



# **STYLERS**

INTERNATIONAL LIMITED

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE NINE MONTHS ENDED MARCH 31, 2024



## **COMPANY INFORMATION**

### ***Board of Directors***

Mr. Javed Arshad Bhatti	Director/Chairman
Mr. Mian Muhammad Ahsan	Director
Mr. Muhammad Umer	Director
Mr. Muhammad Saqib	Director
Mr. Mustanser Ahmed	Director/CEO
Ms. Salma Bashir	Director-Independent
Mr. Jehanzeb Khan	Director-Independent

### ***Audit Committee***

Mr. Jehanzeb Khan	Chairman
Mr. Muhammad Umer	Member
Ms. Salma Bashir	Member
Mr. Tariq Mehmood	Secretary

### ***Human resource & Remuneration Committee***

Ms. Salma Bashir	Chairman
Mr. Muhammad Saqib	Member
Mr. Mustanser Ahmed	Member
Mr. Umar Hameed	Secretary

### ***Chief Financial Officer***

Mr. Muhammad Umer Kibria

### ***Company Secretary***

Mr. Tariq Majeed

### ***Shares Registrar***

F.D. Registrar Services (Pvt.) Limited  
Suite 1705-A 17th Floor, Saima Trade  
Tower, I.I. Chundrigar Road,  
Karachi  
(92-21) 32271905-6, 32213243

### ***Registered Office***

20-KM, Glaxo Town, Ferozepur Road,  
Lahore

### ***Banks***

Meezan Bank Ltd  
Bank Alfalah Ltd  
Bank Islami Pakistan Limited  
Habib Metropolitan Bank Ltd  
United Bank Limited  
Habib Bank Limited  
Al-Baraka Bank  
Bank Al-Habib Limited

### ***Auditors***

M/s. Riaz Ahmad & Company  
Chartered Accountants

### ***Legal Adviser***

M/s. Ahmer Bilal Soofi & Co.

## DIRECTORS' REPORT

### For The Third Quarter and Nine Months Ended March 31, 2024

The Directors of Stylers International Limited are pleased to submit their report along with the un-audited financial statements of the Company for the third quarter and nine months ended on March 31, 2024.

As you are aware, pursuant to the court order dated December 21, 2023, AEL Textile Limited, a listed company on the Pakistan Stock Exchange (PSX) was merged into Stylers International Limited. Consequently, our Company was listed on PSX from January 22, 2024.

### OPERATING FINANCIAL RESULTS

Financial performance of the Company for third quarter and nine months ended March 31, 2024, is as under:

Description	Period Ended		Quarter Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	------(Rs.M)-----			
Revenue	9,819	10,888	3,770	3,233
Cost of Sales	(7,688)	(8,454)	(3,039)	(2,181)
Gross Profit	2,131	2,434	732	1,052
Admin/Other Expenses/Income	(958)	(296)	(380)	170
Profit Before Taxation	1,173	2,138	351	1,221
Taxation	(156)	(142)	(41)	(41)
<b>Profit for the period</b>	<b>1,017</b>	<b>1,996</b>	<b>310</b>	<b>1,180</b>
Earnings per share (Rupees)	2.34	4.64	0.71	2.74

During the period under review, the Company's net turnover decreased from PKR 10.88 billion to PKR 9.82 billion, however, 3<sup>rd</sup> quarter net turnover increased from PKR 3.23 billion to PKR 3.77 billion (17% increase). The gross profit as a percentage remains same i.e. 22%. Admin/Other Expenses/Income during the period increased mainly due to decrease in other income, however, company expenses are well maintained.

### EARNINGS PER SHARE

The earnings per share for the quarter ended March 31, 2024 is PKR 2.34 compared to PKR 4.64 for the previous year's corresponding period.

### DIVIDEND

We have disbursed 10% interim dividend in Mar-24. This shows our commitment towards sharing the profits with our shareholders.

### FUTURE OUTLOOK

Despite global uncertainties, economic growth is better than expected on several fronts, particularly global inflation is forecast to decline.

Pakistan has taken significant steps to reduce its fiscal deficit, maintaining foreign exchange reserves, stabilizing its currency and boosting exports and remittances. The economic conditions during period under review were not encouraging. The political uncertainty even after elections, higher inflation and interest

rates continued. Energy policy and energy cost are disrupting the steady economy growth, as in Pakistan, textile sector energy cost is not competitive to regional energy cost.

Our state of the art, Leeds Certified, expansion project "Sunshine", is scheduled to be operational in third quarter CY 2024.

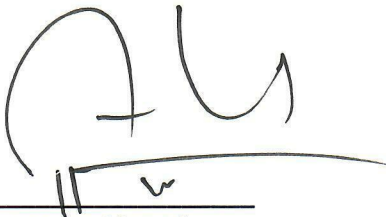
Our commitments towards Sustainability initiatives, 1,600 KWH Solar Power Project is under installation process and it will be fully operational in third quarter CY 2024.

Despite all challenges, we are committed to continuously improving the financial and operational performance of the company and providing best in class product to our valuable customers.

