



**SHAHZAD
TEXTILE**

FORM-8

Date: 28-10-2020

The General Manager,
Pakistan Stock Exchange Limited.
Stock Exchange Building,
Stock Exchange Road,
Karachi

Subject: Transmission of Quarterly Report for the Period Ended September 30, 2020

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended September 30, 2020 has been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,
For SHAHZAD TEXTILE MILLS LIMITED

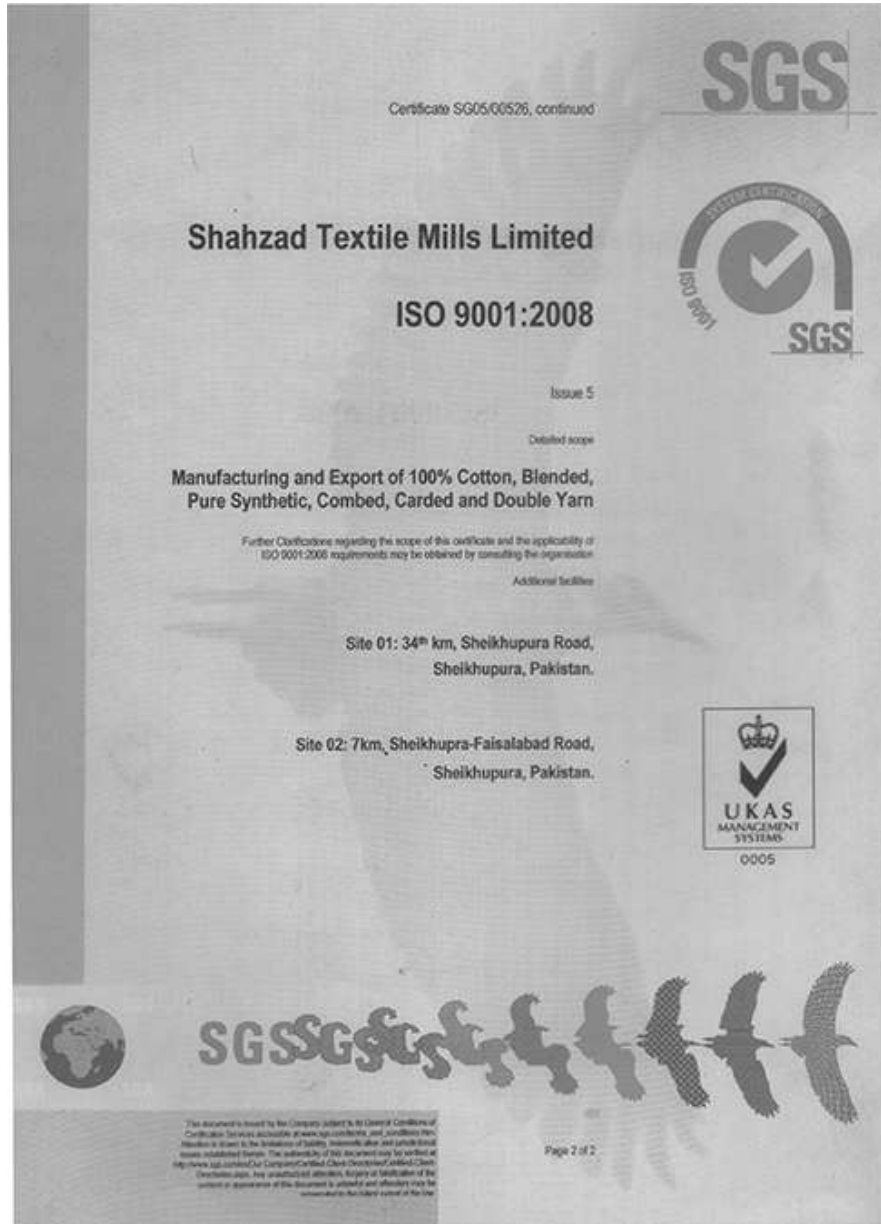

COMPANY SECRETARY

Encl: As above

**QUARTERLY
REPORT**
SEPTEMBER 30, 2020



Shahzad Textile Mills Limited



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Company's Information

Board of Directors

Mian Parvez Aslam	Chairman
Mr. Imran Aslam	Chief Executive Officer
Mr. Irfan Aslam	
Mr. Danish Aslam	
Syed Raza Ali Bokhari	
Dr. Ali Raza Khan	
Mrs. Nazish Imran	

Chief Financial Officer

Mr. Humayun Bakht

Company Secretary

Mr. Hassan-ud-Din Ansari

Auditors

Crowe Hussain Chaudhry & Co.

