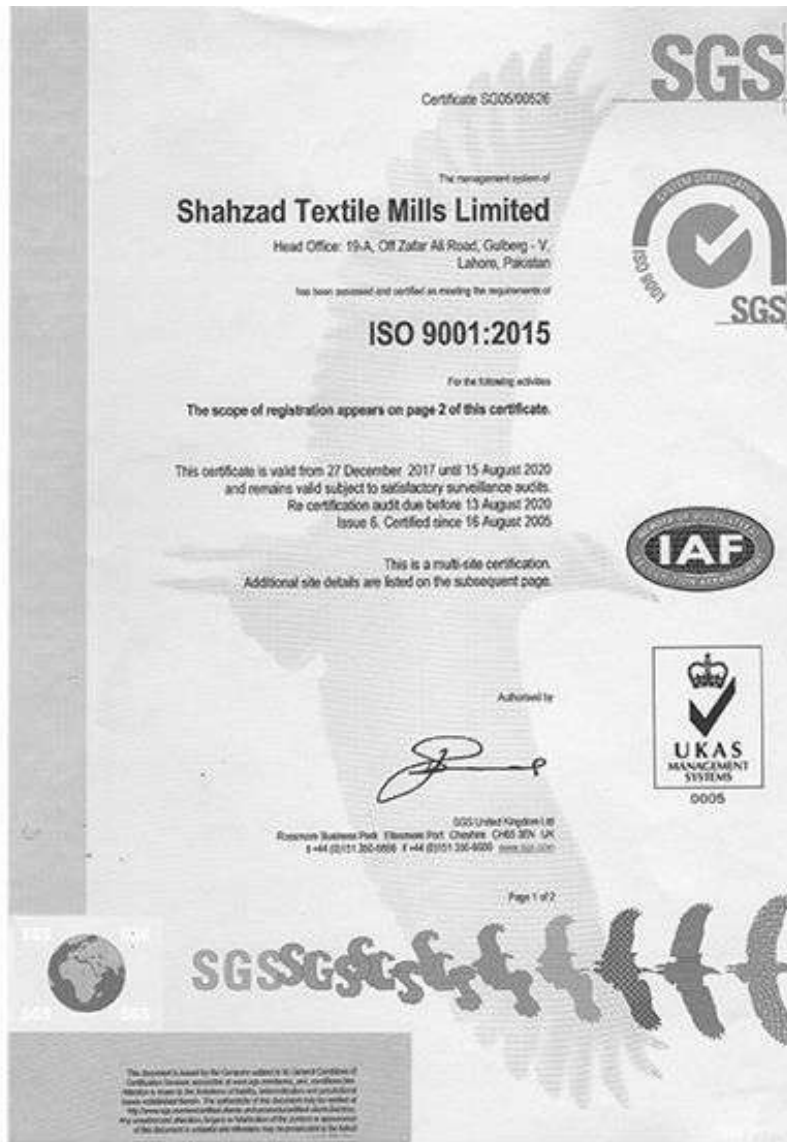
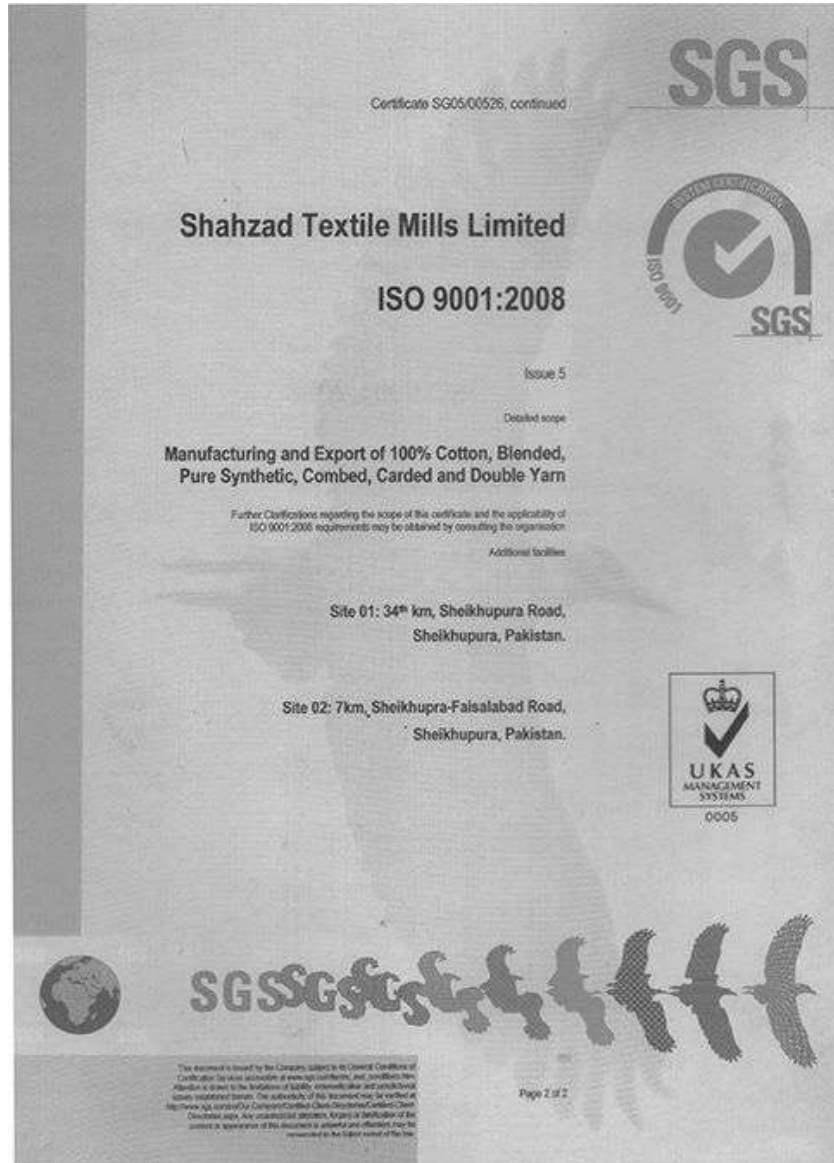