## ACKNOWLEDGEMENT

We thank all stakeholders and appreciate for their continued support in setting our strategic direction, as well as our employees who have tirelessly worked towards achieving our goals, leading to our growth and success.

**For and on behalf of the Board of Directors**



**Mustanser Ahmed**  
Chief Executive Officer



**Muhammad Umer**  
Director

Place: Lahore  
Dated: April 30, 2024

## ڈائریکٹرز کی جائزہ رپورٹ

برائے سہ ماہی اور نو ماہی 31 مارچ 2024

سٹائلرز انٹرنیشنل لمیٹڈ کے ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہی کے لیے کمپنی کے غیر نظر ثانی شدہ مالی گوشواروں (un-audited) کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

جیسا کہ آپ جانتے ہیں کہ مورخہ 21 دسمبر 2023 کے عدالتی حکم کے مطابق، AEL نیکیسٹائل لمیٹڈ جو کہ پاکستان اسٹاک ایکسچینج (PSX) میں ایک Listed کمپنی ہے، کو اسٹائلرز انٹرنیشنل میں ضم کر دیا گیا تھا۔ اس کے نتیجے میں، ہماری کمپنی 22 جنوری 2024 کو PSX میں Listed ہو گئی۔

## آپریٹنگ مالی کارکردگی

31 مارچ 2024 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہی کے لئے کمپنی کی مالی کارکردگی حسب ذیل ہے:

31 مارچ کو اختتام شدہ سہ ماہی		31 مارچ کو اختتام شدہ نو ماہی		تفصیل
2023	2024	2023	2024	
(روپے بلین)	(روپے بلین)	(روپے بلین)	(روپے بلین)	
3,233	3,770	10,888	9,819	آمدنی
(2,181)	(3,039)	(8,454)	(7,688)	فروخت کی لاگت
1,052	732	2,434	2,131	مجموعی منافع
170	(380)	(296)	(958)	انتظامی ادیگر اخراجات/آمدنی
1,221	351	2,138	1,173	قبل از ٹیکس منافع
(41)	(41)	(142)	(156)	ٹیکس
1,180	310	1,996	1,017	بعد از ٹیکس منافع
2.74	0.71	4.64	2.34	فی شیئر آمدنی

زیر جائزہ عرصے کے دوران کمپنی کی مجموعی آمدنی 10.89 بلین روپے سے کم ہو کر 9.82 بلین روپے رہ گئی، تاہم، تیسری سہ ماہی کی مجموعی آمدنی 3.23 بلین روپے سے بڑھ کر 3.77 بلین روپے (17 فیصد زیادہ) ہو گئی۔ فیصد کے طور پر مجموعی منافع یکساں ہی یعنی 22 فی صد رہا ہے۔ اس عرصے کے دوران دیگر آمدنی میں کمی کی وجہ سے اینڈ من/دیگر اخراجات/آمدنی میں اضافہ ہوا ہے، تاہم، کمپنی کے اخراجات اچھی طرح برقرار ہیں۔

## فی شیئر آمدنی

31 مارچ 2024 کو ختم ہونے والی سہ ماہی کی فی حصص آمدنی 2.34 روپے رہی جو گزشتہ سال کی اسی مدت میں 4.64 روپے تھی۔

ہم نے 24 مارچ میں 10 فیصد عبوری منافع تقسیم کیا ہے۔ یہ اپنے حصص داروں کے ساتھ منافع کی تقسیم کے لئے ہمارے عزم کو ظاہر کرتا ہے۔

## مستقبل کا نقطہ نظر

عالمی غیر یقینی صورتحال کے باوجود، کئی محاذوں پر اقتصادی نمو توقع سے بہتر ہے، خاص طور پر عالمی افراط زر میں کمی کی پیش گوئی کی گئی ہے۔

پاکستان نے اپنے مالی خسارے کو کم کرنے، زرمبادلہ کے ذخائر کو برقرار رکھنے، اپنی کرنسی کو مستحکم کرنے اور برآمدات اور ترسیلات زر میں اضافے کے لئے اہم اقدامات اٹھائے ہیں۔ زیر جائزہ مدت کے دوران معاشی حالات حوصلہ افزا نہیں تھے۔ انتخابات کے بعد بھی سیاسی غیر یقینی، افراط زر اور شرح سود میں اضافہ کا سلسلہ جاری رہا۔ توانائی پالیسی اور توانائی کی لاگت مستحکم اقتصادی نمو میں خلل ڈال رہی ہے، جیسا کہ پاکستان میں ٹیکسٹائل کے شعبے میں توانائی کی لاگت علاقائی توانائی کی لاگت سے مسابقتی نہیں ہے۔

ہمارا جدید ترین، لیڈ سرٹیفائیڈ توسیعی منصوبہ "سن شانن" رواں سال 2024 کی تیسری سہ ماہی میں آپریشنل ہونے والا ہے۔

پائیداری (sustainability) کے اقدامات کے لئے ہمارے عزم، 1,600 کلواٹ سنٹی توانائی منصوبہ تنصیب کے عمل میں ہے اور یہ رواں سال 2024 کی تیسری سہ ماہی میں مکمل طور پر آپریشنل ہو جائے گا۔