Chartered Accountants

Audit Committee

Syed Raza Ali Bokhari	Chairman
Mian Parvez Aslam	Member
Mr. Irfan Aslam	Member

Human Resources &

Remuneration Committee

Dr. Ali Raza Khan	Chairman
Mr. Danish Aslam	Member
Mrs. Nazish Imran	Member

Bankers

Habib Metropolitan Bank Ltd
JS Bank Limited
Meezan Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Ltd
H.M. House, 7-Bank Square Lahore.

Registered Office

19-A, Off. Zafar Ali Road,
Gulberg-V, Lahore.

Ph: +92 (042) 35754024-27

Fax:+92 (042) 35712313

E-mail:info@shahzadtex.com

Web:www.shahzadtex.com

Mills

Unit # 1, 4 & Socks Unit
34th KM Lahore Sheikhpura
Raod, Sheikhpura.

Unit # 2

7th KM Sheikhpura Faisalabad
Road, Sheikhpura.

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CONDENSED INTERIM FINANCIAL INFORMATION
OF
SHAHZAD TEXTILE MILLS LIMITED

FOR THE 1ST QUARTER ENDED
SEPTEMBER 30, 2020

Directors' Report

On behalf of the directors of M/s Shahzad Textile Mills Limited really happy to present condensed interim un-audited financial statement for the first quarter ending September 30, 2020.

The company's current quarter pretax profit is Rs. 90.168 million as compared to Profit of Rs.5.686 million in corresponding period of previous quarter i.e. September 2019. Current quarter sales are increased to Rs.1,549.999 million which also includes socks sales for Rs. 154.189 million as compared to sales of Rs.1,243.892 million in the corresponding quarter of last year.

Around the globe, countries are trying to manoeuvre through coronavirus; monetary and fiscal policies are extensively being used to ensure the economic impact by which the pandemic can be adequately dealt with. Pakistan is no different if compared with other countries. The Pakistan Economic Survey 2019-20 has revealed that for the first time in the history of Pakistan's economy registered a record contraction of 0.4% during the past six months. The story gets grimmer as we go forward.

After confronting sever hardships caused by Covid-19 which include compulsory lockdown and forced closure of mills consecutively for three months the company again standing on its feet and started routine functioning This miraculous continuation is due to the tremendous efforts of the management. Despite all these economic adversities we have presented favorable financial results in the current quarter.

The prices of the raw material exhibited higher trend during the current quarter. The cotton prices which is main ingredient of yarn manufacturing is rotating around Rs.9,248/- per maund in the current quarter. Polyester prices touching Rs.156/- per kg and Viscose is standing at Rs. 226 per kg. The Cotton crop of Pakistan is rapidly deteriorating and its production is speedily decreasing every year causing an extensive pressure on Textile Industry.

FUTURE PROSPECTUS


As our management has always endeavored to present best financial results to their shareholders through different schemes like diverting a part of business to socks manufacturing. Prudently foreseeing this a lucrative trade is planning to further expand the socks business. We have imported 20 knitting machines from our own sources and shall start functioning by end of December 2020. More observantly watching tricks and trend of the international market the management, with unwavering determination, trying its best to give splendid results to its shareholders.

Earnings per share Rs. 3.77 as compared to loss per share Rs. (0.59) in corresponding period of previous year.

We gratefully appreciate the valued customers, bankers, our staff members and shareholders who have actively participated in smooth functioning of company's regular work.