3rd QUARTER
REPORT
MARCH 31ST
2021



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. Nabeel Naveed

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 Hosiery Unit

34th KM Lahore Sheikhpura
Raod, Sheikhpura.

Unit # 2

7th KM Sheikhpura Faisalabad
Road, Sheikhpura.

A large, stylized L-shaped graphic composed of three parallel black lines. The vertical line is on the left, and the horizontal line is at the bottom, meeting at a right angle. The lines are slightly offset from each other, creating a 3D effect.

CONDENSED INTERIM FINANCIAL INFORMATION
OF
SHAHZAD TEXTILE MILLS LIMITED

FOR THE 3RD QUARTER ENDED
MARCH 31, 2021

Directors' Report

On behalf of the directors of Shahzad Textile Mills Limited, I am presenting the unaudited condensed interim financial statements for the nine months ended March 31, 2021.

The company's net profit after tax is Rs. 211.213 million in nine month's period as compared to Rs. 47.076 million in corresponding period of previous year. Current quarter's profit is Rs. 88.199 million as compared to Rs.31.041 million in corresponding quarter of previous year. Nine month's sales have increased to Rs. 5,008.831 million as compared to sales of Rs. 3,749.985 million in the corresponding period of last year.

The raw material prices kept on increasing during the period under discussion. At the date of this report cotton price is rotating around Rs. 11,500/- per maund, Polyester Rs. 205/- per kg and Viscose Rs. 288/- per kg. Cotton production in Pakistan has been decreasing sharply every year which is a cause of great concern for the textile industry. Despite increase in raw material prices, our net margin has improved as we were able to fetch reasonable price from both local and international market by providing quality products to our customers. Furthermore, due to better sales strategies, both our local and export sales are growing steadily which is also putting very positive effects on the net margins of the company. Total net sales have recorded an increase of 33.60% during the nine months period under discussion.

FUTURE PROSPECTS

The operations of the Socks and Spinning Units are fully operational under observance of very strict SOPs. The country is facing the third wave of Covid-19 which has rung alarm bells as it proving to be more lethal and contagious. However, the Government has ruled out any possibility of complete lock-down and hopefully our operations will continue unhindered. Export sales of our socks unit have recorded an inspiring increase and keeping in view the demand, the management intends to further expand the capacity of its socks unit in the near future. We fervently hope that we make progress by leaps and bounds and show wonderful results to its shareholders in the coming period.

Earning per share is Rs. 11.75 as compared to earnings per share Rs. 2.62 in corresponding period of previous year.

