



**COLONY**  
**TEXTILE MILLS**

**L I M I T E D**

**CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE FIRST QUARTER ENDED  
SEPTEMBER 30, 2022  
(UN-AUDITED)**



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## COMPANY INFORMATION

### Board Of Directors

Mr. Mughis A. Sheikh	(Chairman)
Mr. Fareed Mughis Sheikh	(Chief Executive Officer)
Mr. Muhammad Tariq	
Mr. Muhammad Atta ullah Khan	
Mr. Muhammad Ashraf Saif	
Mr. Abdul Hakeem Khan Qasuria	
Mrs. Noshaba Faiz	

### Board Committees

#### Audit Committee

Mr. Abdul Hakeem Khan Qasuria	(Chairman)
Mrs. Noshaba Faiz	
Mr. Muhammad Ashraf Saif	

#### HR & Remuneration Committee

Mr. Muhammad Atta ullah Khan	(Chairman)
Mr. Muhammad Ashraf Saif	
Mr. Abdul Hakeem Khan Qasuria	

### Other Management Committees

#### Executive Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Muhammad Atta ullah Khan	

#### Technical Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Noor Khan	

#### Finance Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Atta Mohyuddin Khan	
Mr. Bilal Ahmad Khan Niazi	

### Social Compliance & Human Resource Committees

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Atta ullah Khan	
Mr. Atta Mohyuddin Khan	

**Chief Financial Officer**

Mr. Atta Mohyuddin Khan

**Company Secretary**

Mr. Muhammad Tayyab

**Auditors**

Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

**Legal Advisor**

BNR  
Advocates and Corporate Counsel

**Tax Advisor**

Riaz Ahmad & Company  
Chartered Accountants

**Registered Address**

Ismail Aiwan-e-Science Building  
205 Ferozepur Road, Lahore-54600  
Phone : 042-35758970-2  
Fax : 042-35763247  
Email : corporate@colonytextiles.com  
Website: www.colonytextiles.com

**Share Registrar**

Hameed Majeed Associates (Pvt.) Limited  
HM House, 7 Bank Square  
Lahore.  
Phone: (042) 37235081-2, Fax: 042-37358817  
Email : shares@hmaconsultants.com

**Bankers**

Bank Islami Pakistan Limited  
Meezan Bank Limited  
Faysal Bank Limited  
Habib Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Silk Bank Limited  
The Bank of Punjab  
United Bank Limited  
Summit Bank Limited

## DIRECTORS' REVIEW

Dear Members,

The directors of the company are pleased to present the unaudited interim financial statements for the first quarter ended September 30, 2022.

The turnover in the first quarter has decreased from Rs. 7,811 million to Rs. 5,309 million, compared with corresponding period of the last year. The gross profit for the period is Rs. 29 million (2021: Rs. 521 million) and the net loss of the quarter is Rs. 405 million (2021: Profit Rs. 127 million). Loss per share for the first quarter is Rs.0.81 as compared to the earnings per share of Rs. 0.25 of the corresponding quarter of the last year.

### Textile industry is going through a crisis!

It is now common knowledge that all the segments of the textile chain have been badly hit. There are hardly any mills left that are running at full capacity as it has become challenging to sell goods at any rate. While raw material prices are coming down globally, high priced raw material inventory and contracts have played a havoc. Markets are demanding a price which is much lower than even the current falling raw material prices and even then payments are extremely short resulting in exploitation and closure of production capacities.

Matters have been made worse due to damaged cotton crop in Pakistan. While the crop has been significantly reduced, the quality is way below mark causing major issues for the spinners. High oil prices, alarming inflation and input costs, increased mark-up rates, political instability, trade deficit and depleting foreign exchange reserves are all leading to significant pressure on overall economic activities of the country. Changed post-covid world faced with the devastating effects of Russia-Ukraine war has plunged it into Recession with drastic drop in demand for textile products and major price reductions.

Faced with extreme national and international challenges, the complete textile chain is fighting for its survival.

Although challenges are very high but we are committed to perform in the best possible manner and add value to our stakeholders to meet the long term goals of the company.

Consolidated interim financial statements for the quarter ended September 30, 2022 of the company and its wholly owned subsidiary StitchRite (Private) Limited are attached.

We would like to place on record our deep appreciation for the cooperation of our banks, efforts of our executives and employees for the betterment of the company.