For and on behalf of the board


Irfan Aslam
Director


Imran Aslam
Chief Executive Officer

Lahore:
Dated: October 28, 2020

ڈائریکٹرز رپورٹ

میسرز شہزاد ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز کی جانب سے 30 ستمبر 2020ء کے اختتام پذیر ہونے والی پہلی سہ ماہی میں غیر مصدقہ مالیاتی جائزہ پیش کرنے میں مسرت محسوس کر رہے ہیں۔

کمپنی کا موجودہ سہ ماہی کا قبل از ٹیکس منافع 90.168 ملین روپے ہے گذشتہ سہ ماہی یعنی ستمبر 2019ء کی اسی مدت میں 5.686 ملین روپے کے منافع کے مقابلے میں ہے موجودہ سہ ماہی کی فروخت اضافہ کے ساتھ 1549.999 ملین روپے ہو گئی ہے۔ جس میں جرابوں کی فروخت 154.189 ملین روپے رہی جبکہ بچھلی سہ ماہی کی فروخت 1243.892 ملین روپے تھی۔

پوری دنیا کے ممالک کو رونا دہاؤ کے ذریعے جوڑ توڑ کرنے کی کوشش کر رہے ہیں۔ معاشی اثر کو یقینی بنانے اور مالی پالیسیوں کا بڑے پیمانے پر استعمال کیا جا رہا ہے۔ جس کے ذریعے وبائی امراض سے نپٹا جاسکتا ہے۔ اگر دیگر ممالک کا موازنہ کیا جائے تو پاکستان اکتانک سروے 2019-2020 نے انکشاف کیا ہے کہ پاکستان کو معاشی تاریخ میں پہلی بار گذشتہ چھ ماہ کے دوران 0.4 فیصد کمی ریکارڈ کی گئی ہے۔ اور جب ہم آگے بڑھتے ہیں تو کہانی مزید ابتر ہو جاتی ہے۔

کوویڈ-19 کی وجہ سے شدید مشکلات کا سامنا کرنے کے بعد جس میں لازمی لاک ڈاؤن اور تین ماہ تک ملوں کو زبردستی بند کرنا شامل ہے۔ کمپنی دوبارہ اپنے ہیروں پر کھڑی ہوئی اور معمول کا کام شروع کیا یہ معجزاتی تسلسل انتظامیہ کی زبردست کاوشوں کی وجہ سے ہے ان تمام معاشی مشکلات کے باوجود انتظامیہ نے موجودہ سہ ماہی میں سازگار مالی نتائج پیش کئے ہیں۔

موجودہ سہ ماہی کے دوران خام مال کی قیمتوں میں اضافے کا رجحان دیکھا گیا ہے دھماگے کی تیار کا بنیادی جزو کپاس کی قیمتیں موجودہ سہ ماہی میں 9248 روپے فی منڈ رہی ہے۔ جبکہ پولیسٹر کی قیمتیں 154 روپے فی کلو کو چھو رہی ہے اور ویکوس 226 پر ہے۔

پاکستان میں کپاس کی فصل کا معیار اور پیداوار بتدریج کم ہو رہی ہے۔ جسکی وجہ سے ٹیکسٹائل کی صنعت شدید دباؤ کا شکار ہے

مستقبل کی پیش نظری

چونکہ ہماری انتظامیہ نے ہمیشہ کوشش کی ہے کہ مختلف منصوبوں کے ذریعے اپنے شیئرز ہولڈرز کو بہترین مالی نتائج پیش کریں۔ جبکہ کاروبار کے کسی حصے کو جرابوں کی تیاری کی طرف موڑا ہے۔ ہم نے اپنے مالی وسائل سے 20 ٹینک مشین درآمد کیں ہیں۔ جو کہ دسمبر 2020ء کے آخر تک کام شروع کر دیں گی۔

انتظامیہ جرابوں کے کاروبار کو وسعت دینے کے لئے منصوبہ بندی کر رہی ہے۔ بین الاقوامی منڈی کے اقدامات اور رجحانات کو مد نظر رکھتے ہوئے انتظامیہ اپنے شیئرز ہولڈرز کو شاندار نتائج دینے کی پوری کوشش کر رہی ہے۔

اس سہ ماہی میں کمپنی کافی شیئرز منافع 3.77 روپے ہے۔ جبکہ گذشتہ سال اسی مدت میں یہ نقصان (0.59) روپے تھا۔

آخر میں ہم اپنے قابل احترام صارفین، بیکاروں، مالی اداروں اور حصہ داران کے شکر گزار ہیں۔ جنہوں نے کمپنی کی تمام تر کاروباری سرگرمیوں میں بھرپور حصہ لیا ہے اور ہم اپنے شاف ممبران کے بھی مشکور ہیں جنہوں نے اپنی بھرپور صلاحیتوں اور کوششوں سے ملوں میں خوشگوار اور پر امن ماحول بنائے رکھا۔

