

#### FORM-8

Date: 27-10-2022

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

Subject: <u>Transmission of Quarterly Report for the Period Ended September 30, 2022</u>

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended September 30, 2022 has been transmitted through PUCARS and is also available on Company's website.

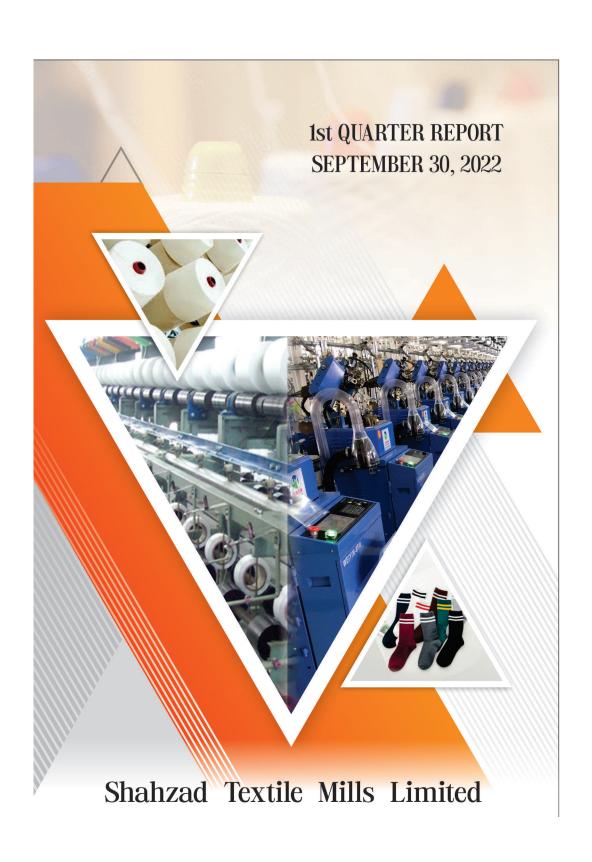
You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

For SHAHZAD TEXTILE MILLS LIMITED

Encl: As above

COMPANY/SECRET



Certificate PK05/00526

### **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

Manufacturing and Export of 100% Cotton, Blended, Pure Synthetic, Combed, carded and double yarn.

This certificate is valid from 10 October 2020 until 15 August 2023 and remains valid subject to satisfactory surveillance audits. Recertification audit due a minimum of 60 days before the expiration date.

Issue 1. Certified since 16 August 2005

The audit leading to this certificate commenced on 04 September 2020 Previous issue certificate validity date was until 15 August 2020

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

Authorised by



HC SGS 9001 2015 0818 M2











Certificate PK05/00526, continued



## **Shahzad Textile Mills Limited**

ISO 9001:2015

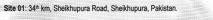


Issue 1

Detailed scope

The scope of registration appears on page 1 of this certificate.

Additional facilities





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





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### Company's Information

Board of Directors Bankers

Mian Parvez Aslam Chairman Habib Metropolitan Bank Ltd

Mr. Imran Aslam Chief Executive Officer JS Bank Limited

Mr. Irfan Aslam Meezan Bank Limited

Mr. Danish Aslam
Syed Raza Ali Bokhari Share Registrar

Dr. Ali Raza Khan Hameed Majeed Associates (Pvt) Ltd

Mrs. Nazish Imran H.M. House, 7-Bank Square Lahore.

Chief Financial Officer Registered Office

Mr. Nabeel Naveed 19-A, Off. Zafar Ali Road,

Gulberg-V, Lahore.

Company Secretary Ph: +92(042)35754024-27

Syed Imran Haider Fax:+ 92(042) 35712313

E-mail:info@shahzadtex.com

Auditors Web:www.shahzadtex.com

Crowe Hussain Chaudhury & Co.

Chartered Accountants

Mills

Member

Chartered Accountants Mills
Unit # 1, 4 & Socks Hosiery Unit

Audit Committee 34th KM Lahore Sheikhupura

Syed Raza Ali Bokhari Chairman Road, Sheikhupura.