For and on behalf of the Board



Abdul Hakeem Khan Qasuria  
Director



Fareed Mughis Sheikh  
Chief Executive Officer

Lahore  
October 29, 2022

# INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2022

	Note	(Un-Audited) September 30, 2022 Rupees "000"	(Audited) June 30, 2022 Rupees "000"
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid up capital	4	4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
Revaluation surplus on property, plant and equipment		19,594	19,594
Directors' loan		120,000	120,000
General Reserves		4,702	4,702
Unappropriated Profit		1,464,398	1,869,384
Surplus on remeasurement of investments		1,040	1,040
		9,746,222	10,151,208
<b>NON CURRENT LIABILITIES</b>			
Long term finances	5	5,833,716	6,153,624
Liabilities against assets subject to finance lease		-	1,614
Deferred liabilities		6,055,241	5,911,931
		11,888,957	12,067,169
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,099,328	2,688,356
Short term borrowings		3,641,505	3,597,762
Accrued mark up		146,547	119,645
Unclaimed dividend		94	94
Current portion of long term liabilities		1,227,057	969,475
Provision for taxation		567,245	505,413
		8,681,776	7,880,745
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
		30,316,955	30,099,122
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	19,111,108	19,368,679
Right of use assets		84,979	86,056
Investment property		791,089	791,089
Long term investments		177,434	177,434
Investment in subsidiary		130,000	130,000
Long term deposits		51,132	51,132
		20,345,742	20,604,390
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		666,818	625,514
Stock in trade		4,594,725	4,736,428
Trade debts		1,492,143	1,580,033
Loans and advances		1,466,362	1,512,360
Trade deposits and short term prepayments		135,253	85,729
Other financial assets		14	14
Tax refund due from government		1,594,655	933,601
Cash and bank balances		21,243	21,053
		9,971,213	9,494,732
		30,316,955	30,099,122

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Note	(Un-Audited) September 30, 2022 Rupees "000"	(Un-Audited) September 30, 2021 Rupees "000"
Sales-net		5,309,413	7,811,399
Cost of sales	8	5,280,282	7,290,316
Gross profit		29,131	521,083
Operating expenses:			
Distribution cost		59,520	71,319
Administrative expenses		118,956	83,915
		178,476	155,234
Operating (Loss) / Profit		(149,345)	365,849
Finance cost		222,343	168,481
		(371,688)	197,368
Other Income	9	28,534	26,796
(Loss) / Profit before tax		(343,154)	224,164
Taxation	10	61,832	97,407
(Loss) / Profit after tax		(404,986)	126,757
(Loss)/Earnings per share-basic and diluted		(0.81)	0.25
<b>Other Comprehensive Income</b>		-	-
Total Comprehensive (Loss) / Income		(404,986)	126,757

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)

## FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Note	(Un-Audited) September 30, 2022 Rupees "000"	(Un-Audited) September 30, 2021 Rupees "000"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit / (Loss) before taxation</b>		(343,154)	224,164
<b>Adjustments for:</b>			
Provision for gratuity		38,988	39,153
Depreciation		219,038	212,108
Loss on disposal of PPE		10,110	-
Finance cost		222,343	168,481
<b>Operating cash flows before working capital changes</b>		147,325	643,906
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools		(41,304)	(40,490)
Stock in trade		141,703	224,703
Trade debts		87,890	(172,183)
Loans and advances		45,998	123,269
Trade deposits and short term prepayments		(49,524)	(32,804)
Tax refund due from government		(607,791)	24,749
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		410,984	(151,756)
		(12,044)	(24,512)
<b>Cash generated from operating activities</b>		135,281	619,394
Finance cost paid		(75,415)	(64,723)
Gratuity paid		(15,716)	(23,330)
Income tax paid		(53,263)	(52,071)
		(144,394)	(140,124)
<b>Net cash generated from operating activities</b>		(9,113)	479,270
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(34,326)	(343,102)
Proceeds from disposal of PPE		63,825	-
<b>Net cash used in investing activities</b>		29,499	(343,102)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances obtained / (repaid)		(61,424)	(143,881)
Lease rentals-Net		(2,515)	(3,745)
Short term borrowings-net		43,743	7,384
<b>Net cash generated / (used) in financing activities</b>		(20,196)	(140,242)
Net cash (decrease) / increase in cash and cash equivalents during the period		190	(4,074)
Cash and cash equivalents at the beginning of the period		21,053	54,796
Cash and cash equivalents at the end of the period		21,243	50,722