برائے اور بحکم بورڈ

— سہ ماہی
عرفان اسلم
ڈائریکٹر

لاہور مورخہ 28 اکتوبر 2020ء

— سہ ماہی
عمران اسلم
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

		September 30, 2020 (Un-Audited)	June 30, 2020 (Audited)
	Note	Rupees in thousands	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital:			
40,000,000 (June 2020: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid up capital			
17,971,372 (June 2020: 17,971,372) ordinary shares of Rs. 10 each		179,714	179,714
Reserves		1,464,041	1,396,312
Surplus on Revaluation of property, plant and equipment		771,823	771,823
		2,415,578	2,347,849
Non Current Liabilities			
Long term financing	5	370,654	336,280
Staff retirement benefits		128,358	129,667
Deferred tax liability		225,960	225,960
Deferred grant		3,901	3,901
		728,873	695,808
Current Liabilities			
Trade and other payables		590,185	427,585
Unclaimed dividend		146	146
Unpaid dividend		199	199
Accrued mark up		8,940	21,869
Current portion of long term financing		38,977	38,977
Current portion of deferred grant		603	603
Short term borrowings		97,414	414,776
Provision for taxation		86,403	63,963
		822,867	968,118
Contingencies and Commitments	6	-	-
		3,967,318	4,011,775
ASSETS			
Non Current Assets			
Property, plant and equipment		2,263,258	2,279,164
Investment property	7	87,550	87,550
Long term investment in associate		506,371	497,465
Long term deposits		3,847	3,847
		2,861,026	2,868,026
Current Assets			
Stores and spares		93,104	105,207
Stock in trade		312,762	597,573
Trade debts		145,390	82,669
Advances, trade deposits, prepayments and other receivables		151,221	121,712
Short term investments		22,938	14,875
Tax refunds due from the Government		120,859	121,465
Cash and bank balances		260,018	100,248
		1,106,292	1,143,749
		3,967,318	4,011,775

The annexed notes form an integral part of these condensed interim financial statements (un-audited).


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

CONDENSED INTERIM PROFIT OR LOSS (UN-AUDITED)

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020

		September 30, 2020	September 30, 2019
	Note	----Rupees in thousand----	
Sales (2019: Restated)		1,549,999	1,243,892
Cost of sales	8	(1,391,865)	(1,175,333)
Gross Profit		158,134	68,559
Operating expenses:			
- Selling and distribution (2019: Restated)		(21,017)	(8,124)
- Administrative expenses		(44,883)	(38,362)
		(65,900)	(46,486)
Operating Profit		92,234	22,073
Finance cost		(7,105)	(16,520)
Other operating expenses		(6,644)	(383)
Other income		2,776	289
Share of net profit of associate		8,907	227
		(2,066)	(16,387)
Profit before Taxation		90,168	5,686
Taxation		(22,439)	(16,361)
Net Profit / (loss) for the Period		67,729	(10,675)
Earnings per Share - Basic		3.77	(0.59)

The annexed notes form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER




DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	----Rupees in thousand----	
Net Profit /(loss) for the Period	67,729	(10,675)
Other Comprehensive Income for the Period		
<i>Items that will not be reclassified subsequently to profit or (loss)</i>	-	-
Items that may be reclassified subsequently to profit and (loss)	-	-
Total Comprehensive Income / (loss) for the Period	67,729	(10,675)

The annexed notes form an integral part of these condensed interim financial statements (un-audited).


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER



DIRECTOR


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

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020

Particulars	Share Capital	Share Premium Reserve	Unappropriated Profit	Re-valuation Surplus	Total Equity
	-----Rupees in thousand-----				
Balance as at June 30, 2019	179,714	5,796	1,280,987	757,360	2,223,856
Total comprehensive Loss for the period ended	-	-	(10,675)	-	(10,675)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	2,832	(2,832)	-
Surplus realized on disposal of revalued property, plant and equipment (net of deferred tax) transferred to retained earnings	-	-	-	-	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	-	-
Surplus on revaluation of property, plant and equipment related to rate change	-	-	-	-	-
Share in realized surplus on revaluation of property, plant and equipment of associate (net of deferred tax)	-	-	-	-	-
Transaction with owners					
Dividend paid during the period	-	-	-	-	-
Balance as at September 30, 2019	179,714	5,796	1,273,144	754,527	2,213,182
Balance as at June 30, 2020	179,714	5,796	1,390,516	771,823	2,347,849
Total comprehensive Income for the period ended	-	-	67,729	-	67,729
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	-	-	-
Surplus realized on disposal of revalued property, plant and equipment (net of deferred tax) transferred to retained earnings	-	-	-	-	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	-	-
Surplus on revaluation of property, plant and equipment related to rate change	-	-	-	-	-
Share in realized surplus on revaluation of property, plant and equipment of associate (net of deferred tax)	-	-	-	-	-
Transaction with owners					
Dividend paid during the period	-	-	-	-	-
Balance as at September 30, 2020	179,714	5,796	1,458,245	771,823	2,415,578