ACKNOWLEDGEMENT

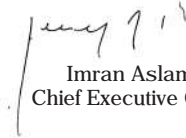
The board highly appreciates the contribution of employees, bankers and all the stakeholders who working remotely along with the immense support of our corporate regulators for the creation of a digital transformation environment for the regulates during this pandemic situation.

Kindly maintain social distancing and stay safe.

For and on behalf of the board



Irfan Aslam
Director



Imran Aslam
Chief Executive Officer

Lahore.
Dated: April 28, 2021

ڈائریکٹرز رپورٹ

شہزاد ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز کی جانب سے میں 31 مارچ 2021 کو ختم ہونے والے فوہا کا مختصر کیا ہوا مالیاتی جائزہ پیش کر رہا ہوں۔ موجودہ فوہا کی مدت میں کمپنی کا بعد از ٹیکس منافع 211.213 ملین روپے ہے۔ جو کہ گذشتہ سال فوہا کی مدت میں 47.076 ملین روپے تھا۔ موجودہ سال ماہ کی مدت میں کمپنی کا بعد از ٹیکس منافع 88.199 ملین روپے ہے۔ جو کہ گذشتہ سال ماہ کی مدت میں 31.041 ملین روپے تھا۔ موجودہ فوہا میں دھاکے کی فروخت بڑھ کر 5,008.831 ہو گئی ہے۔ جبکہ پچھلے سال فوہا کی مدت میں فروخت 3,749.985 ملین روپے تھی۔

زیر بحث مدت کے دوران خام مال کی قیمتوں میں اضافہ ہوا۔ اس مدت کے دوران روٹی کی قیمت 11.500 روپے فی من، پلیسٹر کی 205/ روپے فی ٹون اور وٹکس 288/- روپے فی ٹون رہی۔ پاکستان میں ہر سال کپاس کی پیداوار میں کمی آرہی ہے جو کہ ٹیکسٹائل کی صنعت کے لئے بہت زیادہ توجہ کا باعث ہے۔ خام مال کی قیمتوں میں اضافے کے باوجود ہمارے خاص منافع میں بہتری آئی ہے کیونکہ ہم اپنے صارفین کو معیاری مصنوعات کے ذریعے مقامی اور بین الاقوامی مارکیٹ دونوں میں مناسب قیمت حاصل کرنے میں کامیاب ہو گئے ہیں مزید برآں فروخت کی بہتر حکمت عملی کی وجہ سے ہماری مقامی اور برآمدی فروخت دونوں تیزی سے بڑھ رہی ہیں جو کہ کمپنی کا خاص منافع پر بھی نسبتاً مثبت اثرات ڈال رہی ہیں۔

زیر بحث فوہا کے دوران مجموعی خاص فروخت 33.60 فیصد کا اضافہ ریکارڈ کیا گیا ہے۔

مستقبل کی پیش رفت

جرابوں اور پیکنگ یونٹ انتہائی سخت ایس او پیز (SOP's) کے تحت اپنا کام سرانجام دے رہے ہیں۔ ملک کو ووڈ-19 کی تیسری لہر کا سامنا کر رہا ہے۔ جس نے خطرہ کی گھنٹی بجادی ہے۔ کیونکہ یہ زیادہ مہلک اور متعدی ہونے کا سبب ہے۔ تاہم حکومت نے مکمل طور پر لاک ڈاؤن کے امکان کو مسترد کر دیا ہے۔ اور امید ہے کہ ہمارے کاروباری معاملات جا رہے گے۔ ہماری جرابوں کی یونٹ کی برآمدی فروخت میں متاثر کن اضافہ ریکارڈ کیا گیا ہے۔ اور طلب کو مد نظر رکھتے ہوئے انتظامیہ نے مستقبل قریب میں جرابوں کی یونٹ کی صلاحیت کو مزید بڑھانے کا ارادہ رکھتی ہے۔ ہم پر زور امید کرتے ہیں کہ ہم دن دگنی اور ماٹ چوگنی ترقی کریں گے اور آنے والے دور میں اس کے حصص داران کو حیرت انگیز نتائج دیں گے۔

فی شیئر منافع

موجودہ فوہا کی مدت میں فی شیئر منافع 11.75 روپے ہے۔ جبکہ گذشتہ سال اسی مدت میں یہ منافع 2.62 روپے فی شیئر تھا۔