Sycuriaza Ali Bokhan Chairman Rodu, Sheikhupura.

Mian Parvez Aslam Member

7th KM Sheikhupura Faisalabad

Unit # 2

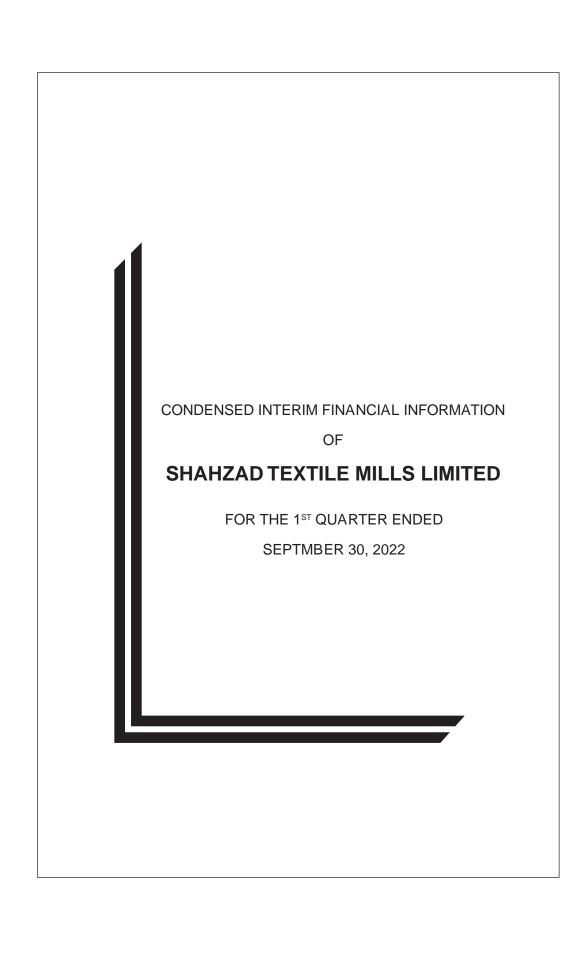
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Human Resources & Road, Sheikhupura.

Remuneration Committee

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

Mr. Irfan Aslam



## Directors' Report

On behalf of the directors of M/s Shahzad Textile Mills Limited, I am presenting a condensed interim un-audited financial statement for the first quarter ending September 30, 2022.

The company has earned pre-tax profit of Rs 16.896 million during the 1st quarter as compared to pre-tax profit of Rs 199.573 million in the corresponding period of last year. Current quarter sales closed Rs 2.06 billion (2021: 2.04 billion) which is almost at the same level as that in the corresponding quarter of last year. Export sales of our socks unit showed healthy increase and closed at Rs 349.50 million (2021: Rs 231.68 million).

The current quarter was quite challenging for the whole industry. Due to rising inflation and energy prices, our value added industry faces closures and resultantly the demand in market had declined considerably. Due to lower demand, the spinning industry was not able to fetch reasonable prices and hence the margins remained very thin.

#### FUTURE PROSPECTUS

It is clear that the global economy is moving towards deep recession and so is the economy of Pakistan. The demand side has been effected badly due to multiple factors including but not limited to the devastation caused by extreme flooding, decade's high inflation, rising overheads costs etc. But management is fully aware of the present challenges facing the company and textile industry. Future business strategies will be adjusted keeping in view the changing economic conditions. The management is fully committed and focused to achieve better results in future and maximize shareholder wealth.

Keeping in view encouraging demand of our socks, we have decided to import twenty knitting machines and three winding machines from our own sources to enhance production capacity of our socks unit. We are also focusing to achieve the best results by putting all our expertise and skills with untiring efforts.

Earning per share is Rs. 0.33 as compared to EPS of Rs. 9.79 in the corresponding period of

We thankfully appreciate our valued customers, bankers and shareholders who have actively participated in smooth functioning of company's routine work. We also appreciate the vigorous efforts of our employees who have maintained peaceful working atmosphere in the mills.