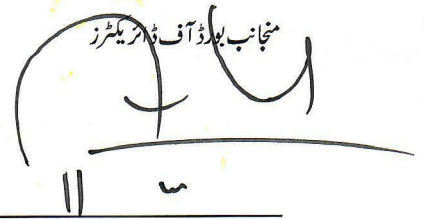
تمام مشکلات کے باوجود، ہم کمپنی کی مالی اور آپریشنل کارکردگی کو مسلسل بہتر بنانے اور اپنے قابل قدر صارفین کو بہترین معیاری مصنوعات فراہم کرنے کے لئے پُر عزم ہیں۔

اظہار تشکر:

ہم تمام اسٹیک ہولڈرز کے کمپنی کی اسٹریٹجی سمت طے کرنے میں ان کی مسلسل حمایت کے شکرگزار ہیں اور اپنے ملازمین کی خدمات کو بھی سراہتے ہیں جنہوں نے ہمارے اہداف کے حصول کے لئے انتھک محنت کی، جس سے ہماری ترقی اور کامیابی ممکن ہوئی ہے۔



محمد عمر  
ڈائریکٹر



مستضر احمد  
چیف ایگزیکٹو آفیسر

مقام: لاہور

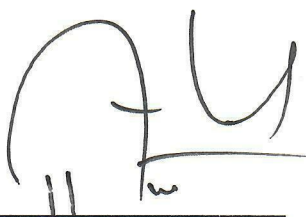
بتاریخ: 30 اپریل 2024ء



**STYLERS INTERNATIONAL LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2024**

Note	PERIOD ENDED		QUARTER ENDED		
	Un-audited	Audited	Un-audited	Audited	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	
------(Rupees)-----					
Revenue	7	9,818,867,464	10,888,371,869	3,770,365,166	3,232,706,381
Cost Of Sales	8	(7,687,911,840)	(8,454,109,594)	(3,038,849,687)	(2,180,975,876)
Gross Profit		2,130,955,624	2,434,262,275	731,515,479	1,051,730,505
Distribution Cost		(393,399,480)	(446,487,673)	(148,965,055)	(134,296,850)
Administrative Expenses		(321,950,310)	(258,299,099)	(104,976,558)	(105,401,906)
Other Expenses		(239,386,817)	(316,205,350)	(84,584,001)	(165,540,056)
		(954,736,607)	(1,020,992,121)	(338,525,614)	(405,238,812)
		1,176,219,017	1,413,270,154	392,989,865	646,491,694
Other Income		176,112,734	847,445,612	23,180,976	608,581,672
Profit From Operations		1,352,331,751	2,260,715,766	416,170,841	1,255,073,366
Bank And Other Charges		(179,571,131)	(122,531,543)	(64,846,037)	(33,669,031)
Profit Before Taxation		1,172,760,620	2,138,184,223	351,324,804	1,221,404,335
Taxation		(156,151,673)	(141,957,741)	(41,387,331)	(41,288,501)
Profit After Taxation		1,016,608,947	1,996,226,482	309,937,473	1,180,115,834
Earnings Per Share- Basic And Diluted (Rupees)	9	2.34	4.64	0.71	2.74

The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



**STYLERS INTERNATIONAL LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2024**

PERIOD ENDED		QUARTER ENDED	
Un-audited	Audited	Un-audited	Audited
31 March 2024	31 March 2023	31 March 2024	31 March 2023

----- (Rupees) -----

PROFIT AFTER TAXATION 1,016,608,947    1,996,226,482    309,937,473    1,180,115,834

OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to profit or loss

-	-	-	-
-	-	-	-
-	-	-	-

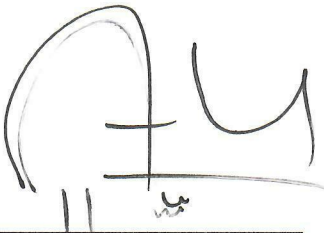
Items that may be reclassified subsequently to profit or loss

Other comprehensive income for the period

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

<u>1,016,608,947</u>	<u>1,996,226,482</u>	<u>309,937,473</u>	<u>1,180,115,834</u>
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The annexed notes form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER


