



ISLAND TEXTILE MILLS LIMITED

**Condensed Interim Financial Statements
(UNAUDITED)**

For the 1st Quarter ended September 30, 2020

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COMPANY INFORMATION

BOARD OF DIRECTORS

- Mr. Mazhar Valjee - 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 Jawaid Iqbal - 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. Farooq Kasam - 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 Shakra-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 1st Quarter ended September 30, 2020 is presented. During this quarter the Company has made a Pre-Tax Profit of PKR 78.63 Million (2019 Pre-Tax Loss of PKR 77.04 Million).

Even though, the last quarter, i.e. April-June was the most difficult quarter in our history, due to the havoc played by the Covid'19 pandemic, we started the new year on an apprehensive note given the uncertainties surrounding the demand and supply of textile products, however, as the current quarter progressed, there suddenly appeared a ray of hope as there was a complete turnaround in the local textile market. The demand for yarn picked up from the down-stream Industries on the back of ample orders they were getting which was unprecedented. Gradually, during this quarter, we were able to sell almost all the yarn that had accumulated during the previous quarter.

Moreover, there has been a healthy turnaround in the textile market against all the perceptions that the Covid'19 pandemic will bring down the demand for Textile products. On the contrary, demand has increased, as the world which had stopped or minimized socializing, entertaining or travelling during the pandemic, have now gone back to socializing resulting in increase in local and international retail sales. There is a huge demand for yarn in the domestic market and orders have been booked till December 2020, however, despite the optimism it is difficult to predict the situation beyond December.

Raw Material.

Last year, the cotton crop harvest was not good and we could only produce about 8.6 Mn bales and we were hoping that the current year cotton crop yield will be improved to a level of 10 Million bales but unfortunately, we have witnessed cotton arrivals of only 2.4 Million bales till 15th October. Normally, up to this period 50% of the cotton crop arrives at the ginners, which seems to suggest a cotton crop size of only 4.8 Million bales, which is a very dangerous situation. The crop size estimates and quality issues have led to bullish trend in the local market as the cost of cotton which started at a bearish trend of Rs.8,000/- per maund has now gone up to Rs.10,000/- to Rs.10,500/-. Although there is support of the Yarn price and the coming quarter will be better, but the local cotton crop size has turned very tricky and dangerous, which will result in the increased of imported cotton to meet the local market requirement.

Globally, too the cotton market started the season with a bearish note, but now the commodity market has turned bullish.

Future Prospects

The demand for textile has started to show improvement which has reflected in the results and we are hopeful that the company will perform even better in the coming months. Further, the management is continuously working towards upgradation and enhancement in productivity and cost control.

Acknowledgement

We appreciate 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 financial institution 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



ADEEL SHAHID TATA
DIRECTOR

Karachi

Dated: October 28, 2020

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

		Sept.30, 2020 (Un-audited)	June 30, 2020 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	5,339,044	5,406,861
Intangible assets		3,064	3,254
Long term deposits		1,434	1,434
		5,343,542	5,411,549
CURRENT ASSETS			
Stores, spares and loose tools		29,850	29,321
Stock-in-trade		1,066,170	2,013,961
Trade debts		1,046,342	593,025
Loans and advances		811,743	253,998
Short term prepayments		6,838	2,057
Other receivables		4,996	6,656
Other financial assets		46,972	46,972
Sales tax refundable		64,618	67,450
Cash and bank balances		45,385	84,140
		3,122,914	3,097,580
TOTAL ASSETS		8,466,456	8,509,129
EQUITY AND LIABILITIES			
EQUITY			
Share capital		5,000	5,000
Reserves		900,591	900,591
Unappropriated profit		584,010	503,796
Surplus on revaluation of property, plant and equipment		2,092,555	2,117,367
		3,582,156	3,526,754
NON-CURRENT LIABILITIES			
Deferred liabilities		169,953	165,944
Long term finance	6	1,785,600	1,784,978
Deferred Grant		1,853	1,853
		1,957,406	1,952,775
CURRENT LIABILITIES			
Trade and other payables		1,011,215	837,475
Unclaimed Dividend		1,099	1,099
Short term borrowings		1,695,271	1,966,301
Interest / mark-up accrued on borrowings		58,375	126,038
Current portion of long- term finance		49,343	13,428
Current portion of deferred grant		3,410	3,410
Provision for income tax		108,181	81,849
		2,926,894	3,029,600
TOTAL EQUITY AND LIABILITIES		8,466,456	8,509,129
CONTINGENCIES AND COMMITMENTS			
	7		

