SHAHZAD TEXTILE

FORM-8

Date: 26-04-2019

THE GENERAL MANAGER,
Pakistan Stock Exchange Limited.
Stock Exchange Building,
Stock Exchange Road,
Karachi

Subject: Transmission of Quarterly Report for the Period Ended March 31, 2019

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended March 31, 2019 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

Shahzad Textile Mills Ltd.
T: +92 42 35754024, 35754027, 35791228 • **F:** +92 42 35712313
E: info@shahzadtex.com • **A:** 19A, Off Zafar Ali Road, Gulberg V, Lahore, Pakistan
www.shahzadtex.com

3rd Quarterly Report

MARCH 31st, 2019

SHAHZAD TEXTILE MILLS LIMITED

SGS

Certificate SG05/00526

The management system of

Shahzad Textile Mills Limited

Head Office: 19-A, Off Zafar Ali Road, Gulberg - V,
Lahore, Pakistan

has been assessed and certified as meeting the requirements of

ISO 9001:2015

For the following activities

The scope of registration appears on page 2 of this certificate.

This certificate is valid from 27 December 2017 until 15 August 2020
and remains valid subject to satisfactory surveillance audits.
Re certificadon audit due before 13 August 2020
Issue 6. Certified since 16 August 2005

This is a multi-site certification.
Additional site details are listed on the subsequent page.

Authorised by

SGS United Kingdom Ltd
Rossmore Business Park, Ellesmere Port, Cheshire, CH65 3EN, UK
t +44 (0)151 350-6666 f +44 (0)151 350-6600 www.sgs.com

Page 1 of 2

SGS

Certificate SG05/00526, continued

Shahzad Textile Mills Limited

ISO 9001:2008

Issue 5

Detailed scope

Manufacturing and Export of 100% Cotton, Blended, Pure Synthetic, Combed, Carded and Double Yarn

Further Clarifications regarding the scope of this certificate and the applicability of ISO 9001:2008 requirements may be obtained by consulting the organisation

Additional facilities

Site 01: 34th km, Sheikhupura Road, Sheikhupura, Pakistan.

Site 02: 7km, Sheikhupra-Faisalabad Road, Sheikhupura, Pakistan.

UKAS MANAGEMENT SYSTEMS 0005

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Company's Information

Board of Directors

Mian Parvez Aslam	Chairman
Mr. Imran Aslam	Chief Executive
Mr. Irfan Aslam	
Syed Raza Ali Bokhari	
Mr. Danish Aslam	
Mr. Ahsan Ahmad Khan	
Mr. Maqsood Shahid Najmi	

Chief Financial Officer

Mr. Humayun Bakht

Company Secretary

Mr. Hassan-ud-Din Ansari

Auditors

Horwath Hussain Chaudhry & Co.
Chartered Accountants

Audit Committee

Syed Raza Ali Bokhari	Chairman
Mr. Irfan Aslam	Member
Mr. Maqsood Shahid Najmi	Member

Human Resources & Remuneration Committee

Syed Raza Ali Bokhari	Chairman
Mr. Imran Aslam	Member
Mr. Ahsan Ahmad Khan	Member

Bankers

Habib Metropolitan Bank Ltd.
J S Bank Ltd.
National Bank of Pakistan.
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 (42) 35754024-27
Fax: +92 (42) 35712313
E-mail:info@shahzadtex.com
Web:www.shahzadtex.com

Mills

Unit # 1, 3, 4 & Socks Unit

34th KM Lahore Sheikhupura
Road, Sheikhupura.

Unit # 2

7th KM Sheikhupura Faisalabad
Road, Sheikhupura.

CONDENSED INTERIM FINANCIAL INFORMATION

OF

SHAHZAD TEXTILE MILLS LIMITED

FOR THE 3RD QUARTER ENDED

MARCH 31, 2019

Directors' Report

On behalf of the directors of Shahzad Textile Mills Limited it is my great pleasure to present condensed interim un-audited financial statement for the third quarter and nine months ending March 31, 2019.