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer



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

	Share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Directors' loan	REVENUE RESERVES			Total
					General reserves	Unappropriated profit/(loss)	Surplus / (Deficit) on Re-measurement of investments	
.....Rupees "000" .....								
Balance as on July 01, 2021	4,980,100	3,156,388	19,594	120,000	4,702	1,590,412	2,951	9,874,147
Profit for the period	-	-	-	-	-	126,757	-	126,757
Balance as at September 30, 2021	4,980,100	3,156,388	19,594	120,000	4,702	1,717,169	2,951	10,000,904
Balance as on July 01, 2022	4,980,100	3,156,388	19,594	120,000	4,702	1,869,384	1,040	10,151,208
Loss for the period	-	-	-	-	-	(404,986)	-	(404,986)
Balance as at September 30, 2022	4,980,100	3,156,388	19,594	120,000	4,702	1,464,398	1,040	9,746,222

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

## SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE PERIOD ENDED SEPTEMBER 30, 2022

#### 1 THE COMPANY AND ITS OPERATIONS

Colony Textile Mills Limited is a public company limited by shares incorporated in Pakistan on January 12, 2011 under the provisions of the Companies Ordinance, 1984 (Now The Companies Act 2017). The company is listed on Pakistan Stock Exchange Limited. The company's registered office is located at M. Ismail Aiwan-i-Science, Ferozpur Road, Lahore, Pakistan. The principal activity of the company is manufacturing and sale of yarn, fabrics, garments made ups and trading in real estate.

#### 2 BASIS OF PREPARATION OF ACCOUNTS

These financial statements are unaudited and are being submitted to members as required under section 237 of the Companies Act, 2017. These have been prepared in accordance with the International Accounting Standard 34 (Interim Financial Reporting) as applicable in Pakistan and notified by Securities and Exchange Commission of Pakistan (SECP).

#### 3 ACCOUNTING POLICIES AND SEASONALITY OF OPERATIONS

3.1 The accounting policies and methods of computations adopted for the preparation of these accounts are the same as applied in the preparation of preceding annual published accounts of the company.

3.2 Some operations of the Company are very much seasonal in nature such as cotton purchase which depends upon the crop season. Effect of such operations are also reflected in these financial statements

	September 30, 2022 Rupees "000"	June 30, 2022 Rupees "000"
<b>4 SHARE CAPITAL</b>		
<b>4.1 Authorized capital</b>		
185,000,000 ( 2021: 185,000,000) ordinary shares of Rs. 10 each	1,850,000	1,850,000
Capital of merged companies		
345,000,000 (2021: 345,000,000) ordinary shares of Rs. 10	3,450,000	3,450,000
	<u>5,300,000</u>	<u>5,300,000</u>
<b>4.2 Issued, subscribed and paid up capital</b>		
20,000 (2021: 20,000) ordinary shares of Rs. 10 each issued as fully paid in cash shares	200	200
497,989,959 (2021: 497,989,959) fully paid ordinary shares of Rs. 10 each issued to the shareholders of amalgamated entities	4,979,900	4,979,900
	<u>4,980,100</u>	<u>4,980,100</u>

	Note	September 30, 2022 Rupees "000"	June 30, 2022 Rupees "000"
<b>5 LONG TERM FINANCES-Secured</b>			
Long term loans		7,049,353	7,110,777
Less: Current portion shown under current liabilities		(1,215,637)	(957,153)
		<u>5,833,716</u>	<u>6,153,624</u>
<b>6 CONTINGENCIES AND COMMITMENTS</b>			
The status of contingencies and commitments are almost same as described in the recent annual accounts.			
<b>7 PROPERTY , PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	18,503,042	18,779,629
Capital work in progress		608,066	589,050
		<u>19,111,108</u>	<u>19,368,679</u>
<b>7.1 Operating fixed assets</b>			
Opening written down value		18,779,629	18,121,144
Add: Cost of additions during the period	7.2	15,310	1,676,513
		18,794,939	19,797,657
Less: Written down value of deletions during the period		73,935	149,814
		18,721,004	19,647,843
Less: Depreciation charged during the period		217,962	868,214
		<u>18,503,042</u>	<u>18,779,629</u>
<b>7.2 Cost of additions during the period</b>			
Building on free hold land		1,289	60,152
Plant and machinery		2,659	1,137,187
Factory tools & equipment		180	23,646
Furniture & fixture		1,041	13,456
Office and other equipment		5,074	8,838
Vehicles		5,067	45,389
Transferred from CWIP		-	387,845
		<u>15,310</u>	<u>1,676,513</u>