**STYLERS INTERNATIONAL LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 MARCH 2024**

	SHARE CAPITAL	MERGER RESERVE	CAPITAL RESERVE	REVENUE RESERVE	TOTAL RESERVES	SHARE DEPOSIT MONEY	TOTAL EQUITY
			Surplus on revaluation of property, plant and equipment	Unappropriated profits			
(Rupees)							
<b>Balance as at 30 June 2022 - (audited)</b>	4,304,874,200	-	450,194,473	920,496,200	1,370,690,673	200,000,000	5,875,564,873
Share deposit money repaid	-	-	-	-	-	(200,000,000)	(200,000,000)
Profit for the period	-	-	-	1,996,226,481	1,996,226,481	-	1,996,226,481
Other comprehensive income for the period	-	-	1,104,062,373	(17,414,529)	1,086,647,843	-	1,086,647,843
Total comprehensive income for the period	-	-	1,104,062,373	1,978,811,952	3,082,874,324	-	3,082,874,324
Transferred from surplus on revaluation of operating fixed assets	-	-	(700,361)	700,361	-	-	-
<b>Balance as at 31 March 2023 - (audited)</b>	4,304,874,200	-	1,553,556,485	2,900,008,513	4,453,564,997	-	8,758,439,197
Reserve arise upon merger (Note 1.2)	-	64,536,002	-	-	64,536,002	-	64,536,002
Profit for the period	-	-	-	522,109,148	522,109,148	-	522,109,148
Other comprehensive income for the period	-	-	626,833	6,013,462	6,640,295	-	6,640,295
Total comprehensive income for the period	-	-	626,833	528,122,610	528,749,443	-	528,749,443
Transferred from surplus on revaluation of operating fixed assets	-	-	(29,357,535)	29,357,535	-	-	-
Transferred from surplus on revaluation of operating fixed assets on disposal	-	-	(5,010)	5,010	-	-	-
<b>Balance as at 30 June 2023 - (audited)</b>	4,304,874,200	64,536,002	1,524,820,773	3,457,493,668	5,046,850,442	-	9,351,724,642
Reserve arise upon merger	48,000,000	(48,000,000)	-	-	(48,000,000)	-	-
Interim Dividend	-	-	-	(435,287,420)	(435,287,420)	-	(435,287,420)
Profit for the period	-	-	-	1,016,608,947	1,016,608,947	-	1,016,608,947
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,016,608,947	1,016,608,947	-	1,016,608,947
Transferred from surplus on revaluation of operating fixed assets	-	-	(18,537,323)	18,537,323	-	-	-
Transferred from surplus on revaluation of operating fixed assets on disposal	-	-	(43,544)	43,544	-	-	-
<b>Balance as at 31 March 2024 - (Un-audited)</b>	4,352,874,200	16,536,002	1,506,239,906	4,057,396,062	5,580,171,969	-	9,933,046,169

The annexed notes form an integral part of these condensed interim financial statements.

  
 CHIEF EXECUTIVE OFFICER

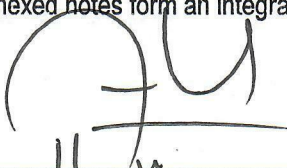
  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER


**STYLERS INTERNATIONAL LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2024**

	Note	PERIOD ENDED	
		Un-audited	Audited
		31 March 2024	31 March 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	10	1,898,477,186	1,876,775,124
Defined benefit liability paid		(96,617,394)	(74,159,509)
Leave encashment paid		(5,492,305)	(8,247,852)
Bank And Other Charges		(179,571,131)	(122,531,543)
Workers' profit participation fund paid		(79,618,899)	(37,407,410)
Workers' welfare fund paid		(57,148,268)	(21,308,345)
Income tax paid		(106,763,125)	(125,196,223)
Net decrease / (increase) in long term deposits		-	273,000
<b>Net cash generated from operating activities</b>		<b>1,373,266,064</b>	<b>1,488,197,242</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(2,897,759,333)	(766,337,604)
Proceeds from disposal of operating fixed assets		30,817,805	9,684,360
Long term investment made		(88,754,463)	(117,468,750)
<b>Net cash used in investing activities</b>		<b>(2,955,695,991)</b>	<b>(874,121,994)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share deposit money repaid		-	(200,000,000)
Short term borrowings obtained		1,571,422,318	300,000,000
Dividend paid		(279,820,104)	
Repayment of lease liability		(42,333,819)	(80,519,729)
<b>Net cash from / (used in) financing activities</b>		<b>1,249,268,395</b>	<b>19,480,271</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(333,161,532)</b>	<b>633,555,519</b>
<b>Net foreign exchange difference on translating cash and bank balances</b>		<b>-</b>	<b>114,131,933</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,299,180,460</b>	<b>614,515,008</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>966,018,928</b>	<b>1,362,202,460</b>

The annexed notes form an integral part of these condensed interim financial statements.

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

**STYLERS INTERNATIONAL LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED 31 MARCH 2024**  
**(UN-AUDITED)**

**1 THE COMPANY AND ITS OPERATIONS**

- 1.1 Stylers International Limited (the Company) was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 27 November 1991 and was converted into a public limited company with effect from 21 May 2021. The Company is listed on Pakistan Stock Exchange Limited. The Company is principally engaged in carrying out manufacturing, marketing of ready made garments and processing services.
- 1.2 The board of directors of the Company in its meeting held on 07 June 2023 and the board of directors of AEL Textiles Limited – (the then associated company) (AEL) in its meeting held on 07 June 2023 approved the Scheme of Arrangement (the Scheme) for merger of AEL with and into the Company. Pursuant to the Order of the Honourable Lahore High Court, Lahore dated 14 June 2023, the shareholders of the Company in their extraordinary general meeting duly held on 18 July 2023 and the shareholders of the AEL in their extraordinary general meeting duly held on 18 July 2023 also approved the Scheme. The Scheme has been sanctioned by Honourable Lahore High Court, Lahore vide order dated 21 December 2023. In terms of the Scheme, AEL together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited (PSX) and eligibility for induction with Central Depository Company) and all its liabilities and obligations) have been merged with and into the Company (the Merger). The effective date of the Scheme is 31 March 2023. Shares of the Company have been issued and allotted to the members of AEL on 10 January 2024 as consideration for the Merger. By filing of requisite documents/information with the PSX, the shares of the Company have been listed on the PSX as on 22 January 2024. As a consequence of the Merger and upon listing of the shares of the Company on PSX, AEL has been de-listed from the PSX and stands dissolved without winding up.