The annexed notes form an integral part of these condensed interim financial statements (un-audited).


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

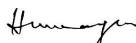
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	90,168	5,686
Adjustments for:		
- Depreciation	28,945	23,997
- Share of net profit of associate	(8,907)	(227)
- Provision for gratuity	9,450	8,550
- Exchange gain	-	79
- Provision for workers' profit participation fund	4,841	303
- Provision for workers' welfare fund	1,803	-
- Finance cost	6,496	15,678
	42,628	48,380
Operating Profit before Working Capital Changes (Increase) / Decrease in current assets	132,796	54,066
- Stores and spares	12,103	(2,562)
- Stock in trade	284,811	244,168
- Trade debts	(62,721)	(75,714)
- Advances, trade deposits, prepayments, and other receivables	(26,304)	(26,168)
- Short term investment	(8,062)	-
- Tax refunds due from the Government	606	(37,181)
Increase in current liabilities		
- Trade and other payables	155,957	136,079
	356,390	238,622
Net Cash generated from Operations	489,186	292,688
Income tax paid	(3,208)	(33,307)
Gratuity paid	(10,758)	(3,800)
Workers' (profit) participation fund paid	-	-
Finance cost paid	(19,424)	(13,517)
Net Cash generated from Operating Activities	455,796	242,064
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(1,866)	(129)
Capital work in progress	(11,173)	(77,189)
Net Cash used in Investing Activities	(13,039)	(77,318)
CASH FLOW FROM FINANCING ACTIVITIES		
LTFE - Loan	34,374	(3,460)
Short term borrowings	(317,361)	(145,776)
Net Cash used in Financing Activities	(282,987)	(149,236)
Net increase in Cash and Cash Equivalents	159,770	15,510
Cash and cash equivalents at the beginning of the period	100,248	90,578
Cash and Cash Equivalents at the End of the period	260,018	106,088

The annexed notes form an integral part of these condensed interim financial statements (un-audited).



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020**

Note 1
The Company and its Operations

Shahzad Textile Mills Limited (the Company) was incorporated in Pakistan on October 24, 1978 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The Company is domiciled in Pakistan and its principal business is to manufacture and deal in all types of yarn and socks. The Company holds 24.94% ordinary shares in M/s Sargodha Jute Mills Limited, an Associated Company that is engaged in manufacturing, selling and dealing in jute products.

Company's business units including its manufacturing facilities are located as under:

- The Company's registered office is situated at 19-A, Off Zafar Ali Road, Gulberg - V, Lahore
- 3 manufacturing facilities are situated at 34 KM, Lahore-Sheikhupura Road, Sheikhupura
- 1 manufacturing facility is situated at 7 KM, Sheikhupura-Faisalabad Road, Kharianwala.

Note 2
Basis of Preparation

- 2.1 These condensed interim financial statements have been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan (SECP) and is in compliance with the International Accounting Standard - 34 (Interim Financial Reporting).
- 2.2 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.3 These condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. Figures have been rounded off to nearest thousand rupees, unless stated otherwise. This condensed financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2020.

Note 3
Accounting Policies

The accounting policies and methods of computation of this condensed interim financial information is the same as those followed in the preparation of annual financial statements for the preceding financial year ended on June 30, 2020.

Note 4
Accounting Estimates and Judgment

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2020.