The Company's pretax profit is Rs. 131.026 million in nine months period as compared to Profit of Rs. 69.309 million in corresponding period of previous year. Current quarter's profit decreased to Rs. 13.131 million as compared to profit of Rs. 26.223 million in corresponding quarter of previous year. Nine months' yarn sales increased to Rs. 4,677.083 million as compared to sales of Rs. 3,950.270 million in the corresponding period of last year.

The management has struggled hard and depicted remarkable financial results which are narrated above. A substantial increase in revenue can also be observed which is 18.40 percent higher than the turnover of corresponding period. It is worth noting that the rupee was valued Rs.109 against the US dollar on January 01, 2018 and the existing dollar rate is Rs. 142.00 which is almost 30% higher than the rate at the start of year but Pakistani exporters could not fully availed this opportunity and exports of textile sector could not be boosted according to devaluation of Pakistani rupee.

The raw material prices except local cotton remained steady in the period under discussion. The cotton price is rotating around Rs.8,800/- per maund, Polyester Rs. 194/- per kg and Viscose Rs.256/-per kg, accordingly. The Cotton production in Pakistan is sharply decreasing every year which is enhancing stress on the Textile Industry .

FUTURE OUTLOOK

The higher cost of energy has cruelly affected the growth of industries in the country. In order to avoid the crisis of energy, the management took prudent decision and installed solar power plant of 300 KW which is successfully generating electricity and contributing to our total generation of energy.

We had extensively discussed in our previous directors' report about closure of STM Unit-3. The Machinery of Unit No.3 has been sold out except 9 Ring Frames which are shifted to unit-4. Currently the capacity of Unit No-4 is 33 ring frames with installation of 5 ring frames shifted from Unit No.3. This capacity shall be further enhanced to 37 Ring Frames after installation of 4 Ring Frames.

Management is striving hard for well-timed completion of reconstruction work and installation of machinery for socks unit which is under process. We hope that this unit will be fully functional in July, 2019.

Earnings per share Rs. 4.85 as compared to earnings per share Rs.1.86 in corresponding period of previous year.

We are thankful our valued customers, bankers, shareholders for their support and participation in well-being of the Company.

For and on behalf of the board

Irfan Aslam
Director

Imran Aslam
Chief Executive Officer

Lahore.
Dated : 25-04- 2019

ڈائریکٹرز رپورٹ

میں تمام ڈائریکٹرز کی طرف سے 31 مارچ 2019 کے اختتام پر کمپنی کا عبوری مدت کا مختصر کیا ہوا مالیاتی جائزہ پیش کرنے میں انتہائی مسرت محسوس کر رہا ہوں۔

موجودہ نو ماہ کی مدت میں کمپنی کا قبل از ٹیکس منافع 131.026 ملین روپے ہے جبکہ گذشتہ سال کی اسی مدت میں کمپنی کا قبل از ٹیکس منافع 69.389 ملین تھا۔ اسی سال کی سہ ماہی کے نتائج قبل از ٹیکس منافع 13.131 ملین ہے جبکہ پچھلی سہ ماہی میں یہ منافع 26.223 ملین روپے تھا۔

موجودہ نو ماہ میں دھاگے کی فروخت 4,677.083 ملین روپے تک بڑھ گئی ہے۔ جبکہ پچھلے سال کی نو ماہ کی مدت میں دھاگے کی فروخت 3,950.270 ملین روپے تھی۔

کمپنی کی انتظامیہ نے بڑی جانفشانی سے کام کیا اور شاندار مالی نتائج پیش کئے جو کہ مندرجہ بالا خلاصے سے صاف عیاں ہیں۔