اعتراف

کمپنی کے ڈائریکٹرز، عملاز، مین، جکاروں اور تمام اسٹیک ہولڈرز کی شراکت کی بے حد تعریف کرتے ہیں۔ جو اس وبا کی صورت حال کے دوران ڈیجیٹل ٹرانزیشن اور کارپوریٹ ریگولیشنز کے لئے پناہ دہ کی اور کام کو رواں دواں کر رکھا۔

برائے مہربانی سماجی فاصلہ برقرار رکھیں۔ اور اس وبا سے محفوظ رہیں

برائے از بحکم بورڈ

—
عرفان اسلم
ڈائریکٹر

لاہور مورخہ 28 اپریل 2021ء

—
عمران اسلم
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2021		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
		Rupees in thousand	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital:			
		400,000	400,000
		179,714	179,714
		1,614,827	1,396,312
		762,069	771,823
		2,556,610	2,347,849
Non Current Liabilities			
	5	303,314	336,280
		135,858	129,667
		238,687	225,960
		38,329	-
		1,062	3,901
		717,250	695,808
Current Liabilities			
		473,416	427,585
		146	146
		199	199
		20,933	21,869
	6	200,266	39,580
	7	705,634	414,776
		72,199	63,963
		1,472,793	968,118
	8	-	-
		4,746,653	4,011,775
ASSETS			
Non Current Assets			
	9	2,286,494	2,279,164
		87,550	87,550
		530,044	497,465
		3,847	3,847
		2,907,935	2,868,026
Current Assets			
		130,366	105,207
		905,287	597,573
		227,220	82,669
		171,774	121,712
		23,214	14,875
		178,470	121,465
		202,387	100,248
		1,838,718	1,143,749
		4,746,653	4,011,775

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----Rupees in thousand----			
Sales (2020: Restated)		5,008,831	3,749,985	1,814,103	1,158,515
Cost of sales	10	(4,528,004)	(3,433,110)	(1,620,698)	(1,042,476)
Gross Profit (2020: Restated)		480,827	316,875	193,405	116,039
Operating expenses:					
- Selling and distribution (2020: Restated)		(72,346)	(27,816)	(24,931)	(8,867)
- Administrative expenses		(142,318)	(120,716)	(45,289)	(40,310)
		(214,664)	(148,532)	(70,220)	(49,177)
Operating Profit		266,163	168,343	123,185	66,862
Finance cost		(50,690)	(53,053)	(18,699)	(23,401)
Other operating expenses		(22,016)	(9,280)	(12,073)	(3,681)
Other income		21,744	2,728	798	2,196
Share of net profit of associate		32,580	13,538	24,466	10,113
		(18,382)	(46,067)	(5,508)	(14,773)
Profit before Taxation		247,781	122,276	117,677	52,089
Taxation		(36,568)	(75,200)	(29,478)	(21,048)
Net Profit for the Period		211,213	47,076	88,199	31,041
Earnings per Share - Basic		11.75	2.62	4.91	1.73

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----Rupees in thousand----			
Net Profit for the Period	211,213	47,076	88,199	31,041
Other Comprehensive Income for the Period				
Items that will not be reclassified subsequently to profit or loss	-	29,392	-	29,392
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	<u>211,213</u>	<u>76,468</u>	<u>88,199</u>	<u>31,041</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER


 DIRECTOR

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

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2021

Particulars	Share Capital	Share Premium Reserve	Unappropriated Profit	Surplus on Revaluation of Property, Plant and Equipment	Total Equity
Balance as at June 30, 2019	179,714	5,796	1,280,987	757,360	2,223,857
Net profit for the period	-	-	76,468	-	76,468
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	76,468	-	76,468
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	8,286	(8,286)	-
Surplus realized on disposal of revalued property, plant and equipment (net of deferred tax) transferred to retained earnings	-	-	116	(116)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	(4,529)	(4,529)
Share in incremental depreciation of revalued property, plant and equipment of associate (net of deferred tax)	-	-	1,435	-	1,435
Dividend paid during the period	-	-	(26,957)	-	(26,957)
Balance as at March 31, 2020	<u>179,714</u>	<u>5,796</u>	<u>1,340,335</u>	<u>744,429</u>	<u>2,270,274</u>
Balance as at June 30, 2020	179,714	5,796	1,390,516	771,823	2,347,849
Net profit for the period	-	-	211,213	-	211,213
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	211,213	-	211,213
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	7,302	(7,302)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	(2,452)	(2,452)
Share in incremental depreciation of revalued property, plant and equipment of associate (net of deferred tax)	-	-	-	-	-
Balance as at March 31, 2021	<u>179,714</u>	<u>5,796</u>	<u>1,609,031</u>	<u>762,069</u>	<u>2,556,610</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER


 DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine Months Ended	
	March 31, 2021	March 31, 2020
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	247,781	122,276
Adjustments for:		
- Depreciation	87,626	84,571
- Share of net profit of associate	(32,580)	(13,538)
- Loss on disposal of property, plant and equipment	-	59
- Surplus on revaluation of short term investments at fair value through profit or loss	(276)	-
- Provision for gratuity	38,600	24,550
- Exchange loss	3,645	104
- Provision for workers' profit participation fund	13,310	6,570
- Provision for workers' welfare fund	4,956	2,448
- Amortization of deferred grant	(3,442)	-
- Discounting of deferred liability - GIDC	(13,142)	-
- Finance cost	50,690	50,352
	149,387	155,116
	397,168	277,392
Operating Profit before Working Capital Changes (Increase) / Decrease in current assets		
- Stores and spares	(25,159)	7,802
- Stock in trade	(307,714)	(250,178)
- Trade debts	(148,197)	(43,620)
- Advances, trade deposits, prepayments, and other receivables	(55,172)	(44,680)
- Short term investment	(8,062)	27,104
- Tax refunds due from the Government	(22,895)	13,207
Increase in current liabilities		
- Trade and other payables	181,021	(2,556)
	(386,178)	(292,921)
Net Cash generated / (used) in Operations	10,989	(15,529)
Income tax paid	(47,058)	(38,449)
Gratuity paid	(32,409)	(17,582)
Workers' (profit) participation fund paid	(3,552)	(10,804)
Finance cost paid	(40,877)	(40,354)
Net Cash Used in Operating Activities	(112,907)	(122,718)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(92,356)	(572,032)
Disposal of property, plant and equipment	1,640	1,539
Capital work in progress	(4,240)	430,823
Net Cash Used in Investing Activities	(94,956)	(139,670)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing received	37,834	-
Repayment of long term financing	(18,690)	(30,355)
Dividend paid	-	(26,957)
Short term borrowings	290,858	259,635
Net Cash Generated from Financing Activities	310,002	202,323
Net increase / (decrease) in Cash and Cash Equivalents	102,139	(60,065)
Cash and cash equivalents at the beginning of the period	100,248	90,578
Cash and Cash Equivalents at the End of the period	202,387	30,513

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements (un-audited).


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER


 DIRECTOR

**NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

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 repealed 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
- Three units of manufacturing facilities are situated at 34 KM, Lahore-Sheikhupura Road, Sheikhupura
- One unit of manufacturing facility is situated at 7 KM, Sheikhupura-Faisalabad Road, Kharianwala

Note 2**Basis of Preparation**

2.1 These condensed interim financial statements of the Company 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 should be read in conjunction with annual audited financial statements for the year ended June 30, 2020. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2020 whereas comparative statement of profit or loss account, comparative statement of comprehensive income and comparative statement of cash flows are extracted from unaudited condensed interim financial statements for the nine months ended March 31, 2020.

2.3 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.

2.4 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency. All the figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

Note 3
Accounting Policies

The accounting policies and methods of computation of these condensed interim financial statements (un-audited) are the same as those followed in the preparation of annual audited financial statements for the preceding financial year ended on June 30, 2020.

Note 4
Accounting Estimates and Judgments

The preparation of these condensed interim financial statements (un-audited) require 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 (un-audited), 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 annual audited financial statements for the year ended June 30, 2020.

Note 5 Long Term Financing		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		Rupees in thousand	
Loan from banking companies - Secured	Note		
Long term financing	5.1	313,490	323,871
Loan obtained under SBP's refinance scheme	5.2	82,155	51,387
		395,646	375,257
Less: Current portion		(92,332)	(38,977)
		<u>303,314</u>	<u>336,280</u>

5.1 These represent long term loans from Habib Metropolitan Bank Limited for purchase of machinery of socks unit for Rs 299.650 million, under State Bank of Pakistan's (SBP) concessional rate scheme and long term loans obtained from JS Bank Limited for enhancement / replacement of power generation facilities to the tune of Rs. 13.840 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 @ 5% representing SBP base rate of 2% and spread of 3% 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 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 as deferred income - government grant.