Note 5		September 30, 2020	June 30, 2020
Long Term Financing		(Un-audited)	(Audited)
		Rupees in Million	
	Loan from banking company - Secured		
	Long term financing	5.1	320,411
	Loan disbursed against SBP refinance scheme	5.2	89,221
	Less : Current portion		(38,977)
		<u>370,654</u>	<u>336,280</u>

5.1 These represent long term loans from Habib Metropolitan Bank Limited for machinery of socks unit for Rs 299.650 million, under State Bank of Pakistan's (SBP) concessional rate scheme and long term loans from JS Bank Limited for enhancement / replacement of power generation facilities to the tune of Rs. 20.760 million. These loans are secured against specific and exclusive charge on machinery of the Company and relevant power generators and are repayable in 3 to 8 years starting from February 2017 and ending in February 2028. Mark up on these facilities is charged at SBP rate, which is 5% per annum, payable on calendar quarter basis.

5.2 The Company has obtained borrowing of Rs. 93.725 million (2020: Rs. 55.892 million) from JS Bank Limited under the State Bank of Pakistan's refinance scheme for payment of salaries and wages, at subsidized rate of borrowing. This financing is secured against ranking charge over the fixed asset of the Company to be upgraded to pari passu charge over fixed assets of the Company. The loan is repayable in 8 quarterly installments in 2.5 years including a grace period of 06 months, starting from July 2020. Markup on this financing is charged at 3% per annum. The Company has recognised its liability under SBP refinance scheme at its fair value and recorded Rs. 4.850 million as deferred income - government grant.

Note 6		September 30, 2020	June 30, 2020
Contingencies and Commitments		(Un-audited)	(Audited)
		Rupees in Million	
	Contingencies		
	- The Company has provided bank guarantees in favour of following parties:		
	- Sui Northern Gas Pipelines Limited	74.37	74.37
	- Lahore Electric Supply Company	10.43	10.43
	- Excise and Taxation Office	19.10	19.10
		<u>103.90</u>	<u>103.90</u>

- The Company is contingently liable for Rs. 27.517 million (June 2020: Rs. 25.722 million) on account of electricity duty on self generation. However the company has not admitted the said duty and case is pending before the Supreme Court of Pakistan.

Commitments

- The Company's outstanding commitments / contracts as at the balance sheet date are as under:

	September 30, 2020	June 30, 2020
	(Un-audited)	(Audited)
	Rupees in Million	
Letters of credit	131.33	26.64
	Rupees in thousand	
Note 7 Property, Plant and Equipment	September 30, 2020	June 30, 2020
	(Un-audited)	(Audited)
	Rupees in thousand	
Operating fixed assets	2,240,249	2,267,328
Capital work in progress	23,009	11,836
	<u>2,263,258</u>	<u>2,279,164</u>
7.1 Operating fixed assets		
Opening written down value	2,267,328	1,799,664
Additions during the period / year (at cost)	1,866	636,813
	2,269,194	2,436,477
Disposals during the period / year (at written down value)	-	(1,598)
Transfer to investment property	-	(48,157)
	2,269,194	2,386,722
Depreciation charged for the period / year	(28,945)	(119,394)
	<u>2,240,249</u>	<u>2,267,328</u>
	Rupees in thousand	
Note 8 Cost of Sales	September 30, 2020	September 30, 2019
	(Un-audited)	(Un-audited)
	Rupees in thousand	
Raw materials consumed	905,757	885,230
Stores and spares consumed	34,120	22,373
Packing materials consumed	41,559	22,542
Salaries, wages and other benefits	185,936	129,817
Fuel and power	147,590	145,485
Insurance	2,073	1,355
Repairs and maintenance	4,413	2,719
Other manufacturing expenses	5,711	2,470
Depreciation	26,434	21,447
	1,353,593	1,233,438
Opening work in process	40,460	31,905
Closing work in process	(40,175)	(32,493)
	285	(588)
Cost of goods manufactured	1,353,878	1,232,850
Opening finished goods	131,528	33,927
Closing finished goods	(93,541)	(91,444)
	37,987	(57,517)
	<u>1,391,865</u>	<u>1,175,333</u>

Note 9

Transactions with Related Parties

Related parties comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

Transaction during the period			September 30, 2020	September 30, 2019
Related party	Relationship	Nature of Transaction	(Un-audited)	(Un-audited)
Rupees in thousand				
Sargodha Jute Mills Limited	Associate 24.94%	Purchase of materials, goods and services	174	111
		Sale of materials, goods and services	82	165
		Rental income	120	120
Texlinks International Inc. , USA		Sale of goods	30	-

Note 10

Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2020.