Since the merger of AEL with the Company is the business combination of entities under common control, the merger has been accounted for as a common control transaction and predecessor accounting has been applied. Under predecessor accounting, the acquired net assets of AEL are included in the financial statements of the Company at the same carrying values as recorded in AEL's audited financial statements as at 31 March 2023. The statement of financial position of AEL is consolidated prospectively from the date of merger.

**2 BASIS OF PREPARATION**

- 2.1 These condensed interim financial statements 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; and
  - 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 do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policy information and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual financial statements of the Company for the year ended 30 June 2023.

#### **4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 30 June 2023.

#### **5 CONTINGENCIES AND COMMITMENTS**

##### **a) Contingencies**

There has been no material change in the status of the contingencies reported in the annual audited financial statements of the Company for the year ended 30 June 2023 except following:

i) DCIR issued notices under section 122 of Income Tax Ordinance, 2001 for the tax year 2018 and 2019 dated 21 Sep, 2020. After various hearings, complete data was submitted by company on 18 Aug, 2023. Order is still awaited for tax year 2019 whereas, for tax year 2018, DCIR passed an order creating a demand of Rs. 464 million. The company has filed Appeal against the order in Commissioner Appeal Inland Revenue. The Commissioner Appeals have remanded back the proceedings to DCIR while annulling most of the demand points. Being aggrieved, the Company filed an appeal before ATIR against remanding back the remaining points which is pending adjudication.

ii) ADCIR Issued notice under section 11, 14 and 19 of PRA Sales Tax on Services Act 2012 dated 19 Sep 2023 and passed an order thereon dated 22 Nov 2023 creating a demand of Rs. 205 million. SIL has preferred appeal before Commissioner Appeals dated 28 Dec 2023 which is pending adjudication.

iii) DCIR issued show cause notice dated 10 January, 2024 under section 8, 11 and 25 of Sales Tax Act, 1990 and rule 36 of Sales Tax Rules, 2006. An amount of Rs. 38 million is related to alleged non-compliance of section 8, whereas an amount of Rs. 447 million is related to alleged non-compliance of section 73 of the Act. An amount of Rs. 449 million is calculated by hypothetically comparing stocks of Audited Accounts with stock in Annex-H. Company has duly submitted its reply. Order awaited.

iv) Post dated cheques of Rupees 4,223.178 million (30 June 2023: Rupees 2,397.493 million) are issued to customs authorities in respect of duties on imported items availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.

The Company is actively pursuing the above matters at respective forums. Based on the advice of the legal counsel, the Company is hopeful for the favorable outcome of the matters. Hence, no provision has been made in these financial statements.

##### **b) Commitments**

i) Contracts for capital expenditure are approximately of Rupees 1381.01 million (30 June 2023: Rupees 1,581.409 million).

ii) Letters of credit other than for capital expenditure are of Rupees 1,524.530 million (30 June 2023: Rupees 509.403 million).

## 6 PROPERTY, PLANT AND EQUIPMENT

	<b>Un-audited 31 March 2024 Rupees</b>	<b>Audited 30 June 2023 Rupees</b>
Operating fixed assets (Note 6.1)	4,062,814,629	4,127,940,746
Capital work-in-progress (Note 6.2)	4,662,736,671	1,881,022,363
	<u>8,725,551,300</u>	<u>6,008,963,109</u>
<b>6.1 Operating fixed assets</b>		
Opening book value	4,127,940,746	2,471,967,258
Add: Cost of additions during the period / year (Note 6.3)	116,273,438	760,214,338
Add: Assets transferred upon merger (Note 1.2)	-	54,058
Add: Surplus on revaluation incorporated during the period / year	-	1,108,390,195
	<u>4,244,214,184</u>	<u>4,340,625,849</u>
Less: Book value of deletions during the period / year (Note 6.4)	<u>(17,419,708)</u>	<u>(14,794,254)</u>
	4,226,794,476	4,325,831,595
Less: Depreciation charged during the period / year	<u>(163,979,847)</u>	<u>(197,890,849)</u>
	<u>4,062,814,629</u>	<u>4,127,940,746</u>
<b>6.2 Capital work-in-progress</b>	<b>31 Mar 24</b>	<b>30 Jun 23</b>
Advances against purchase of land	-	6,000,000
Civil works	4,471,051,940	1,840,435,509
Plant and machinery	191,684,731	34,586,854
	<u>4,662,736,671</u>	<u>1,881,022,363</u>
<b>6.3 Cost of additions</b>		
Freehold land	16,917,300	426,126,750
Buildings on freehold land	-	257,800,000
Plant and machinery	9,088,967	17,121,088
Electric installations	1,611,463	3,064,562
Tools and equipment	1,957,695	13,033,846
Furniture and fittings	807,592	15,314,448
IT equipment	9,763,154	13,775,326
Vehicles	75,951,932	13,936,318
Office equipment	175,335	42,000
	<u>116,273,438</u>	<u>760,214,338</u>
<b>6.4 Book value of deletions</b>		
Plant and machinery	223,421	6,364,363
Tools and equipment	16,545	-
IT equipment	301,943	188,849
Vehicles	16,877,799	8,241,042
	<u>17,419,708</u>	<u>14,794,254</u>