Note 6 Current Portion of Non-Current Liabilities		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
		Rupees in thousand	
Current portion of long term financing		92,332	38,977
Current portion of deferred liability - GIDC		105,652	-
Current portion of deferred grant		2,282	603
		<u>200,266</u>	<u>39,580</u>

Note 7		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
Short Term Borrowings			
	Note	Rupees in thousand	
From banking companies - Secured			
Cash / packing finances	7.1	<u>705,634</u>	<u>414,776</u>

7.1 The Company has obtained various funded and unfunded financial facilities from various banks for a total sanctioned limit of Rs. 1,894 million (June 30, 2020: Rs. 1,894 million) towards working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables. Mark up on these facilities is charged from 1 to 6 months KIBOR plus a spread of 1% to 1.25% (June 30, 2020: 1 to 6 months KIBOR plus a spread of 1% to 1.25%) payable quarterly. The aggregate short term finances are secured by ranking and hypothecation charge on property, plant and equipment, stocks and receivables of the Company; lien over export and import documents and personal guarantees of sponsoring directors of the Company.

Note 8		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
Contingencies and Commitments			
		Rupees in million	
8.1 Contingencies			
8.1.1 The Company has provided bank guarantees in favour of following parties:			
- Sui Northern Gas Pipelines Limited		79,748	74,374
- Lahore Electric Supply Company		10,430	10,430
- Excise and Taxation Office		19,400	19,100
		<u>109,578</u>	<u>103,904</u>

8.1.2 The Company is contingently liable for Rs. 30.042 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.

8.2 Commitments

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

Letters of credit	<u>128,850</u>	<u>26,640</u>
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Note 9		March 31, 2021 (Un-audited)	June 30, 2020 (Audited)
Property, Plant and Equipment			
		Rupees in thousand	
Operating fixed assets		2,270,418	2,267,328
Capital work in progress		16,076	11,836
		<u>2,286,494</u>	<u>2,279,164</u>
9.1 Operating fixed assets			
Opening written down value		2,267,328	1,799,664
Additions during the period / year (at cost)		92,356	636,813
		2,359,684	2,436,477
Disposals during the period / year (at written down value)		(1,640)	(1,598)
Transfer to investment property		-	(48,157)
		2,358,044	2,386,722
Depreciation charged for the period / year		(87,626)	(119,394)
		<u>2,270,418</u>	<u>2,267,328</u>

Note 10 Cost of Sales	Nine Months Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Un-audited	Un-audited	Un-audited	Un-audited
	-----Rupees in thousand-----			
Raw materials consumed	3,150,134	2,570,896	1,208,856	797,194
Stores and spares consumed	127,603	89,182	49,501	41,465
Packing materials consumed	129,795	68,536	48,301	21,849
Salaries, wages and other benefits	505,981	383,371	167,580	151,274
Fuel and power	443,238	399,435	122,581	124,279
Insurance	6,744	5,679	2,939	2,354
Repairs and maintenance	16,870	9,266	6,008	3,353
Other manufacturing expenses	32,163	8,075	16,209	1,994
Depreciation	79,837	78,532	27,279	28,606
	<u>4,492,365</u>	<u>3,612,972</u>	<u>1,649,254</u>	<u>1,172,368</u>
Opening work in process	40,460	31,905	74,030	41,146
Closing work in process	(76,472)	(39,945)	(76,472)	(39,945)
	<u>(36,012)</u>	<u>(8,040)</u>	<u>(2,442)</u>	<u>1,201</u>
Cost of goods manufactured	<u>4,456,353</u>	<u>3,604,932</u>	<u>1,646,812</u>	<u>1,173,569</u>
Opening finished goods	131,528	33,927	33,763	74,656
Closing finished goods	(59,877)	(205,749)	(59,877)	(205,749)
	<u>71,651</u>	<u>(171,822)</u>	<u>(26,114)</u>	<u>(131,093)</u>
	<u>4,528,004</u>	<u>3,433,110</u>	<u>1,620,698</u>	<u>1,042,476</u>