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDEEN
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)


FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	Septemehr 30, 2020	Septemehr 30, 2019
		----- Rupees in 000 -----	
Revenue from contract with customers - net		2,498,810	1,933,411
Cost of goods sold	9	(2,257,973)	(1,756,084)
Gross profit		240,837	177,327
Distribution cost		(37,862)	(33,063)
Administrative expenses		(28,811)	(32,669)
Other operating expenses		(5,836)	(43,244)
Finance cost		(89,931)	(141,193)
		(162,440)	(250,169)
Share of loss from associates - net of tax		-	(4,428)
Other income		236	228
		236	(4,200)
Profit/(Loss) before taxation		78,633	(77,042)
Taxation		(23,231)	(15,261)
Profit/(Loss) for the period		55,402	(92,303)
Other comprehensive income		-	-
Total comprehensive income / (loss)		55,402	(92,303)
Earnings/(Loss) per share - basic and diluted		110.80	(184.61)

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


SHAHID ANWAR TATA
 CHIEF EXECUTIVE


HASEEB HAFEEZUDDIEN
 CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
 DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	----- Rupees in '000' -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	78,633	(77,042)
Adjustments for :		
Depreciation	68,675	72,147
Amortization	190	52
Provision for staff gratuity	8,240	8,380
Provision / (Reversal) for compensated absences	(418)	5,583
Finance cost	89,931	141,193
Loss on disposal of property, plant and equipment	-	7
Share of loss from associates	-	4,428
Operating cash flows before movements in working capital	245,251	154,748
(Increase) / decrease in current assets		
Stores, spares and loose tools	(529)	326
Stock-in-trade	947,791	524,157
Trade debts	(453,317)	83,184
Loans and advances	(554,677)	(11,120)
Short term prepayments	(4,781)	(7,798)
Other receivables	1,660	3,011
Sales tax refundable	2,832	47,381
Increase in current liabilities		
Trade and other payables	173,740	178,965
Cash generated from operations	357,970	972,854
Finance cost paid	(157,594)	(202,037)
Staff gratuity paid	(3,470)	(2,693)
Staff compensated absences paid	(652)	(3,485)
Income taxes paid	(3,067)	(26,913)
Net cash generated from operating activities	193,187	737,726
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(858)	(25,777)
Long term loan obtained	104,204	-
Proceeds from disposal of property, plant and equipment	-	6
Net cash generated from/(used in) investing activities	103,346	(25,771)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances Repayment - net	(64,258)	(247,373)
Dividend paid	-	(2)
Short-term borrowings repayments - net	(165,475)	(630,951)
Net cash used in financing activities	(229,733)	(878,326)
Net decrease in cash and cash equivalents (A+B+C)	66,800	(166,371)
Cash and cash equivalents at July 01	(734,333)	(657,510)
Cash and cash equivalents at September 30	(667,533)	(823,881)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	45,385	22,103
Short-term running finance	(712,918)	(845,984)
	(667,533)	(823,881)

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



SHAHID ANWAR TATA
CHIEF EXECUTIVE



HASEEB HAFEEZUDDIEN
CHIEF FINANCIAL OFFICER



ADEEL SHAHID TATA
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Revenue Reserve			Capital Reserve		Total
	Share Capital	General reserve	Other reserve	Company's share in other comprehensive income of associates	Unappropriated profit	
Rupees in 000.....						
Balance at July 01, 2019	5,000	900,000	591	(1,189)	890,927	2,557,353
Comprehensive income						
Loss for the quarter	-	-	-	-	(92,303)	-
Other comprehensive loss-net of tax	-	-	-	-	(92,303)	-
Transfer from surplus on revaluation of property, plant and equipment on account of:						
-incremental depreciation-net of deferred tax	-	-	-	-	25,861	(25,861)
Share of associate's transfer from surplus on revaluation of property, plant and equipment on account of	-	-	-	-	2,595	-
-incremental depreciation-net of deferred tax	-	-	-	-	-	(2,595)
Balance as at September 30, 2019	5,000	900,000	591	(1,189)	827,080	2,528,897
Balance at July 01, 2020	5,000	900,000	591	-	503,796	2,117,367
Profit for the quarter	-	-	-	-	55,402	-
Other comprehensive income-net of tax	-	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment on account of:						
-incremental depreciation-net of deferred tax	-	-	-	-	24,812	(24,812)
Balance as at September 30, 2020	5,000	900,000	591	-	584,010	2,092,555


SHAHID ANWAR TATA
CHIEF EXECUTIVE


HASEEB HAFEEZUDDEN
CHIEF FINANCIAL OFFICER


ADEEL SHAHID TATA
DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. THE COMPANY AND ITS OPERATIONS

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 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** This condensed interim financial information of the Company for the 1st Quarter ended September 30, 2020 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, 2020.
- 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 un-audited 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, 2020; the comparative condensed profit or loss account and 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

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, 2020. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2020, 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, 2020.