## 7 REVENUE

7.1 In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Description	PERIOD ENDED		QUARTER ENDED	
	Un-audited	Audited	Un-audited	Audited
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	----- (Rupees) -----			
<b>Region</b>				
Europe	9,575,128,885	10,460,207,324	3,714,751,142	3,048,392,417
America	-	50,448,454	-	32,948,230
Pakistan	243,738,579	377,716,091	55,614,024	151,365,734
	<u>9,818,867,464</u>	<u>10,888,371,869</u>	<u>3,770,365,166</u>	<u>3,232,706,381</u>
<b>Timing of revenue recognition</b>				
Products and services transferred at a point in time	9,818,867,464	10,888,371,869	3,770,365,166	3,232,706,381
Products and services transferred over time	-	-	-	-
	<u>9,818,867,464</u>	<u>10,888,371,869</u>	<u>3,770,365,166</u>	<u>3,232,706,381</u>
<b>Major products / service lines</b>				
Garments	9,758,114,098	10,798,313,019	3,770,365,166	3,226,690,631
Processing Income	60,753,366	90,058,850	-	6,015,750
	<u>9,818,867,464</u>	<u>10,888,371,869</u>	<u>3,770,365,166</u>	<u>3,232,706,381</u>

7.2 Revenue is recognised at point in time as per the terms and conditions of underlying contracts with customers.

PERIOD ENDED		QUARTER ENDED	
Un-audited	Audited	Un-audited	Audited
31 March	31 March	31 March	31 March
2024	2023	2024	2023

----- (Rupees) -----

## 8 COST OF SALES

Raw materials consumed	5,062,500,639	6,022,490,380	1,867,862,402	1,683,024,974
Processing charges	66,914,895	185,042,952	48,810,150	18,943,019
Salaries, wages and other benefits	2,021,994,515	1,690,795,166	899,002,896	492,213,131
Stores, spare parts and loose tools consumed	58,798,283	59,703,807	20,221,075	15,639,916
Repairs and maintenance	41,918,394	37,416,174	15,289,101	10,459,151
Fuel and power	312,643,007	301,301,579	108,796,104	78,996,162
Insurance	3,799,245	4,574,997	1,225,459	1,952,280
Freight and octroi - inward	35,017,115	55,328,809	14,182,638	9,484,478
Rent, rates and taxes	13,808,097	-	12,908,091	-
Depreciation on property, plant and equipment	131,183,878	121,736,265	31,982,592	54,760,277
Depreciation on right-of-use asset	14,595,350	41,485,546	-	4,107,832
Other expenses	1,789,932	6,080,760	83,324	938,726
	7,764,963,350	8,525,956,436	3,020,363,832	2,370,519,946
Work-in-process				
Opening stock	658,267,601	1,054,948,284	555,463,053	862,621,670
Closing stock	(484,039,234)	(840,540,745)	(484,039,234)	(840,540,745)
	174,228,367	214,407,539	71,423,819	22,080,925
Cost of goods manufactured	7,939,191,717	8,740,363,975	3,091,787,651	2,392,600,871



Finished goods

Opening stock	492,882,088	386,863,016	698,224,001	514,136,390
Closing stock	(766,439,756)	(673,117,396)	(766,439,756)	(673,117,396)
	(273,557,668)	(286,254,380)	(68,215,755)	(158,981,006)
	7,665,634,049	8,454,109,595	3,023,571,896	2,233,619,865

**9 EARNINGS PER SHARE - BASIC AND DILUTED**

PERIOD ENDED	
Un-audited	Audited
31 March 2024	31 March 2023

There is no dilutive effect on the basic earnings per share which is based on:

Profit attributable to ordinary shareholders	(Rupees)	1,016,608,947	1,996,226,482
Weighted average number of ordinary shares	(Numbers)	435,287,420	430,487,420
Earnings per share	(Rupees)	2.34	4.64