For and on behalf of the Board

DIRECTOR

Lahore:

Dated: October 27, 2022

CHIEF EXECUTIVE

## ڈائز یکٹرز کی رپورٹ

میسر رشتم ادثیکشائل ملزلمیٹڈ کے ڈائر بیٹرز کی جانب ہے، مجھے 30 ستمبر 2022 کوختم ہونے والی کیبلی سہ ماہی کے کنڈنسڈعبوری غیرنظر ٹانی شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوں ہورہی ہے۔

کمپنی نے پہلی سے ماہی کے دوران 16.896 ملین روپے کا قبل از ٹیکس منافع حاصل کیا ہے جبکہ گزشتہ سال کی ای مدت میں 199.573 ملین روپ کا قبل از ٹیکس منافع عاصل کیا ہے جبکہ گزشتہ سال کی ای مدھ ہیں 199.573 ملین روپ کا 201.2021 ہلین ) پر ہند ہوئی جو پچھلے سال کی ای سے ماہی کی تقریباً اس کے پہنے ہوئی موجہ کے بیان کی قبلے سے 231.68:2021 ملین روپ ) سے جہار کے بونٹ کی برآ مدی فروخت میں صحت منداضا فیہ بوالور 349.50 ملین روپ (231.68:2021 ملین روپ ) پر ہند ہوا۔ موجودہ سے ماہی پورٹ سے تاری و لیجوا ٹیڈ انڈر سٹری کو ہند شرک کو ہند شرک مناسب قیمتیں حاصل کرنے کے قابل نہیں رہی اور ای اور ای وجہ سے مارجن بہت کم رہا۔

### منتقبل کے امکانات

یدواضح ہے کہ عالمی معیشت اورای طرح پاکستان کی معیشت بھی گہری کساد بازاری کی طرف بڑھر ہی ہے۔ بہت سے موال کی وجہ سے طلب بُری طرح اثر انداز ہوئی ہے جس میں انتہائی سیا ہے ، دہائی کی بلندا فراط زداودر ہیڈز کے بڑھتے ہوئے اخراجات وغیرہ شال ہیں کیکن ان تک محدو دئیس ۔ لیکن انتظامیہ مینی اور ٹیکسٹائل انڈسٹری کو در پیش موجودہ چیلنجز سے پوری طرح آگاہ ہے۔ بدلتے ہوئے معاثی حالات کو مذظر رکھتے ہوئے مستقبل کی کاروباری محکست عملی کو ایڈ جسٹ کیا جائے گا۔ انتظامیہ ستقبل میں بہتر نتائج حاصل کرنے اور شیئر ہولڈر کی قدر کوزیا دہ سے زیادہ کرنے کے لیے پوری طرح کے عزم اور توجیم کو ذرکھے ہوئے ہے۔

ا پنج جرابوں کی حوصلدافزاءطلب کو مذظرر کھتے ہوئے، ہم نے اپنج جرابوں کے بینٹ کی پیداداری صلاحیت کو بڑھانے کے لیےا پنے ذرائع سے 20 منٹنگ مشینیں اور تین وائنڈ نگ مشینیں درآ مدکرنے کا فیصلہ کیا ہے۔ ہم انتقاک کوششوں کے ساتھا پی تیم تر صلاحیتیں اور مہارتیں لگا کر بہترین منائج حاصل کرنے پڑھی توجہ مرکوز کررہ ہے ہیں۔ فی تھھم آ مدنی پچھلے سال کی اسی مدت میں 9.79رو پے EPS عقابلے میں 0.33رو پے ہے۔

ہم اپنے قابل فقہ رکسٹمرز ، بینکرز اورثبیئر ہولڈرز کی شکرگز اربیں جنہوں نے کمپنی کے معمول کے کام کو ہموار کرنے میں بھر پورحصہ لیا۔ہم اپنے ملازمین کی بھر پورکوششوں کو بھی سراجتے ہیں جنہوں نے ملزمیں پُرامن کام کرنے کاما حول برقر اردکھا ہے۔

