation		(87,387)	(38,686)	(53,787)	(14,280)
(Loss)/profit for the period		(128,814)	175,986	(35,107)	(17,976)
Other comprehensive income for the period:					
Item that will be reclassified subsequently through profit or loss					
Company's share in unrealised gain on remeasurement of associate investment - net of deferred tax		-	(19)	-	(22)
Total comprehensive (loss)/income for the period		(128,814)	175,967	(35,107)	(17,998)
(Loss)/Earnings per share - basic and diluted		(257.63)	351.97	(70.21)	(35.95)

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


SHAHID ANWAR TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2020**

	March 31, 2020	March 31, 2019
	<i>----- Rupees in '000' -----</i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(41,427)	214,672
Adjustments for :		
Depreciation	217,616	155,914
Amortization	153	175
Provision for staff gratuity	25,319	24,825
Provision for compensated absences	8,570	6,730
Finance cost	382,467	324,322
Loss/(gain) on disposal of property, plant and equipment	7	(838)
Share of Profit from associates	4,428	7,280
Provision for Doubtful Debts	-	2,018
Operating cash flows before movements in working capital	<u>597,133</u>	<u>735,098</u>
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,052	1,740
Stock-in-trade	518,058	(1,330,173)
Trade debts	237,500	19,010
Loans and advances	(222,752)	(28,147)
Other receivables	(4,753)	24,470
Short term prepayments	(3,887)	(4,295)
Sales tax refundable	(5,332)	(7,645)
Increase in current liabilities		
Trade and other payables	275,226	495,039
Cash generated from/(used in) operations	<u>1,393,245</u>	<u>(94,903)</u>
Finance cost paid	(460,839)	(329,679)
Staff gratuity paid	(10,487)	(9,379)
Staff compensated absences paid	(7,735)	(5,819)
Income taxes paid	13,130	(53,086)
Net cash generated from operating activities	<u>927,314</u>	<u>(492,886)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(50,623)	(12,319)
Proceeds from disposal of property, plant and equipment	6	1,503
Addition to intangible assets	-	(417)
Addition to other financial assets	(12,631)	(273)
Repayment of long term deposits	-	(142)
Proceeds from long term investment	4,400	-
Dividend received from associates	-	1,167
Net cash generated from / (used in) investing activities	<u>(58,848)</u>	<u>(10,481)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances Repaid	(547,373)	(310,172)
Dividend paid	(2,441)	(2,428)
Short-term borrowings increase/ (decrease)	(407,026)	741,013
Net cash used in financing activities	<u>(956,840)</u>	<u>428,413</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>(88,374)</u>	<u>(74,934)</u>
Cash and cash equivalents at the beginning of the period	<u>(657,510)</u>	<u>(786,026)</u>
Cash and cash equivalents at the end of the period	<u>(745,884)</u>	<u>(860,960)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	37,323	33,750
Short-term running finance	(783,207)	(894,710)
	<u>(745,884)</u>	<u>(860,960)</u>