دھاگے کی موجودہ فروخت میں خاطر خواہ اضافہ ہوا جو کہ 18.40 فیصد ہے۔ ملاحظہ کیا جا سکتا ہے جو کہ مقامی منڈی میں دھاگے کی فروخت کا بہتر دام میسر ہونے کی وجہ سے ہے۔ یہاں یہ بات بھی قابل ذکر ہے کہ ڈالر جنوری 2018 میں 109 روپے کا تھا اور ڈالر کی موجودہ قیمت 142 روپے ہے اور ٹیکسٹائل سیکٹر نے روپے کی گراوٹ سے فائدہ نہیں اٹھایا اور اپنی برآمدی شرح کو اُس حد تک نہیں بڑھایا جس شرح سے روپے کی مالیت میں تخفیف ہوئی ہے۔

موجودہ نو ماہی میں خام مال کی قیمتیں ماسوائے کاٹن کے مستحکم رہی ہیں۔ کاٹن کی قیمت 8800 روپے پر من گردش کر رہی ہے جبکہ پولیسٹر کی قیمت 194 روپے فی کلو اور وسکوس 256 روپے فی کلو فروخت ہو رہا ہے۔ پاکستان میں کپاس کی پیداوار بڑی تیزی سے کم ہو رہی ہے اور اُسی حساب سے ٹیکسٹائل سیکٹر پر دباؤ بڑھ رہا ہے۔

مستقبل کی پیش نظری

بجلی کی قیمتوں میں گراں قدر اضافے نے صنعتوں کی نشوونما کو بری طرح متاثر کیا ہے۔ توانائی کے اِس بحران کو مدِ نظر رکھتے ہوئے انتظامیہ نے دانشمندی سے کام لیتے ہوئے 300KW کا شمسی توانائی سے بجلی پیدا کرنے والا پلانٹ لگایا تھا جو بڑی کامیابی سے بجلی پیدا کر رہا ہے۔ اور ہماری بجلی کی تمام تر پیداوار میں حصہ ڈال رہا ہے

جیسا کہ ہم نے اپنی گذشتہ ڈائریکٹرز رپورٹ میں یونٹ نمبر 3 کو بند کرنے کا تفصیلاً ذکر کیا تھا اُسی منصوبے کے مطابق یونٹ نمبر 3 کی مشینری فروخت کر دی گئی ہے سوائے اُن 9 رنگ فریمز کے جو یونٹ نمبر 4 میں منتقل کر دیئے گئے ہیں۔ یونٹ نمبر 4 کی موجودہ پیداواری استعداد 9 میں سے 5 رنگ فریمز کی تنصیب کے بعد 33 رنگ فریمز پر مشتمل ہے۔ جو مزید بڑھ کر 37 فریمز پر چلی جائے گی جبکہ یونٹ نمبر 3 سے آئے ہوئے فریمز کی بھی تنصیب ہو جائے گی۔

کمپنی کی انتظامیہ انتھک کوشش کر رہی ہے کہ جرابوں کے یونٹ کی بلڈنگ کی تعمیر اور مشینوں کی تنصیب کا کام بروقت مکمل ہو جائے جو فی الحال زیرِ تعمیر ہے، امیدِ واسق ہے کہ اِن مستعد کاوشوں کی وجہ سے یہ یونٹ جولائی 2019 میں کا شروع کر دے گا۔

فی شیئر منافع

موجودہ نو ماہ کی مدت میں فی شیئر منافع 4.85 روپے ہے جبکہ گذشتہ سال اِسی مدت میں یہ منافع 1.86 روپے فی شیئر تھا۔

اظہارِ تشکر

آخر میں ہم اپنے قابلِ قدر صارفین، بینکاروں، مالی اداروں، حصہ داروں اور تمام تر ملازمین کا بے حد مشکور و ممنون ہیں۔ جنہوں نے تمام تر کاروباری سرگرمیوں میں مخلصانہ حصہ لیا ہم اپنے سٹاف ممبرز کے بھی مشکور ہیں جنہوں نے کمپنی کے اندر ایک خوشگوار کاروباری ماحول بنائے رکھا ہے۔