PERIOD ENDED	
Un-audited	Audited
31 March 2024	31 March 2023
Rupees	Rupees

**10 CASH GENERATED FROM OPERATIONS**

<b>Profit before taxation</b>	1,172,760,620	2,138,184,222
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on property, plant and equipment (Note 6.1)	163,979,847	126,692,014
Depreciation on right-of-use assets	19,042,922	51,856,933
Amortization on intangible assets	98,550	807,465
Gain from fair value measurement on investment properties	-	(109,757,000)
Loss / (gain) on disposal of property, plant and equipment	(13,626,511)	5,091,530
Provision against doubtful capital expenditures	-	274,050
(Reversal) / Trade debts written off	-	16,835,495
Allowance for expected credit losses against trade debts	-	14,962,260
Gain on termination of lease liabilities	(17,255,945)	-
Provision against doubtful advances to employees	-	107,788
Provision against doubtful sales tax refundable	452,534	31,622,931
(Reversal) / provision against doubtful duty draw back receivable	(5,127,448)	12,075,465
(Reversal) / provision for slow moving raw material	(22,277,791)	7,021,155
Provision for slow moving stores, spare parts and loose tools	2,286,200	638,123
Provision for leave encashment	6,434,658	2,929,426
Provision for defined benefit liability	86,007,152	78,424,442
Doubtful security deposits written off	166,878	-
Finance cost	179,571,131	122,531,543
Provision for workers' profit participation fund	67,474,592	89,297,153
Provision for workers' welfare fund	26,989,837	43,636,413
Net exchange loss - unrealized	37,538,191	(219,727,530)
Gain on foreign exchange forward contracts - net	-	(709,628,835)
Working capital changes (Note 10.1)	193,961,769	172,900,081
	<u>1,898,477,186</u>	<u>1,876,775,124</u>

PERIOD ENDED		
Un-audited	Audited	
31 March 2024	31 March 2023	
Rupees	Rupees	
(Increase) / decrease in current assets:		
- Stores, spare parts and loose tools	10,893,165	11,280,353
- Stock-in-trade	(442,758,758)	27,508,163
- Trade debts	(238,019,740)	1,466,011,284
- Advances, deposits and prepayments	33,323,070	(30,888,091)
- Other receivables	67,186,265	(91,367,773)
- Net defined benefit asset	21,220,484	-
- Accrued profit	2,826,191	-
- Due from the Government	424,024,974	(158,656,326)
	(121,304,349)	1,223,887,610
(Decrease) / increase in trade and other payables	315,266,118	(1,050,987,529)
	193,961,769	172,900,081

### 10.1 Working capital changes

(Increase) / decrease in current assets:

- Stores, spare parts and loose tools
- Stock-in-trade
- Trade debts
- Advances, deposits and prepayments
- Other receivables
- Net defined benefit asset
- Accrued profit
- Due from the Government

(Decrease) / increase in trade and other payables

## 11 FAIR VALUE MEASUREMENT- FINANCIAL INSTRUMENTS

### Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. These are explained as under:

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

## 12 FAIR VALUE MEASUREMENT- NON-FINANCIAL INSTRUMENTS

### (i) Fair value hierarchy

Judgements and estimates are made for non-financial assets that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 31 March 2024 - (Un-audited)	Level 1	Level 2	Level 3	Total
-----Rupees-----				
Property, plant and equipment:				
Freehold land	-	2,357,957,050	-	2,357,957,050
Buildings on freehold land	-	808,221,504	-	808,221,504
Plant and machinery	-	723,597,636	-	723,597,636
Investment properties	-	408,485,000	-	408,485,000
<b>Total non-financial assets carried at fair value</b>	-	<b>4,298,261,190</b>	-	<b>4,298,261,190</b>

At 30 June 2023 - (Audited)	Level 1	Level 2	Level 3	Total
-----Rupees-----				
Property, plant and equipment:				
Freehold land	-	2,341,039,750	-	2,341,039,750
Buildings on freehold land	-	826,596,799	-	826,596,799
Plant and machinery	-	830,725,158	-	830,725,158
Investment properties	-	408,485,000	-	408,485,000
<b>Total non-financial assets carried at fair value</b>	-	<b>4,406,846,707</b>	-	<b>4,406,846,707</b>

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

### (ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for the items of property, plant and equipment carried at revalued amounts every three years. The management updates the assessment of the fair value of each item of property, plant and equipment carried at revalued amount, taking into account the most recent independent valuations. The management determines the value of items of property, plant and equipment carried at revalued amounts within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building. The best evidence of fair value of plant and machinery is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new items of plant and machinery of similar nature and specifications.

The Company obtains independent valuations for its investment properties at least annually. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

#### Valuation processes

The Company engaged external, independent and qualified valuer to determine the fair value of the Company's investment properties and items of property, plant and equipment carried at revalued amount. As at 30 June 2023 and as at 31 March 2023, the fair value of the investment properties and items of property, plant and equipment respectively carried at revalued amount have been determined by Messers Surval (Private) Limited (approved valuer).