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


SHAHID ANWAR TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2020

	Revenue Reserve			Capital Reserve			
	Share Capital	General reserve	Other reserve	Company's share in other Comprehensive income of associates	Unappropriated profit	Revaluation Surplus	Total
Balance at July 01, 2018	5,000	900,000	591	(1,321)	677,914	829,009	2,411,193
Total Comprehensive income for the Nine month period ended March 31, 2019	-	-	-	-	175,986	-	175,986
Profit after taxation for the period	-	-	-	-	(19)	-	(19)
Other comprehensive loss-net of tax	-	-	-	-	175,967	-	175,967
Transfer from surplus on revaluation of property, plant and equipment on account of	-	-	-	-	-	-	-
-Incremental depreciation-net of deferred tax	-	-	-	-	18,929	(18,929)	-
-Own	-	-	-	-	4,266	(4,266)	-
-Company's share in associates	-	-	-	-	23,195	(23,195)	-
Share of associate's 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	-	-	-	-	229	(229)	-
Transactions with owners	-	-	-	-	229	(229)	-
Final cash dividend for the year ended June 30, 2019	-	-	-	-	(2,500)	-	(2,500)
Balance as at March 31, 2019	5,000	900,000	591	(1,321)	874,805	805,585	2,584,660
Total comprehensive income for the period ended June 30, 2019	-	-	-	-	8,743	-	8,743
Profit for the period	-	-	-	-	19	-	19
Other comprehensive income-net of tax	-	-	-	-	8,762	-	8,762
Surplus on revaluation of land, building, electric installation and plant and machinery- net of tax	-	-	-	-	-	1,634,494	1,634,494
Company's share in associates on Surplus on leasehold land, building on leasehold land, and plant and machinery-net of tax	-	-	-	-	-	122,177	122,177
Transfer of unrealised loss on disposal of investment available-for-sale	-	-	-	-	(739)	-	(739)
Remeasurement gain of defined benefit - net of tax	-	-	-	132	-	-	132
Company's share in remeasurement gain on associates'	-	-	-	132	(739)	-	(607)
defined benefit plan - net of tax	-	-	-	(1,169)	882,828	2,562,256	4,349,486
Total comprehensive income for the period	5,000	900,000	591	(1,169)	882,828	2,562,256	4,349,486

	Revenue Reserve			Capital Reserve	Total	
	Share Capital	General reserve	Other reserve	Company's share in other Comprehensive income of associates		Unappropriated profit
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation and disposal - net of tax	-	-	-	-	6,468	(6,468)
Add: Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate	-	-	-	1,632	-	(1,632)
Company's share in associates' surplus on revaluation of property plant and equipment on account of incremental depreciation and disposal - net of tax	-	-	-	-	-	(89)
Add: Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate	-	-	-	-	-	(89)
Balance at June 30, 2019 (Audited)	5,000	900,000	591	(1,189)	890,928	2,557,353
Total Comprehensive Income for the nine-month period ended March 31, 2020						4,352,683
Loss after taxation for the period	-	-	-	-	(128,814)	-
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation-net of deferred tax	-	-	-	-	77,582	(77,582)
Transactions with owners						
Final cash dividend for the year ended June 30, 2019 @ Rs.5 per share	-	-	-	-	(2,500)	(2,500)
Specie dividend:						
-reversal of Associates Revaluation Surplus	-	-	-	-	-	(364,312)
-disposal of investment in Associates	-	-	-	1,189	(87,964)	(86,775)
-change in value of investment due to specie dividend	-	-	-	-	(42,024)	-
Balance as at March 31, 2020	5,000	900,000	591	-	707,208	2,115,459
						3,728,258

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



HASEEB HAFEEZ UDDEEN
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Island Textile Mills Limited (the Company) was incorporated in Pakistan on May 20, 1970 as a public limited company under the Companies Act, 1913 (now the Companies Act 2017) 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 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 Kotri Industrial Estate, Kotri in the province of Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency and figures presented in this condensed interim financial statements have been rounded off to the nearest thousand rupee unless otherwise stated.
- 2.3** The comparative statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2019, whereas comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow are stated from unaudited condensed interim financial statements for the Nine month period ended March 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

- 3.1** The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements 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 the Company's financial reporting and therefore have not been detailed in these condensed interim financial statements. The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended June 2019.

4. FINANCIAL RISK MANAGEMENT

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

5. PROPERTY, PLANT AND EQUIPMENT

		March 31, 2020 (Un-audited)	June 30, 2019 (Audited)
	Note	----- Rupees in '000' -----	
Operating fixed assets	5.1	5,476,918	5,643,873
Capital work-in-progress		2,198	2,250
		5,479,116	5,646,123