	September 30, 2022 Rupees "000"	September 30, 2021 Rupees "000"
<b>8 COST OF SALES</b>		
Raw material consumed	3,161,876	5,024,772
Stores and spares consumed	307,226	366,649
Salaries, wages and benefits	545,204	709,230
Power and fuel	954,723	925,026
Insurance	8,800	13,918
Depreciation	215,404	208,663
Other factory overheads	11,339	27,558
	<u>5,204,572</u>	<u>7,275,816</u>
Adjustment of work in process		
Opening	392,980	499,580
Closing	(377,830)	(495,848)
	<u>15,150</u>	<u>3,732</u>
Cost of goods manufactured	5,219,722	7,279,548
Adjustment of finished goods		
Opening	2,475,640	2,560,618
Closing	(2,415,080)	(2,549,850)
	<u>60,560</u>	<u>10,768</u>
Real estate		
Opening	165,000	165,000
Closing	(165,000)	(165,000)
	<u>-</u>	<u>-</u>
Cost of goods sold	<u>5,280,282</u>	<u>7,290,316</u>
<b>9 OTHER INCOME</b>		
Other income includes profit on bank deposits, exchange gains and rental income.		
<b>10 PROVISION FOR TAXATION</b>		
Current-Minimum Taxation	61,832	97,407
	<u>61,832</u>	<u>97,407</u>
<b>11 RELATED PARTY TRANSACTIONS</b>		
All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions.		
Loan to Stitchrite (Pvt) limited	30,383	5,175
Contribution to Provident Fund Trust	8,036	7,736
<b>12 SEGMENT INFORMATION</b>		
<b>12.1</b>	The company has two reportable business segments. The following summary describes the operation in each of the company's reportable segments:	
	Spinning: Production of different qualities of yarn using cotton and man-made fibers.	
	Weaving: Production of different qualities of greige fabric using cotton and man-made fibre yarn.	
	Transactions among the business segments are recorded at cost. Intersegment sales and purchases have been eliminated from the total.	

## 12.2

Spinning		Weaving		Total-company	
September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
-----Rupees (000)-----		-----Rupees (000)-----		-----Rupees (000)-----	

## Sales:

Total Sales	4,120,771	6,706,479	1,269,388	1,378,654	5,390,159	8,085,133
Inter segment	(80,746)	(273,734)	-	-	(80,746)	(273,734)
External Sales	4,040,025	6,432,745	1,269,388	1,378,654	5,309,413	7,811,399
Cost of sales	4,036,197	6,083,221	1,244,085	1,207,095	5,280,282	7,290,316
Gross profit	3,828	349,524	25,303	171,559	29,131	521,083
Distribution cost	35,712	42,791	23,808	28,528	59,520	71,319
Administration cost	71,373	50,349	47,583	33,566	118,956	83,915
	107,085	93,140	71,391	62,094	178,476	155,234
	(103,258)	256,384	(46,087)	109,465	(149,345)	365,849
Finance cost	133,406	101,089	88,937	67,392	222,343	168,481
	(236,663)	155,295	(135,025)	42,073	(371,688)	197,368

## Unallocated income and expenses

Other income	28,534	26,796
(Loss) / Profit before tax	(343,154)	224,164
Taxation	61,832	97,407
(Loss) / Profit after tax	(404,986)	126,757
Other comprehensive income:	-	-
Total Comprehensive (Loss) / Income	(404,986)	126,757

## 13 AUTHORIZATION FOR ISSUE

These accounts have been approved and authorized for issue by the board of directors in its meeting held on October 29, 2022.