Note 11

Segment Information

For management purposes, the activities of the Company are recognized into two operating segment, i.e. manufacturing and sales of yarn and socks. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements relate to the Company's reportable segments. Entity-wide disclosures regarding reportable segments are as follows:

11.1	Yarn	Socks	Total
Rupees in thousand			
Segment Results for the period ended September 30, 2020			
Revenue	1,395,810	154,189	1,549,999
Operating profit	87,743	4,491	92,234
Finance cost	(3,365)	(3,740)	(7,105)
Other operating expense			(6,644)
Other income			2,776
Share of net profit from associate			8,907
Profit before taxation			90,168

	Yarn	Socks	Total
	Rupees in thousand		
Segment Results for the period ended September 30, 2019			
Revenue	1,243,892	-	1,243,892
Operating profit	22,073	-	22,073
Finance cost	(16,520)	-	(16,520)
Other operating expense			(383)
Other income			289
Share of net profit from associate			227
Profit before taxation			5,686

11.2

Segment financial position for the period ended September 30, 2020

Assets			
Property plant and equipment	1,636,564	626,694	2,263,258
Store and spares	72,026	21,078	93,104
Stock in trade	230,005	82,757	312,762
Trade Debts	92,802	52,588	145,390
Advances to suppliers	30,944	5,671	36,615
	<u>2,062,341</u>	<u>788,788</u>	<u>2,851,129</u>
Unallocated Assets			
Investment property			87,550
Long term Investments			506,371
Long term deposits			3,847
Advances, trade deposits, prepayments and other receivables			114,606
Short term investments			22,938
Tax refunds due from the Government			120,859
Cash and bank balances			260,018
			<u>3,967,318</u>
Liabilities			
Long term financing	99,906	309,726	409,632
Trade creditors	46,105	20,169	66,274
Short term borrowings	97,414	-	97,414
Accrued mark up	3,809	5,131	8,940
	<u>247,234</u>	<u>335,026</u>	<u>582,260</u>
Unallocated liabilities			
Deferred tax liability - net			225,960
Deferred grant			4,504
Staff retirement benefit			128,358
Trade and other payables			565,910
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			86,403
			<u>1,551,740</u>

	Yarn	Socks	Total
	Rupees in thousand		
Segment Results for the period ended June 30, 2020			
Assets			
Property plant and equipment	1,617,751	661,413	2,279,164
Store and spares	84,567	20,640	105,207
Stock in trade	525,762	71,811	597,573
Trade Debts	57,736	24,933	82,669
Advances to supplier	27,767	193	27,960
	<u>2,313,583</u>	<u>778,990</u>	<u>3,092,573</u>
Unallocated Assets			
Investment property			87,550
Long term investments			497,465
Long term deposits			3,847
Advances, trade deposits, prepayments and other receivables			93,752
Short term investments			14,875
Tax refunds due from the Government			121,465
Cash and bank balances			100,248
			<u>4,011,775</u>
Liabilities			
Long term financing	65,531	309,726	375,257
Trade creditors	32,519	20,176	52,695
Short term borrowings	414,776	-	414,776
Accrued mark	16,969	4,900	21,869
	<u>529,795</u>	<u>334,802</u>	<u>864,597</u>
Unallocated liabilities			
Deferred tax liability - net			225,960
Deferred grant			4,504
Staff retirement benefit			129,667
Trade and other payables			374,890
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			63,963
			<u>1,663,926</u>
	September 30, 2020	June 30, 2020	
	Percentage (Un-audited)	Percentage (Audited)	
11.3	Information about products:		
	Yarn	89.56%	96.28%
	Socks	9.41%	2.95%
11.4	Major customers:		
	Yarn	44.11%	54.32%
	40 customers (2020: 40 customers)		

11.5 Geographical Information:

Company's revenue from external customers on the basis of geographical location is given as under:

	September 30, 2020	June 30, 2020
	(Un-audited)	(Audited)
	Rupees in thousand	
Pakistan	1,399,455	4,168,096
Asia	-	-
Europe	78,895	84,355
United State of America	<u>71,649</u>	<u>62,786</u>
	<u>1,549,999</u>	<u>4,315,237</u>

Note 12


Authorization of Interim Financial Information

This condensed interim financial information (un-audited) is authorized for issue on October 28, 2020 by the Board of Directors of the Company.