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

	Acquisitions/ transfer from CWIP	Disposal (Written down value)	Sale Proceeds
	Rupees in '000'		
During the Quarter ended March 31, 2020 (Un-audited)			
Plant and machinery	5,209	-	-
Computers	426	-	-
	<u>5,635</u>	<u>-</u>	<u>-</u>
During the year ended June 30, 2019 (Audited)			
Building - Mill	198	-	-
Plant and machinery	15,114	-	-
Mills Equipment	666	-	-
Computer Equipment	8,062	7	13
Furniture & Fixture	1,282	-	-
Vehicle	2,120	672	1,502
	<u>27,442</u>	<u>679</u>	<u>1,515</u>
	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)	
Note	----- Rupees in '000' -----		

6. LONG TERM FINANCES

Banking companies - secured

Syndicate term finance	6.1	1,364,161	1,818,882
Syndicate long term finance facility-1	6.2	313,994	388,422
Syndicate long term finance facility-2	6.3	71,803	90,027
		<u>1,749,958</u>	<u>2,297,331</u>

Less: Current portion shown under current liabilities

Syndicate term finance	(454,720)	(454,720)
Syndicate long term finance facility-1	(125,598)	(125,598)
Syndicate long term finance facility-2	(19,682)	(19,682)
	<u>(600,000)</u>	<u>(600,000)</u>
	<u>1,149,958</u>	<u>1,697,331</u>

- 6.1** 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, 2019: 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.
- 6.2** 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 refinance rate of 4.5% per annum plus bank spread i.e.1.4% (2019:4.5% 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.
- 6.3** 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 refinance rate of 2.0% per annum plus Bank spread i.e.1.5%(2019: 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 30 November 2019.

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
Note	----- Rupees in '000' -----	
6.4 LONG TERM FINANCING		
Balance at the beginning of the period	2,297,331	2,658,672
Additions	-	-
Repayment	(547,373)	(361,341)
Balance at the end of the period	1,749,958	2,297,331
Less: current portion of long-term financing	(600,000)	(600,000)
	<u>1,149,957</u>	<u>1,697,331</u>
7. STOCK-IN-TRADE		
Raw material	1,241,531	1,956,460
Work-in-process	2,809	63,441
Finished goods	437,731	202,661
Waste stock	34,070	6,864
	1,716,141	2,229,426
Less: Provision for written down of inventories to their net realisable value	(5,094)	(321)
	<u>1,711,047</u>	<u>2,229,105</u>
	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
Note	----- Rupees in '000' -----	
8. CONTINGENCIES AND COMMITMENTS		
8.1. Contingencies		
Estimated financial impact of labour and workmen compensation cases in court of law	465	465
8.2. Commitments		
Civil	-	312
Letters of credit for		
- Raw material	508,104	75,067
- Spares and Machinery	5,759	19,495
Bank guarantees	161,715	148,084
Bills discounted	357,866	275,404
Outstanding sales contracts	422,746	358,117
8.2.1	This includes bank guarantee related to Sindh Infrastructure Development Cess amounting to Rs. 136.80 million (June 30, 2019: Rs.128.5 million).	
9. REVENUE FROM CONTRACT WITH CUSTOMERS - NET		
Revenue from contract with customers include sales made to local customers (including indirect exports) and direct exports amounting to Rs.4,187 million (March 31,2019: 3,515 million) and Rs. 1,481 million (March 31, 2019: 1,417 million) respectively.		

10. COST OF GOODS SOLD

Note	Nine-month period ended		Quarter ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Un-audited			
Rupees in '000'				
Opening finished goods	209,204	190,883	208,195	748,892
Cost of goods manufactured	5,361,202	4,689,163	1,716,492	1,633,809
	5,570,406	4,880,046	1,924,687	2,382,701
Cost stock lost	-	-	-	-
Closing finished goods	(466,707)	(714,298)	(466,707)	(714,298)
	5,103,699	4,165,748	1,457,980	1,668,403
Cost of raw material sold	141	3,744	-	-
Cost of goods sold	5,103,839	4,169,492	1,457,980	1,668,403