Chief Financial Officer



Director



Chief Executive Officer

# **COLONY TEXTILE MILLS LIMITED**

## **CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

## CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2022

	Note	(Un-Audited) September 30, 2022 Rupees "000"	(Audited) June 30, 2022 Rupees "000"
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid up capital	5	4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
Revaluation surplus on property, plant and equipment		19,594	19,594
Directors' loan		120,000	120,000
General Reserves		4,702	4,702
Unappropriated Profit		1,456,058	1,856,751
Surplus on remeasurement of investments		1,040	1,040
		9,737,882	10,138,575
<b>NON CURRENT LIABILITIES</b>			
Long term finances	6	5,833,716	6,153,623
Liabilities against assets subject to finance lease		-	1,614
Deferred liabilities		6,056,931	5,913,843
		11,890,647	12,069,080
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,187,414	2,840,341
Short term borrowings		3,641,505	3,597,762
Accrued mark up		146,547	119,645
Unclaimed dividend		94	94
Current portion of long term liabilities		1,227,057	969,475
Provision for taxation		571,995	508,410
		8,774,612	8,035,727
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
		30,403,141	30,243,382
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	19,188,903	19,446,781
Right of use assets		84,979	86,055
Investment property		791,089	791,089
Long term investments		177,434	177,434
Long term deposits		51,132	51,132
		20,293,537	20,552,491
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		721,565	680,108
Stock in trade		4,637,732	4,853,572
Trade debts		1,527,213	1,582,836
Loans and advances		1,444,504	1,508,501
Trade deposits and short term prepayments		135,253	85,729
Other financial assets		14	14
Tax refund due from government		1,621,219	958,638
Cash and bank balances		22,104	21,493
		10,109,604	9,690,891
		30,403,141	30,243,382

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Note	(Un-Audited) September 30, 2022 Rupees "000"	(Un-Audited) September 30, 2021 Rupees "000"
Sales-net		5,451,589	7,838,891
Cost of sales	9	5,394,841	7,322,805
Gross profit		56,748	516,086
Operating expenses:			
Distribution cost		65,002	71,607
Administrative expenses		135,045	91,164
		200,047	162,771
Operating (Loss) / Profit		(143,299)	353,315
Finance cost		222,343	168,481
		(365,642)	184,834
Other Income	10	28,534	26,882
(Loss) / Profit before tax		(337,108)	211,716
Taxation	11	63,585	97,532
(Loss) / Profit after tax		(400,693)	114,184
(Loss)/Earnings per share-basic and diluted		(0.80)	0.23

**Other Comprehensive Income**

		-	-
Total Comprehensive (Loss) / Income		(400,693)	114,184

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer



## CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2022

Note	(Un-Audited) September 30, 2022 Rupees "000"	(Un-Audited) September 30, 2021 Rupees "000"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before taxation</b>	(337,108)	211,716
<b>Adjustments for:</b>		
Provision for gratuity	38,988	39,153
Depreciation	220,031	216,661
Loss on disposal of PPE	10,110	-
Finance cost	222,343	168,481
<b>Operating cash flows before working capital changes</b>	154,364	636,011
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(41,457)	(50,823)
Stock in trade	215,840	225,165
Trade debts	55,623	(192,675)
Loans and advances	63,997	126,623
Trade deposits and short term prepayments	(49,524)	(32,804)
Tax refund due from government	(609,312)	24,749
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	347,135	(150,073)
	(17,698)	(49,838)
<b>Cash generated from operating activities</b>	136,666	586,173
Finance cost paid	(75,415)	(64,723)
Gratuity paid	(15,988)	(23,330)
Income tax paid	(53,269)	(52,184)
	(144,672)	(140,237)
<b>Net cash generated from operating activities</b>	(8,006)	445,936
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(35,012)	(350,229)
Proceeds from disposal of PPE	63,825	-
<b>Net cash used in investing activities</b>	28,813	(350,229)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances (repaid)	(61,424)	(143,881)
Lease rentals-Net	(2,515)	(3,745)
Short term borrowings-net	43,743	31,937
<b>Net cash generated / (used) in financing activities</b>	(20,196)	(115,689)
Net cash (decrease) / increase in cash and cash equivalents during the period	611	(19,982)
Cash and cash equivalents at the beginning of the period	21,493	70,884
Cash and cash equivalents at the end of the period	22,104	50,902