برائے اور بحکم بورڈ

عمران اسلم
چیف ایگزیکٹو آفیسر

عرفان اسلم
ڈائریکٹر

لاہور مورخہ 25 اپریل 2019ء

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2019

	Note	March 31, 2019 (Un-Audited)	June 30, 2018 (Audited)
		Rupees in thousands	
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized capital:			
40,000,000 (June 2018: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
Issued, subscribed and paid up capital			
17,971,372 (June 2018: 17,971,372) ordinary shares of Rs. 10 each		179,714	179,714
Reserves		1,241,633	1,149,805
Surplus on Revaluation of property, plant and equipment		763,806	783,790
		2,185,153	2,113,309
Non Current Liabilities			
Long term financing	4	27,481	58,036
Staff retirement benefits		110,737	117,208
Deferred tax liability		170,967	172,822
		309,185	348,066
Current Liabilities			
Trade and other payables		430,607	359,214
Unclaimed dividend		163	163
Unpaid dividend		199	199
Accrued mark up		13,222	12,450
Short term borrowings		484,349	488,605
Current portion of long term financing		40,740	40,740
Provision for taxation		56,413	67,774
		1,025,693	969,145
Contingencies and Commitments	5	-	-
		3,520,031	3,430,521
ASSETS			
Non Current Assets			
Property, plant and equipment	6	1,820,470	1,907,741
Long term investment in associate		409,003	389,984
Long term deposits		3,847	14,070
		2,233,320	2,311,795
Current Assets			
Stores and spares		73,672	59,294
Stock in trade		780,550	656,654
Trade debts		68,020	103,126
Advances, trade deposits, prepayments and other receivables		177,659	122,365
Short term investments		33,596	8,440
Tax refunds due from the Government		66,446	64,053
Cash and bank balances		86,768	104,794
		1,286,711	1,118,726
		3,520,031	3,430,521

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		-----Rupees in thousand-----			
Sales		4,677,083	3,950,270	1,350,894	1,410,377
Cost of sales	7	(4,348,156)	(3,778,549)	(1,256,319)	(1,323,499)
Gross Profit		328,927	171,721	94,575	86,878
Operating expenses:					
- Selling and distribution		(16,436)	(20,008)	(5,563)	(7,595)
- Administrative expenses		(104,208)	(90,533)	(33,405)	(27,686)
		(120,644)	(110,541)	(38,968)	(35,281)
Operating Profit		208,283	61,180	55,607	51,597
Finance cost		(41,241)	(34,807)	(15,784)	(17,750)
Other operating expenses		(58,129)	(25,854)	(33,658)	(14,263)
Other income		5,619	43,282	442	55
Share of net profit of associate		16,494	25,508	6,524	6,584
		(77,257)	8,129	(42,476)	(25,374)
Profit before Taxation		131,026	69,309	13,131	26,223
Taxation		(43,940)	(35,957)	(11,602)	627
Net Profit for the Period		87,086	33,352	1,529	26,850
Earnings per Share - Basic		4.85	1.86	0.09	1.50

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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	-----Rupees in thousand-----			
Net Profit for the Period	87,086	33,352	1,529	26,850
Other Comprehensive Income for the Period				
Items that may be reclassified subsequently to profit and (loss)				
Total Comprehensive Income for the Period	87,086	33,352	1,529	26,850

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 NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2019

Particulars	Share Capidal	Share Premium Reserve	Unapro-priated Profit	Re-valuation Surplus	Total Equity
	-----Rupees in thousand-----				
Balance as at June 30, 2017	179,714	5,796	1,082,991	483,511	1,752,012
Total comprehensive Income for the period ended	-	-	33,352	-	33,352
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	10,251	(10,251)	-
Surplus realized on disposal of revalued property, plant and equipment (net of deferred tax) transferred to retained earnings	-	-	5,485	(5,485)	-
Share in realized surplus on revaluation of property, plant and equipment of associate (net of deferred tax)	-	-	1,658	-	1,658
Transaction with owners					
Dividend paid during the period	-	-	(17,971)		(17,971)
Balance as at March 31, 2018	179,714	5,796	1,115,766	467,775	1,769,051
Balance as at June 30, 2018	179,714	5,796	1,144,009	783,790	2,113,308
Total comprehensive Income for the period ended	-	-	87,086	-	87,086
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period (net of deferred tax)	-	-	9,583	(9,583)	-
Surplus realized on disposal of revalued property, plant and equipment (net of deferred tax) transferred to retained earnings	-	-	10,985	(10,985)	-
Surplus on revaluation of property, plant and equipment related to export	-	-	-	(1,772)	(1,772)
Surplus on revaluation of property, plant and equipment related to rate change	-	-	-	2,357	2,357
Share in realized surplus on revaluation of property, plant and equipment of associate (net of deferred tax)	-	-	2,145	-	2,145
Transaction with owners					
Dividend paid during the period	-	-	(17,971)	-	(17,971)
Balance as at March 31, 2019	179,714	5,796	1,235,837	763,806	2,185,153