		September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	----- Rupees in '000' -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,338,202	5,406,688
Capital work-in-progress	5.2	842	173
		5,339,044	5,406,861

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

	Acquisitions / transfers from CWIP	Disposal (written down value)	Sale Proceeds
	----- Rupees in '000' -----		
During the quarter ended September 30, 2020 (Un-audited)			
Furniture & Fixture	189	-	-
	<u>189</u>	<u>-</u>	<u>-</u>
During the year ended June 30, 2020 (Audited)			
Plant and machinery	46,646	-	-
Mills Equipment	4,746	-	-
Computer Equipment	1,197	27	6
Furniture & Fixture	748	-	-
	<u>53,337</u>	<u>27</u>	<u>6</u>

5.2 During the period, addition in capital work in progress is Rs.0.84 million (June 30,2020 Rs. 51.74 million)

6. LONG TERM FINANCES

	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		----- Rupees in '000' -----	
Banking companies - secured			
Syndicate term finance	6.1 & 6.5	1,364,161	1,364,161
Syndicate long term finance facility-1	6.2	185,388	248,187
Syndicate long term finance facility-1	6.3	65,807	65,807
Syndicate long term finance facility-2		70,345	71,803
SBP-Refinance scheme for salary payments	6.4	149,242	48,448
		<u>1,834,943</u>	1,798,406
Less: Current portion shown under current liabilities			
SBP-Refinance scheme for salary payments		(39,479)	(13,428)
		<u>(39,479)</u>	<u>(13,428)</u>
	6.6	<u>1,795,464</u>	1,784,978

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, 2020: 6 months KIBOR plus 1.4% per annum). It is repayable in 07 years. Mark up is payable semi annually in arrears and principal in equal semi annual installements from August 2017.

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 6.1 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% (June 30,2020:4.5% per annum plus bank spread i.e 1.4%) . The facility is repayable in 07 years.

- 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 6.1 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 3% per annum plus Bank spread i.e.1.4%(June 30, 2020: 3% per annum plus Bank spread i.e.1.4%) . The facility is repayable in 07 years.
- 6.4** 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 6.1 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% per annum plus Bank spread i.e.1.5%(June 30, 2020: 2% per annum plus Bank spread i.e.1.5%) . The facility is repayable in 07 years.
- 6.5** The payment of principal component of these facilities, payable within next 12 months, has been deferred for 1 year as per the directions of State Bank of Pakistan via its Circular Letter No.13 of 2020. However, the mark-up on these facilities is not deferred and payable as soon as its due to be paid. Consequently, the maturity date of these facilities have also been extended by 1 year.

September 30, June 30,
2020 2020
(Unaudited) (Audited)
----- Rupees in '000' -----

6.6 Long Term Finance

Balance as on July 01	1,798,406	2,297,331
Obtained	100,795	48,448
Repayment	(64,258)	(547,373)
Balance as on	1,834,943	1,798,406
Less:Current Maturity	(49,343)	(13,428)
	1,785,600	1,784,978

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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

	465	465
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7.2 Commitments

Letters of credit for		
- Raw material	519,378	63,617
- Spares and Machinery	18,976	13,660
Bank guarantees	161,715	148,084
Bills discounted	708,944	477,371
Outstanding sales contracts	654,042	356,750

- 7.2.1** This includes bank guarantee related to Sindh Infrastructure Development Cess amounting to Rs. 136.800 million (June 30, 2020: Rs.136.800 million).