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# **CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)** **FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Directors' loan	REVENUE RESERVES			Total
					General reserves	Unappropriated profit/(loss)	Surplus / (Deficit) on Re-measurement of investments	
.....Rupees "000" .....								
Balance as on July 01, 2021	4,980,100	3,156,388	19,594	120,000	4,702	1,564,305	2,951	9,848,040
Profit for the period	-	-	-	-	-	114,184	-	114,184
Balance as at September 30, 2021	4,980,100	3,156,388	19,594	120,000	4,702	1,678,489	2,951	9,962,224
Balance as on July 01, 2022	4,980,100	3,156,388	19,594	120,000	4,702	1,856,751	1,040	10,138,575
Loss for the period	-	-	-	-	-	(400,693)	-	(400,693)
Balance as at September 30, 2022	4,980,100	3,156,388	19,594	120,000	4,702	1,456,058	1,040	9,737,882

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

## CONSOLIDATED SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE PERIOD ENDED SEPTEMBER 30, 2022

#### 1 THE COMPANY AND ITS OPERATIONS

Colony Textile Mills Limited ("the Holding Company") is a Public Company Limited by shares incorporated in Pakistan on 12 January 2011 under the provisions of the repealed Companies Ordinance, 1984 (now The Companies Act 2017). The Holding Company is listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is located at M. Ismail Aiwan-i-Science, Ferozepur Road, Lahore, Pakistan. The principal activity of the Holding Company is manufacturing and sale of yarn, fabric, garments made ups and trading in real estate.

#### 2 THE GROUP AND ITS OPERATIONS

The group consists of :

**Colony Textile Mills Limited (the Holding Company)**

**Stitchrite (Private) Limited (the Subsidiary Company)**

Stitchrite (Private) Limited was incorporated in Pakistan as on 11 October 2019 under the Companies Act, 2017 (XIX of 2017) limited by shares. The registered office of the Company is located at 221-2nd Floor, Karachi Cotton Association Building, I.I. Chandigarh Road, Karachi, North Karachi Town Sindh 74000. The Company is principally engaged in manufacturing and general trading of textile products.

	<b>Effective Shareholding %</b>
Stitchrite (Private) Limited	<b>100</b>

#### 3 BASIS OF PREPARATION OF ACCOUNTS

These financial statements are unaudited and are being submitted to members as required under section 237 of the Companies Act, 2017. These have been prepared in accordance with the International Accounting Standard 34 (Interim Financial Reporting) as applicable in Pakistan and notified by Securities and Exchange Commission of Pakistan (SECP).

#### 4 ACCOUNTING POLICIES AND SEASONALITY OF OPERATIONS

4.1 The accounting policies and methods of computations adopted for the preparation of these accounts are the same as applied in the preparation of preceding annual published accounts of the company.

4.2 Some operations of the Company are very much seasonal in nature such as cotton purchase which depends upon the crop season. Effect of such operations are also reflected in these financial statements

	September 30, 2022 Rupees "000"	June 30, 2022 Rupees "000"
<b>5 SHARE CAPITAL</b>		
<b>5.1 Authorized capital</b>		
185,000,000 ( 2021: 185,000,000) ordinary shares of Rs. 10 each	1,850,000	1,850,000
Capital of merged companies		
345,000,000 (2021: 345,000,000) ordinary shares of Rs. 10	3,450,000	3,450,000
	<u>5,300,000</u>	<u>5,300,000</u>
<b>5.2 Issued, subscribed and paid up capital</b>		
20,000 (2021: 20,000) ordinary shares of Rs. 10 each issued as fully paid in cash shares	200	200
497,989,959 (2021: 497,989,959) fully paid ordinary shares of Rs. 10 each issued to the shareholders of amalgamated entities	4,979,900	4,979,900
	<u>4,980,100</u>	<u>4,980,100</u>