منجانب بورڈ

چف ایگزیگؤآفیس

ڈائر یکٹر

لا بور:

بتاریخ:27اکتوبر2022ء

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT SEPTEMBER 30, 2022

		September 30, 2022	June 30, 2022
	Note	(Un-Audited)	(Audited)
EQUITY AND LIABILITIES Share Capital and Reserves	11010	Rupees in tho	ousands
Authorized capital: 40,000,000 (June 30, 2022: 40,000,000) ordinary shares of Rs. 10 each		400,000	400,000
ordinary shares of its. To each		400,000	400,000
Issued, subscribed and paid up capital 17,971,372 (June 30, 2022: 17,971,372)		450 544	170 711
ordinary shares of Rs. 10 each Reserves		179,714	179,714
Surplus on Revaluation of property, plant and equipment		2,133,752	2,114,605
Surplus on Kevaluation of property, plant and equipment		<u>842,885</u> 3,156,351	<u>849,364</u> 3,143,683
Non Current Liabilities			
Long term financing	5	359,412	351,053
Staff retirement benefits		147,138	141,064
Deferred tax liability	6	342,879	362,454
Current Liabilities		849,429	854,571
Trade and other payables		618,921	539,845
Unclaimed dividend		146	146
Unpaid dividend		199	199
Accrued mark up		31,758	27,272
Current portion of non-current liabilities	7	169,736	178,123
Short term borrowings	8	413,943	404,008
Provision for taxation		182,665	158,860
Contingencies and Commitments	9	1,417,368	1,308,453
Contingencies and Commitments	9	-	-
ASSETS		5,423,148	5,306,707
Non Current Assets			
Property, plant and equipment	10	2,528,510	2,555,402
Investment property		91,670	91,670
Long term investment in associate Long term deposits		678,995	658,240
Long term deposits		3,847	3,847
Current Assets		3,303,022	3,303,133
Stores and spares		169,939	140,125
Stock in trade		802,137	795,048
Trade debts		450,686	446,983
Advances, trade deposits, prepayments and other receivables		272,907	275,643
Short term investments		32,125	30,563
Tax refunds due from the Government		219,541	165,961
Cash and bank balances		172,791	143,225
		2,120,126	1,997,548
		5,423,148	5,306,707
	. ~		

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements (un-audited).

Juny 11-

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

## CONDENSED INTERIM PROFIT OR LOSS (UN-AUDITED)

### FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

		September 30, 2022	September 30, 2021
	Note	Rupees	in thousand
Sales		2,058,691	2,040,440
Cost of sales	11	(1,919,614)	(1,758,889)
Gross Profit		139,077	281,551
Operating expenses:			
- Selling and distribution		(82,602)	(35,329)
- Administrative expenses		(67,173)	(46,358)
		(149,775)	(81,687)
Operating Profit		(10,698)	199,864
Finance cost		(23,185)	(15,642)
Other operating expenses		(1,245)	(14,705)
Other income		31,269	5,338
Share of net profit/(loss) of associate		20,755	24,718
		27,594	(291)
Profit before Taxation		16,896	199,573
Taxation		(10,923)	(23,682)
Net Profit for the Period		5,973	175,891
Earnings per Share - Basic		0.33	9.79

 $The \ annexed \ notes \ 1 \ to \ 16 \ \ form \ an \ integral \ part \ of \ these \ condensed \ interim \ financial \ statements \ (un-audited).$ 

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
	Rupees in	thousand
Net Profit for the Period	5,973	175,891
Other Comprehensive Incom for the Period		
Items that will not be reclassified subsequently to profit or (loss)	-	-
Items that may be reclassified subsequently to profit and (loss)	-	-
Total Comprehensive Income for the Period	5,973	175,891

 $The \ annexed \ notes \ 1 \ to \ 16 \ \ form \ an \ integral \ part \ of \ these \ condensed \ interim \ financial \ statements \ (un-audited).$ 

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CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTO

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

Particulars .	Share Capidal	Share Premium Reserve	Unapro- priated Profit upees in thous	Surplus on Re- valuation	Total Equity
Balance as at June 30, 2021	179,714	5,796	1,724,442	880,499	2,790,451
Net profit for the period Other comprehensive income	-	-	175,891	- -	175,891
Total comprehensive income for the period	-	-	175,891	-	175,891
Transferred from surplus on revaluation of property, plant and equipment on incrementa depreciation charged in current period (net of deferred tax)		-	4,633	(4,633)	-
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	-	=	=	(1,116)	(1,116)
Share in incremental depreciation of revalued property, plant and equipment of associate (net of deferred tax)	-	-	-	-	-
Dividend paid during the period	-	-	-	-	-
Balance as at September 30, 2021	179,714	5,796	1,904,966	874,750	2,965,226
Balance as at June 30, 2022	179,714	5,796	2,108,809	849,365	3,143,684
Net profit for the period Other comprehensive income		-	5,973		5,973
Total comprehensive income for the period	-	-	5,973	=	5,973
Transferred from surplus on revaluation of property, plant and equipment on incrementa depreciation charged in current period (net of deferred tax)		-	13,174	(13,174)	-
Surplus on revaluation of property, plant and equipment related to export	_	_	_	6.694	6.694
Share in incremental depreciation of revalued property, plant and equipment of associate (net of deferred tax)	d -	-	-	-	-
Balance as at September 30, 2022	179,714	5,796	2,127,956	842,885	3,156,351

The annexed notes 1 to  $16\,$  form an integral part of these condensed interim financial statements (un-audited).

Juny 11-

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
CASH FLOW FROM OPERATING ACTIVITIES	Rupees in	thousand
Profit before taxation	16,896	199,573
Adjustments for:		
- Depreciation	32,384	30,943
- Share of net profit of associate	(20,755)	(24,718)
- (Gain) / Loss on disposal of property, plant and equipment-net	(3,807)	
- Provision for gratuity	17,395	17,800
- Exchange (gain) / loss	(18,816)	(744)
<ul> <li>Provision for workers' profit participation fund</li> <li>Provision for workers' welfare fund</li> </ul>	907	10,714
	338	3,991
<ul> <li>Amortization of deferred grant</li> <li>Finance cost</li> </ul>	23,185	(718)
- Finance cost	30,831	15,642 52,910
Operating Profit before Working Capital Changes	47,727	252,483
(Increase) / Decrease in current assets	41,121	232,463
- Stores and spares	(29,814)	15,802
- Stock in trade	(7,090)	(282,596)
- Trade debts	15,113	(61,301)
- Advances, trade deposits, prepayments and other receivables	31,856	(13,004)
- Short term investment	(1,561)	(1,050)
- Tax refunds due from the Government	(53,580)	17,659
Increase in current liabilities		
- Trade and other payables	77,831	(489)
	32,755	(324,979)
Net Cash generated / (used) in Operations	80,482	(72,496)
Income tax paid	(29,120)	(26,832)
Gratuity paid	(11,321)	(12,760)
Workers' (profit) participation fund paid	-	-
Workers' welfare fund paid	-	-
Repayment of GIDC	(4,378)	(6,567)
Finance cost paid	(18,697)	(20,689)
Net Cash Used in Operating Activities	16,966	(139,344)
CASH FLOW FROM INVESTING ACTIVITIES	(007)	(0.100)
Property, plant and equipment purchased	(697)	(6,193)
Proceed from disposal of property, plant and equipment Capital work in progress	5,300 (6,288)	-
Net Cash used in Investing Activities	(1,685)	(6,193)
· ·	(1,003)	(0,193)
CASH FLOW FROM FINANCING ACTIVITIES  Long term financing received		
Repayment of long term financing	_	
Short term borrowings	4,350	(20,839)
Net Cash Used in Financing Activities	9,935	142,007
	14,285	121,168
Net increase / (decrease) in Cash and Cash Equivalents	29,566	(24,369)
Cash and cash equivalents at the beginning of the period	143,225	147,749
Cash and Cash Equivalents at the End of the period	172,791	123,380

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements (un-audited).