8 SALES

Sales include sales made to a local customers (including indirect export) and direct exports amounting to Rs.1,994 million (2019:1,348 million) and Rs.505 million (2019:585 million) respectively. The export are made to Asia Pacific region amounting to Rs.497 million (2019: 585 million) and Europe region Rs.8 million (2019: Nil)

9. COST OF GOODS SOLD

		September 30, 2020	September 30, 2019
	Note	----- Un-audited ----- ----- Rupees in '000' -----	----- Un-audited ----- ----- Rupees in '000' -----
Opening finished goods		621,769	209,204
Cost of goods manufactured	9.1	1,674,408	1,785,414
		<u>2,296,177</u>	<u>1,994,618</u>
Closing finished goods	9.2	(128,550)	(238,675)
		<u>2,167,627</u>	<u>1,755,943</u>
Cost of raw material sold		90,346	141
Cost of goods sold		<u>2,257,973</u>	<u>1,756,084</u>

9.1 Cost of goods manufactured

		September 30, 2020	September 30, 2019
		----- Un-audited ----- ----- Rupees in '000' -----	----- Un-audited ----- ----- Rupees in '000' -----
Raw material consumed	9.1.1	1,313,251	1,405,415
Stores and spares		29,087	32,030
Packing material		22,816	20,826
Fuel and power		140,246	138,116
Salaries, wages and benefits		92,452	99,425
Depreciation		67,972	70,712
Insurance		3,384	3,421
Repairs and maintenance		549	732
Amortization		190	50
Other overheads		2,144	3,525
		<u>1,672,091</u>	<u>1,774,252</u>
Work-in-process			
Opening stock		64,366	63,441
Closing stock		(62,049)	(52,279)
		<u>2,317</u>	<u>11,162</u>
		<u>1,674,408</u>	<u>1,785,414</u>

9.1.1 RAW MATERIAL CONSUMED

Opening stock	1,327,826	1,956,460
Purchases - net	860,996	862,949
	<u>2,188,822</u>	<u>2,819,409</u>
Closing stock	(875,571)	(1,413,994)
	<u>1,313,251</u>	<u>1,405,415</u>

- 9.2 Net realisable value of finished goods was lower than its cost, resulting in a write-down of Rs 2.424 million (Sept. 30, 2019: Rs. 0.744 million) charged to cost of goods sold.

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 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

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of 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. Name of associated companies are same as disclosed in annual financial statement of June 30, 2020. Transactions and outstanding balances with related parties are as follows:

Relationship with the party	Nature of transactions	Three month period ended	
		September 30, 2020	September 30, 2019
		----- Un-audited -----	----- Rupees in '000' -----
Associated undertakings	Share of expense received	1,761	1,457
	Share of expense paid	942	497
	Purchase of electricity	118,864	146,662
	Sale of store items	61	-
	Rent expense	150	150
Key management personnel	Short term benefits	13,589	13,420
Directors	Short term benefits	2,571	2,665
	Directors meeting fee	235	140
	Rent expense	1,323	1,323
		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
		----- Rupees in '000' -----	----- Rupees in '000' -----
Relationship with the party	Outstanding balance		
Associated undertakings	Trade Creditors	145,471	91,789

12. FAIR VALUE HIERARCHY

The Company's free hold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of the company's free hold land, building and plant and machinery and electric installation were last carried out as at June 30, 2020 by Iqbal A. Nanjee & Company (Private) Limited (Valuer) on the basis of market value or depreciated replacement values as applicable. 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 directly (that is, as prices) or indirectly (that is, derived from prices).

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

	Level 1	Level 2	Level 3	Total
	-----Rupees in '000'-----			
As at September 30, 2020 (unaudited)				
Leasehold land	-	-	219,680	219,680
Building on lease hold land	-	-	1,183,128	1,183,128
Plant and machinery	-	-	3,684,724	3,684,724
Electrical Installations	-	-	184,563	184,563
	-	-	5,272,095	5,272,095
As at June 30, 2020 (audited)				
Leasehold land	-	-	219,680	219,680
Building on lease hold land-Mill	-	-	1,198,104	1,198,104
Plant and machinery	-	-	3,731,366	3,731,366
Electrical Installations	-	-	189,295	189,295
	-	-	5,338,445	5,338,445

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

As at September 30,2020 and June 30,2020, there were no other financial assets and liabilities that warranted classification under above levels.

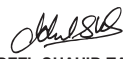
The carrying value of all other financial assets and liabilities approximate their fair values.