	Note	September 30, 2022 Rupees "000"	June 30, 2022 Rupees "000"
<b>6 LONG TERM FINANCES-Secured</b>			
Long term loans		7,049,353	7,110,776
Less: Current portion shown under current liabilities		(1,215,637)	(957,153)
		<u>5,833,716</u>	<u>6,153,623</u>
<b>7 CONTINGENCIES AND COMMITMENTS</b>			
The status of contingencies and commitments are almost same as described in the recent annual accounts.			
<b>8 PROPERTY , PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	18,580,837	18,857,731
Capital work in progress		608,066	589,050
		<u>19,188,903</u>	<u>19,446,781</u>
<b>8.1 Operating fixed assets</b>			
Opening written down value		18,857,731	18,184,413
Add: Cost of additions during the period	8.2	15,996	1,695,316
		<u>18,873,727</u>	<u>19,879,729</u>
Less: Written down value of deletions during the period		73,935	149,814
		<u>18,799,792</u>	<u>19,729,915</u>
Less: Depreciation charged during the period		218,955	872,184
		<u>18,580,837</u>	<u>18,857,731</u>
<b>8.2 Cost of additions during the period</b>			
Building on free hold land		1,289	60,152
Plant and machinery		2,659	1,148,928
Factory tools & equipment		180	23,881
Furniture & fixture		1,303	16,608
Office and other equipment		5,498	10,202
Vehicles		5,067	47,699
Transferred from CWIP		-	387,846
		<u>15,996</u>	<u>1,695,316</u>

	September 30, 2022 Rupees "000"	September 30, 2021 Rupees "000"
<b>9 COST OF SALES</b>		
Raw material consumed	3,209,093	5,039,312
Stores and spares consumed	314,160	366,878
Salaries, wages and benefits	560,919	717,823
Power and fuel	955,313	925,026
Insurance	8,911	13,919
Depreciation	216,397	215,529
Other factory overheads	14,282	29,557
	<u>5,279,075</u>	<u>7,308,044</u>
Adjustment of work in process		
Opening	435,171	517,526
Closing	(414,965)	(513,794)
	<u>20,206</u>	<u>3,732</u>
Cost of goods manufactured	5,299,281	7,311,776
Adjustment of finished goods		
Opening	2,527,115	2,560,979
Closing	(2,431,555)	(2,549,950)
	95,560	11,029
Real estate		
Opening	165,000	165,000
Closing	(165,000)	(165,000)
	-	-
Cost of goods sold	<u>5,394,841</u>	<u>7,322,805</u>
<b>10 OTHER INCOME</b>		
Other income includes profit on bank deposits, exchange gains and rental income.		
<b>11 PROVISION FOR TAXATION</b>		
Current-Taxation	63,585	97,532
	<u>63,585</u>	<u>97,532</u>
<b>12 RELATED PARTY TRANSACTIONS</b>		
All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions.		
Contribution to Provident Fund Trust	8,036	7,736
<b>13 SEGMENT INFORMATION</b>		
<b>13.1</b> The company has two reportable business segments. The following summary describes the operation in each of the company's reportable segments:		
Spinning: Production of different qualities of yarn using cotton and man-made fibers.		
Weaving: Production of different qualities of greige fabric using cotton and man-made fibre yarn.		
Transactions among the business segments are recorded at cost. Intersegment sales and purchases have been eliminated from the total.		

## 13.2

Spinning		Weaving		Total-company	
September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
-----Rupees (000)-----		-----Rupees (000)-----		-----Rupees (000)-----	

## Sales:

Total Sales	4,120,771	6,706,479	1,269,388	1,378,654	5,390,159	8,085,133
Inter segment	(80,746)	(273,734)	-	-	(80,746)	(273,734)
External Sales	4,040,025	6,432,745	1,269,388	1,378,654	5,309,413	7,811,399
Cost of sales	4,036,197	6,083,221	1,244,085	1,207,095	5,280,282	7,290,316
Gross profit	3,828	349,524	25,303	171,559	29,131	521,083
Distribution cost	35,712	42,791	23,808	28,528	59,520	71,319
Administration cost	71,373	50,349	47,583	33,566	118,956	83,915
	107,085	93,140	71,391	62,094	178,476	155,234
	(103,257)	256,384	(46,088)	109,465	(149,345)	365,849
Finance cost	133,406	101,089	88,937	67,392	222,343	168,481
	(236,663)	155,295	(135,025)	42,073	(371,688)	197,368

## Unallocated income and expenses

Other income		28,534	26,796
(Loss) / Profit before tax		(343,154)	224,164
Taxation		61,832	97,407
(Loss) / Profit after tax		(404,986)	126,757
Other comprehensive income:		-	-
Total Comprehensive (Loss) / Income		(404,986)	126,757

## 14 AUTHORIZATION FOR ISSUE

These accounts have been approved and authorized for issue by the board of directors in its meeting held on October 29, 2022.