Note 11

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			March 31, 2021 (Un-audited)	March 31, 2020 (Un-audited)
			Rupees in thousand	
Related party	Relationship	Nature of Transaction		
Sargodha Jute Mills Limited	Associate 24.94%	Purchase of materials, goods and services	449	290
		Sale of materials, goods and services	337	296
		Rental income	360	360
		Dividend paid	-	32

Note 12

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 13
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 condensed interim financial statements (un-audited) relate to the Company's reportable segments. Entity-wide disclosures regarding reportable segments are as follows:

	Yarn	Socks	Total
13.1	---(Rupees in thousand)---		
<i>Segment Results for the period ended March 31, 2021</i>			
Revenue	<u>4,487,741</u>	<u>521,090</u>	<u>5,008,831</u>
Operating profit	<u>239,504</u>	<u>26,659</u>	<u>266,163</u>
Finance cost	<u>(39,360)</u>	<u>(11,330)</u>	<u>(50,690)</u>
Other operating expense			(22,016)
Other income			21,744
Share of net profit from associate			<u>32,580</u>
Profit before taxation			<u>247,781</u>

Segment Results for the period ended March 31, 2020

Revenue	<u>3,698,265</u>	<u>51,721</u>	<u>3,749,986</u>
Operating profit	<u>187,904</u>	<u>(19,561)</u>	<u>168,343</u>
Finance cost	<u>(45,582)</u>	<u>(7,471)</u>	<u>(53,053)</u>
Other operating expense			(9,280)
Other income			2,728
Share of net profit from associate			<u>13,538</u>
Profit before taxation			<u>122,276</u>

13.2
Segment financial position for the period ended March 31, 2021

Assets			
Property plant and equipment	1,588,609	697,885	2,286,494
Store and spares	108,609	21,757	130,366
Stock in trade	768,989	136,298	905,287
Trade Debts	166,586	60,634	227,220
Advances to suppliers	<u>32,586</u>	<u>36,375</u>	<u>68,961</u>
	<u>2,665,378</u>	<u>952,950</u>	<u>3,618,328</u>
Unallocated Assets			
Investment property			87,550
Long term Investments			530,044
Long term deposits			3,847
Advances, trade deposits, prepayments and other receivables			102,813
Short term investments			23,214
Tax refunds due from the Government			178,470
Cash and bank balances			<u>202,387</u>
			<u>4,746,653</u>

	Yarn	Socks	Total
---(Rupees in thousand)---			
Liabilities			
Long term financing	85,920	309,726	395,646
Trade creditors	57,465	39,399	96,864
Short term borrowings	705,634	-	705,634
Accrued mark up	3,809	17,124	20,933
	<u>852,827</u>	<u>366,250</u>	<u>1,219,077</u>

Unallocated liabilities			
Deferred tax liability - net			238,687
Deferred grant			3,344
Deferred liabilities - GIDC			143,981
Staff retirement benefit			135,858
Trade and other payables			376,552
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			72,199
			<u>2,190,043</u>

Segment financial position for the period ended March 31, 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 suppliers	23,789	4,171	27,960
	<u>2,309,605</u>	<u>782,968</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 up	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>

	March 31, 2021 (Un-audited) ---(Percentage)---	March 31, 2020 (Un-audited) ---(Percentage)---
13.3	Information about products:	
	Yarn	98.05%
	Socks	1.34%
13.4	Major customers: 57 customers (March 31, 2020: 31 customers) [Yarn]	
	41.63%	54.65%
13.5	Geographical Information: Company's revenue from external customers on the basis of geographical location is given as under:	
	March 31, 2021 (Un-audited) ---(Rupees in thousand)---	March 31, 2020 (Un-audited) ---(Rupees in thousand)---
	Pakistan	3,689,592
	Europ	60,393
	United State of America	-
	<u>5,008,831</u>	<u>3,749,985</u>

Note 14

Authorization of Interim Financial Information

These condensed interim financial statements (un-audited) are approved and authorized for issuance by the Board of Directors of the Company on April 28, 2021.

Note 15

General

Comparative figures have been re-arranged, wherever necessary, to facilitate comparison. Followiing re-arrangement has been made in these condensed interim financial statements (un-audited).

Nature	From	To	Amount Rupees in Thousands
Commission expense	Sales	Selling and distribution	18,508


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR



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