Juny 11-

CHIEF EXECUTIVE

HIEF FINANCIAL OFFICER

DIRECTOR

## NOTES TO AND FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

#### FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2022

Note

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, 2022. Comparative statement of financial position is extracted from annual audited financial statements for the year ended June 30, 2022 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 three months ended September 30, 2021.
- 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, 2022.
- 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, 2022.

## 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, 2022.

Note 5		September 30, 2022	June 30, 2022
Long Term Financing		(Un-audited)	(Audited)
Loan from banking company - Secured		Rupees in	Million
Habib Metro Bank Limited-SBP LTFF	5.1	355,078	365,840
Meezan Bank Limited-Diminishing Musharka		56,130	29,302
JS Bank Limited-Loan as per SBP refinance scheme	5.2	11,460	23,176
1		422,667	418,318
Less: Current portion		(63,256)	(67, 265)
•		359,412	351,053

- **5.1** These represent outstanding amounts of long term financing obtained from Habib Metropolitan Bank Limited for machinery of socks unit under State Bank of Pakistan's (SBP) concessional rate scheme. These loans are secured against specific and exclusive charge on relevant machinery of the Company and are repayable in 3 to 8 years starting from April 2019 and ending in January 2030. 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 This represents borrowing obtained by the Company 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 and latest date of repayment of loan is October 2022. 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 grant. The movement in loan is as under:

	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
Movement of the loan	Rupees i	in Thousand
Opening balance	23,176	66,706
Loan received under SBP refinance scheme	-	-
Discounting of loan	-	-
Unwinding of loan	-	3,332
Repayments	(11,716)	(46,862)
	11,460	23,176

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Note 6 Deferred Liabilities		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	Rupees in	n thousand
Deferred tax liability - net Gas infrastructure development cess (GIDC) Deferred grant	6.1 6.2	342,879 - -	362,454
		342,879	362,454
6.1 Gas Infrastructure Development Cess Opening balance Transferred from current liabilities Expense during the year Payments made during the year Interest expense Discounting of Gas Infrastructure Development	nt Cess	110,602 - (4,378) - -	132,827 - (26,267) 4,042 -
Less: current portion		106,224 (106,224)	110,602 (110,602)

6.1.1 This represents Gas Infrastructure Development Cess which is to be payable in 24 monthly equal installments. The Company has calculated its present value at borrowing cost of the Company and resultantant difference is charged to the profit or loss account.

#### 6.2 Deferred grant

Opening balance Impact of discounting of loan Amortization of grant Deferred grant outstanding Less: Current portion		256 - - 256 (256)	3,588 - (3,332) 256 (256)
Note 7 Current Portion of Non-Current Liabilities		September 30, 2022 (Un-audited)	<b>June 30,</b> <b>2022</b> (Audited)
		Rupees i	n thousand
Long term financing Deferred liability - GIDC Deferred grant		63,256 106,224 256 169,736	67,265 110,602 256 178,123
Note 8 Short Term Borrowings		September 30, 2022 (Un-audited)	September 30, 2021 (Un-audited)
	Note	Rupees i	n thousand
From banking companies - Secured			
Cash / packing finances	8.1	413,943	404,008

8.1 The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 2,477 million (2022: Rs. 2,477 million) towards working capital requirements, retirement of local and foreign LCs and discounting of local bills / receivables. These facilities shall expire on various dates latest by January 31, 2023. Mark up on these facilities is charged from 3 to 6 months KIBOR plus a spread of 1% to 1.25% (2022: 1 to 6 months KIBOR plus a spread of 1% to 1.25%) payable quarterly.

These facilities 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 guarantee of sponsoring directors of the Company. The above balance represents the utilized portion of the funded facilities. Unutilized amount of funded and unfunded facilities are Rs. 1,882.58 million (2022: Rs. 1,667.06 million).