Chief Financial Officer



Director



Chief Executive Officer

## ڈائریکٹرز کی جائزہ رپورٹ

محترم حصص داران

کمپنی کے ڈائریکٹران بخوشی درمیانی مدت کے غیر تنقیح شدہ مالی حسابات برائے پہلی سہ ماہی تختہ 2022 پیش کر رہے ہیں۔

آپ کی کمپنی نے پہلی سہ ماہی کے اختتام پر مبلغ 5,309 ملین روپے کا کاروباری حجم حاصل کیا ہے (2021: 7,811 ملین روپے) اور خام منافع مبلغ 29 ملین روپے کا رہا جبکہ پچھلے سال اسی عرصہ میں مبلغ 521 ملین روپے تھا۔ اس عرصہ کا نقصان 405 ملین روپے ہے جبکہ پچھلے سال اسی عرصہ میں یہ خالص منافع مبلغ 127 ملین روپے تھا۔ اس دفعہ نقصان فی حصہ 0.81 روپے ہے (2021: نفع فی حصہ 0.25 روپے)۔

### ٹیکسٹائل صنعت درپیش مشکلات

یہ بات سب کے علم میں ہے کہ ٹیکسٹائل کا شعبہ بری طرح متاثر ہوا ہے۔ کوئی بھی مل ایسی نہیں ہے جو اپنی پوری استعداد کار کے مطابق چل رہی ہو کیونکہ دستیاب نرخوں پر مصنوعات کو بیچنا بہت مشکل ہو رہا ہے۔ عالمی طور پر خام مال کی قیمتیں کم ہو رہی ہیں جبکہ خام مال کے موجودہ سٹاک اور پچھلے سودے تباہی کا باعث بنے ہوئے ہیں۔ مصنوعات کی طلب اتنے کم نرخوں پر کی جا رہی ہے جو کہ موجودہ گرتے ہوئے خام مال کی قیمتوں سے بھی تقابلاً کم ہے مزید سودوں کی ادائیگیاں میں بھی من مرضی ہو رہی ہے جو کہ استحصال اور کاروبار کو بند کرنے کے باعث بن رہی ہیں۔

پاکستان میں کپاس کی فصل کی تباہی نے حالات اور خراب کر دیئے ہیں۔ کپاس کی فصل کم ہونے کی وجہ سے کتنائی کے شعبوں کو مشکلات درپیش ہیں۔ تیل کی بڑھتی ہوئی قیمتیں، افراط زر میں اضافہ، بڑھتی ہوئی شرح سود، سیاسی عدم استحکام، تجارتی خسارہ اور زرمبادلہ کے گھٹتے ہوئے ذخائر کی معیشت پر دباؤ بڑھا رہے ہیں۔ کووڈ کے بعد دنیا کے بدلے ہوئے حالات اور روس اور یوکرین کی جنگ کی وجہ سے ٹیکسٹائل کی مصنوعات کی طلب اور قیمتوں میں کمی کا رجحان چل رہا ہے۔


انتہا درجہ کی قومی اور بین الاقوامی مشکلات کی وجہ سے پوری ٹیکسٹائل صنعت اپنی بقا کی جنگ لڑ رہی ہے۔


اگرچہ مشکلات بہت زیادہ ہیں مگر اس کے باوجود ہم اپنی متعلقین کی بہتری کی خاطر کمپنی کے طویل مدتی اہداف کو حاصل کرنے میں کوشاں ہیں۔

کالونی ٹیکسٹائل ملازمین اور اس کی ذیلی ملکیتی کمپنی سچ رائٹ (پرائیویٹ) لمیٹڈ کے مجموعی مالی حسابات اس سہ ماہی رپورٹ میں شامل ہیں۔

ہم پر امید ہیں کہ ہم اپنے افسران اور دیگر ملازمین کی مدد سے اس کڑے وقت پر قابو پانے کے ساتھ اس سے پوری طاقت سے نبرد آزما ہوں گے۔

### منجانب بورڈ

  
عبدالحکیم خان قصوریہ  
ڈائریکٹر

  
فرید منیث شیخ  
چیف ایگزیکٹو آفیسر

لاہور: 29 اکتوبر 2022

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**COLONY**  
TEXTILE MILLS  
LIMITED

## **Colony Textile Mills Limited**

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