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

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR NINE MONTHS PERIOD ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	131,026	69,309
Adjustments for:		
- Depreciation	79,512	79,972
- Share of net profit of associate	(16,494)	(25,508)
- Loss on disposal of property, plant and equipment - Net	25,204	7,625
- Surplus on revaluation of short term investments at fair value through profit or loss	-	(353)
- Provision for gratuity	34,700	31,150
- Exchange gain	(1,482)	21
- Provision for workers' profit participation fund	8,185	4,372
- Provision for workers' welfare fund	2,373	1,714
- Finance cost	33,982	28,608
	165,980	127,601
Operating Profit before Working Capital Changes	297,006	196,910
(Increase) / Decrease in current assets		
- Stores and spares	(14,378)	14,333
- Stock in trade	(123,897)	(544,418)
- Trade debts	36,588	(33,714)
- Advances, trade deposits, prepayments, and other receivables	(42,533)	(42,677)
- Short term investment	(25,156)	-
- Tax refunds due from the Government	(27,136)	(12,359)
Increase in current liabilities		
- Trade and other payables	67,214	79,310
	(129,298)	(539,525)
Net Cash generated from/ (used) in Operations	167,708	(342,615)
Income tax paid	(44,969)	(51,823)
Gratuity paid	(41,171)	(18,325)
Workers' (profit) participation fund paid	(6,378)	(3,521)
Finance cost paid	(33,211)	(23,072)
Net Cash generated from / (used) in Operating Activities	41,979	(439,356)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(47,326)	(108,377)
Proceeds from disposal of property, plant and equipment	30,378	18,088
Long term deposits	10,223	-
Capital work in progress	(497)	75,158
Net Cash (used) in Investing Activities	(7,222)	(15,131)
CASH FLOW FROM FINANCING ACTIVITIES		
LTF - Loan repaid	(30,555)	(30,555)
Dividend paid	(17,971)	(17,971)
Dividend received from associated undertaking	-	16,240
Loan repaid to directors	-	(13,000)
Unclaimed dividend paid	-	(128)
Short term borrowings	(4,257)	475,660
Net Cash (used) in/ generated from Financing Activities	(52,783)	430,246
Net (decrease) in Cash and Cash Equivalents	(18,026)	(24,241)
Cash and cash equivalents at the beginning of the period	104,794	60,340
Cash and Cash Equivalents at the End of the period	86,768	36,099

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 INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

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 principle business of the Company is to manufacture and deal in all types of yarn.

The information on geographical location and addresses of the Company's business units including plants is as under:

- The Company's registered office is situated at 19-A, Off Zafar Ali Road, Gulberg - V, Lahore
- Unit 1,3,4 and Socks unit are situated at 34th Km, Lahore Sheikupura Road, Sheikupura
- Unit 2 is situated at 7th Km, Sheikupura Faisalabad Road, Sheikupura"

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, 2018.

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, 2018.

Note 4 Long Term Financing	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Rupees in thousand	
LTF loan - Secured	68,221	98,777
Current portion of LTF loan	(40,740)	(40,740)
	27,481	58,036

4.1 These represent LTF loans obtained from banking companies during the period against specific and exclusive charge on relevant fixed assets of the Company. The tenure of facility is from 3 to 5 years starting from February 2017 and ends in February 2022. Mark up on these facilities is charged at SBP rate payable quarterly.