10.1 Cost of goods manufactured

Raw material consumed	10.1.1	4,227,835	3,788,380	1,337,227	1,348,666
Stores and spares		92,340	77,052	28,744	24,584
Packing material		66,124	59,336	21,929	20,288
Fuel and power		406,382	358,247	122,973	115,234
Salaries, wages and benefits		269,856	242,839	82,136	75,653
Depreciation		213,770	153,022	71,351	51,074
Insurance		12,026	9,840	3,241	3,343
Repairs and maintenance		4,140	2,855	1,301	1,256
Amortization		149	110	50	110
Other overheads		7,949	9,497	2,330	3,678
		5,300,570	4,701,178	1,671,281	1,643,886
Work-in-process					
Opening stock		63,441	48,217	48,020	50,155
Closing stock		(2,809)	(60,232)	(2,809)	(60,232)
		60,632	(12,015)	45,211	(10,077)
		5,361,202	4,689,163	1,716,492	1,633,809

10.1.1 RAW MATERIAL CONSUMED

Opening stock	1,956,460	1,592,740	877,231	1,955,545
Purchases - net	3,512,906	4,583,124	1,701,527	1,780,605
	5,469,366	6,175,864	2,578,758	3,736,150
Closing stock	(1,241,531)	(2,387,484)	(1,241,531)	(2,387,484)
	4,227,835	3,788,380	1,337,227	1,348,666

10.2 Net realisable value of finished goods was lower than its cost, resulting in a write-down of Rs 5.09 million (March 31, 2019: Rs. 7.50 million) charged to cost of goods sold.

11. 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 liability 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

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors, 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:

		Quarter ended	
		March 31, 2020	March 31, 2019
		Un-audited	
		Rupees in '000'	
Relationship with the party Associated undertakings	Share of expense received	1,353	1,181
	Share of expense paid	472	1,188
	Purchase of electricity	106,824	97,758
	Sale of store items	-	156
	Purchase of cotton	208,534	-
	Rent expense	150	150
Key management personnel	Remuneration	15,697	13,620
Directors	Remuneration	2,870	2,665
	Directors meeting fee	240	160
	Rent expense	1,323	1,323
		March 31, 2020	June 30, 2019
		(Un-audited)	(Audited)
		Rupees in '000'	
Relationship with the party Associated undertakings	Outstanding balance Trade Creditors	105,340	69,548

13. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved and authorized for issue on April 30, 2020 by the Board of Directors of the Company.


SHAHID ANWAR TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
DIRECTOR

ڈائریکٹرز رپورٹ

السلام وعلیکم

31 مارچ 2020ء کو ختم ہونے والی نو ماہ کی مدت کیلئے کمپنی کے مالیاتی حسابات (غیر آڈٹ شدہ) آپ کے سامنے پیش کیے جا رہے ہیں۔ کمپنی کو 31 مارچ 2020ء کو ختم ہونے والی نو ماہ کی مدت کے دوران منافع 41.427 ملین روپے کا قبل ازنگس خسارہ ہوا ہے جس کا موازنہ گزشتہ سال کی اسی مدت کے قبل ازنگس منافع مبلغ 214.672 ملین روپے سے کیا جاسکتا ہے۔

اس کی بنیادی وجہ پچھلے سال کے مقابلے میں فنانس لاگت میں اوسط KIBOR میں 9.17% سے 13.75% کا اضافہ ہوا ہے۔ اگرچہ ہم نے انونٹریز کو کم کر کے درکنگ کیٹیجیل کی ضروریات کو کم کر کے قرضوں کو کم کرنے کی کوشش کی ہے، تاہم اس نے ہماری کمپنی کو نمایاں طور پر متاثر کیا ہے۔