Note 13

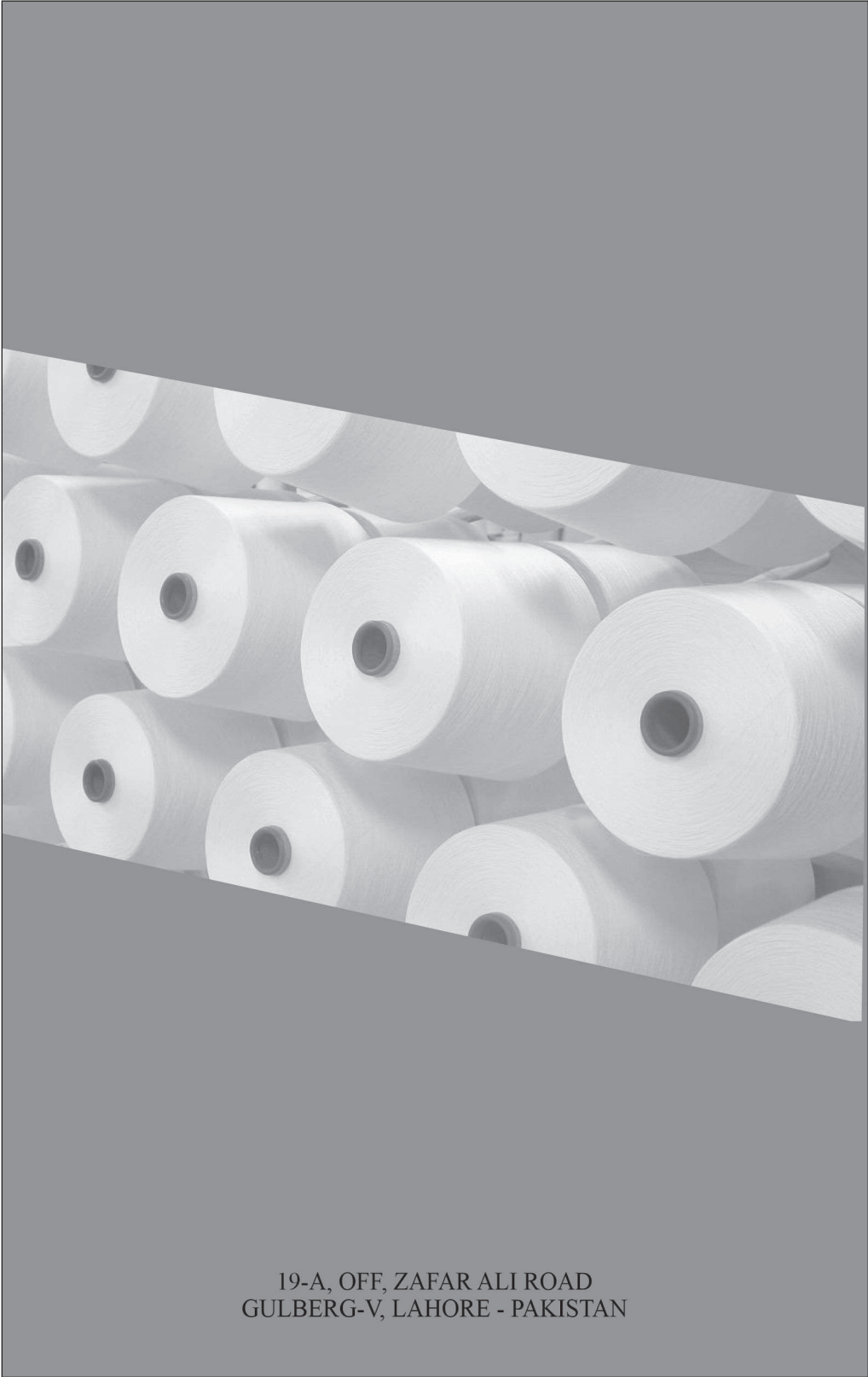
General

Comparative figures have been re-arranged, wherever necessary, to facilitate comparison. No significant re-arrangements have been made in this condensed interim financial information (un-audited).


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR



19-A, OFF, ZAFAR ALI ROAD
GULBERG-V, LAHORE - PAKISTAN