Note 5 Contingencies and Commitments	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Rupees in million	
Contingencies		
- The Company has provided bank guarantees in favour of following parties:		
- Sui Northern Gas Pipeline Limited	72.89	72.64

- The Company is contingently liable for Rs. 22.371 million (June 2018: Rs. 19.983 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:

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Rupees in million	
Foreign bills of exchange purchased	-	50.34
Letters of credit	291.57	4.61
	291.57	54.95

Note 6 Property, Plant and Equipment	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Rupees in thousand	
Operating fixed assets	1,819,973	1,907,741
Capital work in progress	497	-
	1,820,470	1,907,741
6.1 Operating fixed assets		
Opening written down value	1,907,741	1,609,826
Additions during the period/year (at cost)	47,326	115,819
Revaluation adjustment	-	164,648
	1,955,067	1,890,293
Disposals during the period/year (at written down value)	(55,582)	(35,944)
	1,899,485	1,854,349
Depreciation charged for the period/year	(79,512)	(109,210)
Revaluation adjustment	-	162,602
	1,819,973	1,907,741

Note 7
Cost of Sales

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Un-audited	Un-audited	Un-audited	Un-audited
	-----Rupees in thousand-----			
Raw materials consumed	3,232,411	2,653,241	2,035,963	924,319
Stores and spares consumed	72,893	69,381	48,077	27,723
Packing materials consumed	84,007	79,889	53,815	26,692
Salaries, wages and other benefits	388,030	379,206	253,264	130,933
Fuel and power	445,006	491,329	287,752	173,383
Insurance	6,749	6,280	4,617	2,491
Repairs and maintenance	10,001	7,262	5,625	2,950
Other manufacturing expenses	7,960	7,488	5,270	2,369
Depreciation	72,239	71,639	48,081	26,376
	4,319,296	3,765,715	2,742,464	1,317,236
Opening work in process	37,451	33,324	45,038	36,166
Closing work in process	(33,663)	(36,671)	(33,663)	(36,671)
	3,788	(3,347)	11,375	(505)
Cost of goods manufactured	4,323,084	3,762,368	2,753,839	1,316,731
Opening finished goods	65,590	55,108	67,965	45,695
Closing finished goods	(40,518)	(38,927)	(40,518)	(38,927)
	25,072	16,181	27,447	6,768
	4,348,156	3,778,549	2,781,286	1,323,499

Note 8
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

Related party	Relationship	Nature of Transaction	March 31, 2019 (Un-audited)	March 31, 2018 (Un-audited)
			Rupees in thousand	
Sargodha Jute Mills Limited	Associate 24.94%	Purchase of materials, goods and services	78	292
		Sale of materials, goods and services	131	235
		Rental income	360	360
		Dividend income received	-	16,240
Directors	Associated Person	Sponsor loan repaid	-	40,000
		Sponsor loan repaid	-	27,000
		Dividend paid	-	11,435

Note 9
Segment Information

For management purposes, the activities of the Company are recognized into one operating segment, i.e. manufacturing and sales of yarn. The Company operates in the said reportable operating segment 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 related to the Company's only reportable segment. Entity-wide disclosures regarding reportable segment are as follows:

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		Percentage	Percentage
9.1	Information about products:		
	Yarn	99.29%	99.14%
9.2	Major customers:		
	4 customers (2018: 4 customers)	54.13%	55.85%

9.3 Geographical Information:
Company's revenue from external customers and geographical location is given as under:

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Rupees in thousand	
Pakistan	3,764,777	4,341,568
Asia	770,014	997,260
Europe	165,356	116,634
	4,700,148	5,455,462

9.4 All non-current assets of the Company are located and operated in Pakistan as at the reporting date.

Note 10
Authorization of Interim Financial Information

This condensed interim financial information (un-audited) is authorized for issue on April 25, 2019 by the Board of Directors of the Company.

Note 11
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