فی الحال، پوری دنیا کی طرح پاکستان کو بھی Covid-19 (کورونا وائرس) کی وبا کے باعث بحران کا سامنا ہے۔ حکومت کے اس وبا پر قابو پانے کیلئے اٹھائے گئے اقدامات سے معاشی سرگرمیاں متاثر ہوئی ہیں اور نہ صرف پاکستان بلکہ عالمی سطح پر بھی کاروباری سرگرمیاں مانند پڑ گئی ہیں۔ کورونا وائرس کی وجہ سے دنیا بھر میں غذائی اجناس، اسٹاک، مارکیٹ، مالیاتی منڈیوں، تیل اور کپاس کی قیمتوں میں کمی واقع ہوئی ہے۔ ہم اپنے تمام معاہدوں کا احترام کرتے ہیں لہذا ہمارے پاس کپاس کی کثیر مقدار اسٹاک میں موجود ہے اور اب کورونا وائرس کی وبا کے باعث اس تمام کپاس کی قیمت بہت کم ہو گئی ہے۔

ہماری اسپننگ ملز نے حکومت کی لاک ڈاؤن پالیسی کے باعث کام بند کر دیا ہے اور کچھ یقین سے نہیں کہا جاسکتا کہ یہ صورتحال کب تک برقرار رہے گی۔ تاہم، ہم موجودہ بحران میں وفاقی اور صوبائی حکومت کی جانب سے کی گئی کوششوں اور اقدامات کی حمایت کرتے ہیں۔ حکومت نے کچھ مثبت اقدامات بھی کئے ہیں جیسا کہ قرضوں کی واپسی کو مؤخر کرنا، تنخواہ کیلئے قرضوں کی فراہمی اور ریٹنڈ کی مد میں قروم کی واپسی میں تیزی، لیکن یہ اقدامات ابھی بھی ٹیکسٹائل انڈسٹری کی افادیت سے کم ہیں۔

چونکہ لاک ڈاؤن کی صورتحال میں عالمی معیشت بری طرح متاثر ہو رہی ہے لہذا امکان ہے کہ آنے والے مہینوں میں ہمیں شدید معاشی بحران کا سامنا کرنا پڑے گا۔ ان حالات میں حکومت کو ہم اقدامات اٹھانے چاہئیں کہ وہ بوائی کے مرحلے (بیج، بچلی، کھاد، کیڑے مارا دیات وغیرہ) پر زرعی ویلیو چین میں مختلف عناصر کو مناسب سبسڈی دے تاکہ کپاس کے کاشتکار کم لاگت پر زیادہ منافع حاصل کر سکیں جو اسپننگ میلز کو سستا خام مال مہیا کرنے میں معاون ہوگا۔ مزید یہ کہ حکومت پاکستان کو جدید تحقیقاتی ٹیکنالوجی کے ذریعے اور کیڑے مارا دیات اور کھادوں کی نگرانی کے ذریعے معیاری بیجوں کی نشوونما کے سلسلے میں بنیادی اقدامات اٹھانے کی ضرورت ہے جب تک ہمارے کپاس کے بیجوں کو اپ گریڈ نہیں کیا جاتا، ہم کپاس کی پیداوار کے معیار اور مقدار میں کسی اضافے کا امکان نہیں رکھتے ہیں۔

مستقبل کا نظریہ:

ہمیں مستقبل میں بہت سی یقینی صورتحال کا سامنا کرنا پڑسکتا ہے لہذا ہم موجودہ صورتحال کے نتیجے کو مد نظر رکھتے ہوئے آنے والی صورتحال کی تصدیق نہیں کر سکتے کیونکہ پہلے ہی منفی شرح نمو کی پیش گوئی کی جا رہی ہے۔ تاہم حکومت نے ٹیکسٹائل کے شعبے سمیت کچھ صنعتوں کو سخت ہدایات کے تحت کام کرنے کی اجازت دی ہے، لہذا ہم کوشش کریں گے کہ اپنی ملز کی بقاء کیلئے بارن کی دوبارہ تیاری شروع کریں۔

اظہار تشکر

ہم کمپنی کے ہر ملازم کی شمولیت کا شکریہ ادا کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے ڈیکلرز جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیئرز ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



عدیل شاہدانا

ڈائریکٹر



شاہد انورانا

چیف ایگزیکٹو

کراچی مورخہ 130 اپریل 2020ء

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