Note 9	September 30, 2022	June 30, 2022
Contingencies and Commitments	(Un-audited)	(Audited)
	Rupees i	n thousand
9.1 Contingencies		
9.1.1 The Company has provided bank guarantees in favour of	following parti	es:
- Sui Northern Gas Pipelines Limited	79,748	80,048
- Lahore Electric Supply Company	10,430	10,430
<ul> <li>Excise and Taxation Office</li> </ul>	27,400	27,100
<ul> <li>SBP Banking Services Corporation</li> </ul>	17,929	17,929
	135,507	135,507

9.1.2 The Company is contingently liable for Rs. 34.855 million (2022: Rs. 34.329 million) on account of electricity duty on self generation. The Company has obtained stay order by filing petition on August 10, 2010 in Lahore High Court, Lahore against LESCO and has not admitted the said duty. The case is pending hearing before the Lahore High Court, Lahore.

#### 9.2 Commitments

- The Company's outstanding commitments / contracts as at the reporting date are as under: September 30,

June 30,

		2022	2022
		(Un-audited)	(Audited)
		Rupees	in thousand
Lett	ters of credit	21,331	150,237
Note 10		September 30, 2022	June 30, 2022
Property	, Plant and Equipment	(Un-audited)	(Audited)
		Rupees	in thousand
Operatin	ng fixed assets	2,522,222	2,555,402
Capital v	work in progress	6,288	-
		2,528,510	2,555,402
10.1 O <sub>l</sub>	perating fixed assets		
		0.555.400	0.415.050
	pening written down value	2,555,402	2,415,858
	dditions during the period/year (at cost)	697	278,640
Re	evaluation adjustment	-	
		2,556,099	2,694,498
Di	isposals during the period/year (at written down value	e) (1,493)	(10,768)
		2,554,606	2,683,730
Re	evaluation adjustment	-	-
De	epreciation charged for the period/year	(32,384)	(128,328)_
	•	2,522,222	2,555,402
	•		

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Note 11		September 30, 2022	September 30, 2021
Cost of Sales		(Un-audited)	(Un-audited)
		Rupees in thousand	
Raw materials consumed		1,408,462	1,401,351
Stores and spares consumed		38,526	41,908
Packing materials consumed		48,860	55,143
Salaries, wages and other benefits		191,856	211,613
Fuel and power		246,888	158,677
Insurance		3,202	2,369
Repairs and maintenance		6,290	2,806
Other manufacturing expenses		5,577	6,763
Depreciation		29,021	28,485
		1,978,682	1,909,115
Opening work in process		84,732	85,044
Closing work in process		(82,278)	(84,505)
		2,454	539
Cost of goods manufactured		1,981,136	1,909,654
Opening finished goods		152,967	105,505
Closing finished goods		(214,489)	(256,270)
		(61,522)	(150,765)
		1,919,614	1,758,889
Note 12			
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 th	ne period		September 30, 2022	September 30, 2021	
Related party Relationship Nature of Transaction		Nature of Transaction	(Un-audited)	(Un-audited)	
Related party	Relationship	Nature of Transaction	Rupees in	Rupees in thousand	
Sargodha Jute Mills Limited	Associate 24.94%	Purchase of materials, goods and services	-	211	
		Sale of materials and goods	150	112	
		Rental income	-	120	
Note 13					

#### Note 13 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, 2022.

#### Note 14 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:

14.1	Yarn	Socks	Total
	Rupees in thousand		
Segment Results for the period ended September	30, 2022		
Revenue	1,682,438	376,253	2,058,691
Operating profit	(13,170)	2,472	(10,698)
Finance cost	(17,387)	(4,543)	(21,930)
Other income		3,866	3,866
Other operating expense Other income Share of net profit from associate Profit before taxation			(1,255) (1,245) 27,403 20,755 16,896
	Yarn	Socks	Total
	Rı	ipees in thousa	nd
Segment Results for the period ended September	30, 2021		
Revenue	1,799,711	240,729	2,040,440
Operating profit	191,205	8,659	199,864
Finance cost	(11,995)	(3,647)	(15,642)
Other operating expense Other income Share of net profit from associate Profit before taxation			(14,705) 5,338 24,718 199,573