Changes in fair values are analyzed between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

### 13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, associated undertakings, staff retirement fund trust, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties other than which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

HALF YEAR ENDED		QUARTER ENDED	
Un-audited	Audited	Un-audited	Audited
31 March 2024	31 March 2023	31 March 2024	31 March 2023
-----Rupees-----			

#### i) Transactions

##### U.S. Apparel and Textiles (Private) Limited

Purchase of fabric and materials	2,045,552	356,133	2,004,842	356,133
Purchase of electricity	2,085,141	2,167,669	1,145,058	2,167,669
Services provided	48,602,310	59,050,255	2,443,984	-
Services obtained	3,656,973	8,189,640	991,880	971,044
Purchase of Laptop	-	139,922	-	139,922
Sale of fabric and materials		14,166,460	-	14,140,800
Shared expenses charged	41,805,536	21,966,874	14,821,613	-
Balances of defined benefit obligation transferred to the Company	-	32,000,389	-	-

##### U.S. Denim Mills (Private) Limited

Purchase of fabric and materials	1,571,172,874	907,063,599	412,016,067	281,194,456
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##### U.S. & Dynamo Mills (Private) Limited

Purchase of fabric and materials	128,415,629	70,663,800	40,745,928	25,430,119
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##### Descon Oxychem Limited

Purchase of materials	-	21,423,918	-	-
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##### A.J. Holdings (Private) Limited

Loan obtained	1,342,172,318	300,000,000	1,090,000,000	-
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##### Naimat Saleem Trust

Lease rentals paid	18,934,992	25,796,731	-	8,598,910
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##### Automotive Plastics (Private) Limited

Loan advances	-	90,818,914	-	-
Loan repayment / given	65,240,305	-	65,240,305	-

HALF YEAR ENDED		QUARTER ENDED	
Un-audited	Audited	Un-audited	Audited
31 March 2024	31 March 2023	31 March 2024	31 March 2023

-----Rupees-----

**AEL Textile Limited**

Services Provided	-	22,278,072	-	16,303,752
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**US Footwear (Private) Limited**

Loan of employee transferred from US

Footwear (Private) Limited	1,166,667	-	1,166,667	-
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**LAMA Retail (Private) Limited**

Services provided	17,579,169	-	7,161,216	-
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**Leeds Logistics (Private) Limited**

Sale of vehicle	14,808,980	-	-	-
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**Mr. Javed Arshad Bhatti**

Long term musharakah obtained	60,000,000	-	60,000,000	-
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Short term borrowings repaid	60,000,000	-	-	-
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Rental against musharakah	5,366,250	-	1,788,750	-
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**Mian Muhammad Ahsan**

Long term musharakah obtained	120,000,000	-	120,000,000	-
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Short term borrowings repaid	150,750,000	-	110,750,000	-
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Rental against musharakah	10,991,250	-	3,663,750	-
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**Mr. Muhammad Saqib Bhatti**

Long term musharakah obtained	60,000,000	-	60,000,000	-
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Rental against musharakah	5,366,250	-	1,788,750	-
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**Mr. Muhammad Siddique Bhatti**

Long term musharakah obtained	60,000,000	-	60,000,000	-
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Rental against musharakah	5,366,250	-	1,788,750	-
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**Mian Salman Ahsan**

Long term musharakah obtained	180,000,000	-	180,000,000	-
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Rental against musharakah	16,616,250	-	5,538,750	-
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**Mrs. Ayesha Haroon**

Short term borrowings reclassified to musharakah arrangements	60,000,000	-	60,000,000	-
Rental against musharakah	5,366,250	-	1,788,750	-

**SJ Holdings (Private) Limited**

Long term musharakah obtained	60,000,000	-	60,000,000	-
Rental against musharakah	5,366,250	-	1,788,750	-

**Employees' Gratuity Fund Trust**

Contributions paid	75,396,910	74,159,509	29,000,000	-
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**As at 31 March 2024 (Un-audited)**

Associated companies	Other related parties	Total
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-----**(Rupees)**-----**Operating fixed assets (Note 6.1)****ii) Period end balances**

Trade and other payables	277,263,355	-	277,263,355
Long term financing	60,000,000	540,000,000	600,000,000
Short term borrowings	-	1,862,172,318	1,862,172,318
Trade debts	1,062,697	-	1,062,697
Loans, advances, deposits and prepayments	15,975,647	-	15,975,647
Other receivables	42,101,510	-	42,101,510

**As at 30 June 2023 (Audited)**

Associated companies	Other related parties	Total
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-----**(Rupees)**-----

Trade and other payables	106,703,249	-	106,703,249
Short term borrowings	520,000,000	370,750,000	890,750,000
Trade debts	262,547	-	262,547
Other receivables	107,341,815	-	107,341,815

**14 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 30 June 2023.



## 15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 30, 2024.

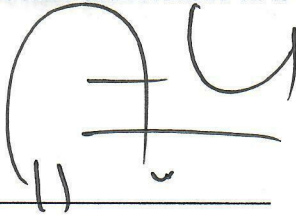
## 16 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year. Further as more fully explained in note 1.2 of these condensed interim financial statement, AEL has been merged with and into the Company with effect from 31 March 2023. Hence, comparative figures of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are not comparable.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

## 17 GENERAL

Figures have been rounded off to the nearest of Rupees.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

20-KM FERROZEPUR ROAD GALAXO TOWN  
LAHORE, PAKISTAN PH# +924235274471-3