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved and authorized for issue on October 28,2020 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 و علیکم

30 ستمبر 2020ء کو ختم ہونے والی پہلی سہ ماہی کیلئے کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات آپ کو پیش کئے جا رہے ہیں۔ دوران سہ ماہی کمپنی نے قبل از ٹیکس منافع مبلغ 78.63 ملین روپے (2019 میں قبل از ٹیکس خسارہ مبلغ 77.04 ملین روپے) حاصل کیا۔

اگرچہ، آخری سہ ماہی یعنی اپریل جون ہمارے لئے کافی مشکل تھی، کورونا وبا سے ہونے والی تاہیوں کے باوجود ہم نے ٹیکسٹائل مصنوعات کی طلب اور رسد سے متعلق غیر یقینی صورتحال کو مد نظر رکھتے ہوئے نئے سال کا آغاز کیا۔ تاہم جیسے ہی موجودہ سہ ماہی میں پیشرفت ہوئی اچانک مقامی ٹیکسٹائل مارکیٹ میں تبدیلی اور امریکی کرن نظر آئی۔ صنعتوں کے کم قیمت پر یاران حاصل کی گئی۔ آہستہ آہستہ دوران سہ ماہی ہم گذشتہ سہ ماہی کے دوران کی جمع ہونے والی تقریباً تمام یاران کو فروخت کرنے میں کامیاب ہو گئے۔

مزید یہ کہ ٹیکسٹائل مارکیٹ میں ان تمام تاثرات کو رونا و باہ، ٹیکسٹائل کی مصنوعات کی طلب کو کم کر دے گی، کے برعکس بدلاؤ آیا ہے۔ اس کے برعکس طلب میں اضافہ ہوا ہے کیونکہ جس دنیائے کورونا وبا کے دوران سماجی و معاشرتی کاموں میں حصہ لینا، تفریح یا سفر کرنا چھوڑ دیا تھا یا انہیں کم سے کم کر دیا تھا اب وہ مقامی اور بین الاقوامی ریشیل فروخت میں اضافے کے نتیجے میں سماجی و معاشرتی کاموں کی طرف واپس لوٹ چکے ہیں۔ ملکی مارکیٹ میں یاران کی زیادہ مانگ ہے اور دسمبر 2020 تک آؤرز تک کے جانچے ہیں، تاہم امید کے باوجود دسمبر کے بعد کی صورتحال کی پیش گوئی کرنا مشکل ہے۔

خام مال:

گذشتہ سال کپاس کی فصل کٹائی اچھی تھی اور ہم صرف 8.6 ملین کانٹون کی پیداوار کر سکتے تھے اور ہم امید کر رہے تھے کہ رواں سال کپاس کی فصل کی پیداوار 10 ملین کانٹون تک ہو جائے گی لیکن بد قسمتی سے ہم 115 کتو بر تک صرف 2.4 ملین کانٹون ہی تیار کر سکے ہیں۔ عام طور پر اس مدت تک کپاس کی فصل 50 فیصد جزز کے پاس پختہ ہوتی ہے جس سے لگتا ہے کہ کپاس کی فصل صرف 4.8 ملین کانٹون کی ہوگی جو ایک بہت ہی خطرناک صورتحال ہے۔ فصلوں کے سائز کا تخمینہ اور معیار کے مسائل کے باعث ملکی مارکیٹ میں تیزی کارخانہ ربا کیونکہ کپاس کی قیمت مبلغ 8,000 روپے فی من کے حساب سے مندی کے رجحان سے شروع ہوئی تھی وہ اب مبلغ 10,000 روپے سے مبلغ 10,500 روپے تک پہنچ گئی ہے۔ اگرچہ یہاں یاران کی قیمت کو سپورٹ حاصل ہے اور آنے والی سہ ماہی بہتر ہوگی لیکن ملکی کپاس کی فصل کا سائز انتہائی مشکل اور خطرناک ہو گیا ہے جس کے نتیجے میں ملکی مارکیٹ کی ضرورت پوری کرنے کے لئے درآ مد شدہ کپاس میں اضافہ ہوگا۔

عالمی سطح پر بھی کپاس کی مارکیٹ نے مندی کا آغاز روایتی نوٹ کے ساتھ کیا، لیکن اب اجناس کی مارکیٹ میں تیزی دیکھنے میں آئی ہے۔

مستقبل کے امکانات:

ٹیکسٹائل کی طلب میں بہتری آنا شروع ہوگئی ہے جس کے نتائج سامنے آرہے ہیں اور ہمیں امید ہے کہ آنے والے مہینوں میں کمپنی اس سے بھی بہتر کارکردگی کا مظاہرہ کرے گی۔ مزید یہ کہ انتظامیہ اپ گریڈیشن اور پیداواری صلاحیت میں اضافہ اور قیمت پر تقابلاً پانے کیلئے مسلسل کوشاں ہے۔

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 بینکرز 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۔

بورڈ آف ڈائریکٹرز کی جانب سے



عبدل سلام شاہدانا
ڈائریکٹر



شاہد اوارانا
چیف ایگزیکٹو

کراچی مورخہ 28 اکتوبر 2020ء

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