	1st Quarte	ly Report Septembe	er 30, 2022
	Yarn	Socks	Total
		Rupees in thousar	ıd
14.2			
Segment financial position for the period er	nded September	30, 2022	
Assets			
Property plant and equipment	2,389,869	138,641	2,528,510
Store and spares	134,234		169,939
Stock in trade	648,965	153,172	802,137
Trade Debts	372,439	78,247	450,686
Advances to suppliers	15,827		23,245
	3,561,335	413,182	3,974,517
Unallocated Assets			
Investment property			91,670
Long term Investments			678,995
Long term deposits			3,847
Advances, trade deposits, prepayments and o	ther receivables		249,662
Short term investments			32,125
Tax refunds due from the Government			219,541
Cash and bank balances			172,791
			5,423,148
Liabilities			
Long term financing	11,459	411,208	422,667
Trade creditors	127,027		184,269
Short term borrowings	413,943		413,943
Accrued mark up	12,681	19,077	31,758
•	565,110		1,052,637
Unallocated liabilities			
Deferred tax liability - net			342,879
Deferred grant			256
Staff retirement benefit			147,138
Gas infrastructure development cess			106,224
Trade and other payables			434,653
Unclaimed dividends			146
Unpaid dividends			199
Provision for taxation - net			182,665
			2,266,796

Segment financial position for the year ended Junesets Property plant and equipment Store and spares Stock in trade Trade Debts Stoven to supplier		1,118,960 35,588 148,800 47,703	2,555,402 140,125
Assets Property plant and equipment Store and spares Stock in trade Trade Debts Indvances to supplier	1,436,442 104,537 646,248 399,280 93,188	35,588 148,800	140,125
Property plant and equipment Store and spares Stock in trade Frade Debts Idvances to supplier	104,537 646,248 399,280 93,188	35,588 148,800	2,555,402 140,125 795,048
Store and spares Stock in trade Grade Debts Edvances to supplier	104,537 646,248 399,280 93,188	35,588 148,800	140,125
Stock in trade Frade Debts Advances to supplier	646,248 399,280 93,188	148,800	
rade Debts Idvances to supplier	399,280 93,188		795 048
dvances to supplier	93,188	47,703	700,010
			446,983
	2,679,695	8,439	101,627
		1,359,490	4,039,185
Inallocated Assets			
nvestment property			91,670
ong term investments			658,240
ong term deposits			3,847
dvances, trade deposits, prepayments and other re	eceivables		174,016
Short term investments			30,563
ax refunds due from the Government			165,961
Cash and bank balances			143,225
			5,306,707
iabilities			
ong term financing	142,478	275,840	418,318
rade creditors	34,856	54,987	89,843
Short term borrowings	404,007	-	404,007
accrued mark	17,891	9,381	27,272
	599,232	340,208	939,440
Inallocated liabilities			
Deferred tax liability - net			362,456
Deferred grant			255
Staff retirement benefit			141,064
Gas infrastructure development cess			110,602
rade and other payables			450,002
Inclaimed dividends			146
Inpaid dividends			199
Provision for taxation - net			158,860
			2,163,024
	S	september 30, 2022	June 30, 2022
	_	Percentage	Percentage
		(Un-audited)	(Audited)
4.3 Information about products:			00.500/
Yarn		81.22%	89.56%
Socks		18.05%	9.41%
4.4 Major customers: There is no individual customer to whom	sales are 100	6 more than of	revenue
There is no individual customer to whom	saies ale 107	o more man or	revenue.

#### 14.5 Geographical Information:

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

	September 30, 2022	June 30, 2022		
	(Un-audited)	(Audited)		
	Rupees in	Rupees in thousand		
Pakistan	1,287,156	1,399,455		
Europe	650,669	78,895		
United State of America	120,866	71,649		
	2,058,691	1,549,999		

Note 15 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 October 27, 2022.

Note 16 General

Comparative figures have been re-arranged, wherever necessary, to facilitate comparison. No significant re-arrangement has been made in these condensed interim financial statements (un-audited).

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