

AEL TEXTILES LIMITED

**CONDENSED INTERIM
FINANCIAL STATEMENTS**

31 DECEMBER 2022



COMPANY INFORMATION

Board of Directors

Mr. Mustanser Ahmed	Director/Chairman
Mr. Awais Tariq	Director/CEO
Ms. Ayesha Naweed	Director
Mr. Abdul Rehman	Director
Mr. Aziz Ur Rehman	Director
Mr. Muhammad Nafees Khan	Director
Mr. Abdul Wahab	Director

Audit Committee

Mr. Abdul Rehman	Chairman
Mr. Muhammad Nafees Khan	Member
Mr. Abdul Wahab	Member

Human resource & Remuneration Committee

Mr. Abdul Rehman	Chairman
Mr. Muhammad Nafees Khan	Member
Mr. Abdul Wahab	Member

Chief Financial Officer

Mr. Aziz Ur Rehman

Company Secretary

Mr. Tariq Majeed

Web Presence

www.aeltextiles.com

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

55-60, Al Noor Garden,
Sultan, Town Lahore

Auditors

M/s. HLB Ijaz Tabassum & Co
Chartered Accountants

Bankers

Meezan Bank Limited
National Bank of Pakistan
Habib Bank Limited
AL Baraka Bank (Pakistan) Ltd
Bank Al Habib Limited
United Bank Limited
Bank Alfalah
Habib Metropolitan Bank Ltd



DIRECTORS' REVIEW REPORT

For The Six Months Ended December 31, 2022

The Board of Directors of AEL Textiles Limited are pleased to present un-audited financial results of the Company duly reviewed by the statutory auditors, for the half year ended December 31, 2022.

The management and the substantial shareholding of the Company was changed on 04 November 2022. The new management is committed to revive the Company and has started commercial operations in accordance with the recovery plan that was endorsed by the members at the EOGM held on February 24, 2022, and submitted to Securities and Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange Limited (PSX).

Financial performance of the Company for the half year and quarter ended December 31, 2022, is as under:

Description	HALF YEAR ENDED		QUARTER ENDED	
	December 31,	December 31,	December 31,	December 31,
	2022 (PKR)	2021 (PKR)	2022 (PKR)	2021 (PKR)
Revenue	6,813,975	-	6,813,975	-
Cost of sales	(5,974,320)	-	(5,974,320)	-
Gross profit	839,655	-	839,655	-
Administrative / Other Exp. / Income	(1,190,531)	(9,732,372)	(258,878)	(5,838,030)
Profit / (loss) before Taxation	(350,876)	(9,732,372)	580,777	(5,838,030)
Earnings / (loss) per share	(0.05)	(1.22)	0.06	(0.73)

COMPOSITION OF BOARD:

Board of Directors:

Mr. Mustanser Ahmed	Director/Chairman
Mr. Awais Tariq	Director/CEO
Mrs. Ayesha Naweed	Director
Mr. Abdul Rehman	Director
Mr. Aziz Ur Rehman	Director
Mr. Muhammad Nafees Khan	Director
Mr. Abdul Wahab	Director

Total Numbers of Directors:

- 1) Male 6
- 2) Female 1



Composition:

- 1) Independent Director 2
- 2) Non-Executive Director 3
- 3) Executive Director 2

Board Committees:

Audit Committee:

1. Mrs. Ayesha Naweed Chairperson
2. Mr. Abdul Rahman Member
3. Mr. Abdul Wahab Member

HR & Remuneration Committee:

1. Mr. Mustanser Ahmed Chairman
2. Mr. Abdul Rahman Member
3. Mr. Abdul Wahab Member

FUTURE OUTLOOK:

Global growth is projected at a moderate pace; the inflationary pressures are expected to persist longer than anticipated. Russia's invasion of Ukraine, and the lingering COVID-19 pandemic in China all weigh heavily on the world economic outlook.

The slowdown in the global growth rate, devastating floods and tightening monetary policy has very adversely impacted the Pakistan's economy. Higher interest rates with inflation higher than seen in several decades, unprecedented devaluation of PKR, energy availability constraints and political uncertainty all impacted negatively on the economy. However, your management is committed for the gradual improvement in financial and operational performance of the Company.

ACKNOWLEDGEMENT:

Your Directors wish to thank all stakeholders for their hard work for the Company.

On behalf of the Board of Directors

Awais Tariq
Chief Executive Officer
Dated:- 24 February 2023

Muhammad Nafees Khan
Director

بورڈ کمیٹیاں:

آڈٹ کمیٹی:

- 1- محترمہ عائشہ نوید چیئر پرسن
- 2- جناب عبدالرحمن رکن
- 3- جناب عبدالوہاب رکن

ایچ آر اور معاوضہ کمیٹی:

- 1- جناب مستنصر احمد چیئر مین
- 2- جناب عبدالرحمن رکن
- 3- جناب عبدالوہاب رکن

مستقبل کا نقطہ نظر:

عالمی نمونہ رفتار معتدل رہنے کی توقع ہے۔ افراط زر کا دباؤ آمید سے زائد عرصہ تک برقرار رہنے کی توقع ہے۔ یوکرین پر روس کا حملہ اور چین میں طویل عرصہ سے پھیلنے والی COVID-19 وبائی بیماری کا عالمی اقتصادی نقطہ نظر پر بہت زیادہ دباؤ ہے۔

عالمی شرح نمونہ میں کمی، تباہ کن سیلاب اور مالیاتی پالیسی میں سختی نے پاکستان کی معیشت پر بہت منفی اثرات مرتب کیے ہیں۔ کئی دہائیوں سے بہت زیادہ افراط زر کے ساتھ سوڈی بلنڈ شرح، پاکستانی روپیہ کی قدر میں بہت زیادہ کمی، توانائی کی دستیابی میں رکاوٹیں اور سیاسی غیر یقینی صورتحال نے معیشت پر منفی اثر ڈالا۔ تاہم، آپ کی انتظامیہ کمپنی کی مالی اور آپریشنل کارکردگی میں بتدریج بہتری کے لیے پرعزم ہے۔


اظہار تشکر:

آپ کے ڈائریکٹرز کمپنی کے لیے انتھک محنت کے لیے تمام اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں۔

مخائب بورڈ آف ڈائریکٹرز



محمد نفیس خان
ڈائریکٹر



امیر طارق
چیف ایگزیکٹو آفیسر

بتاریخ: 24 فروری 2023ء

ڈائریکٹرز کی جائزہ رپورٹ

برائے ششماہی 31 دسمبر 2022

AEL ٹیکنیکل لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والی ششماہی کے لیے کمپنی کے آڈیٹرز کی طرف سے باقاعدہ جائزہ شدہ کمپنی کے غیر آڈٹ شدہ مالیاتی نتائج پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

04 نومبر 2022 کو کمپنی کی انتظامیہ اور خاطر خواہ شیئر ہولڈنگ کو تہدیل کر دیا گیا۔ نئی انتظامیہ کمپنی کو بحال کرنے کے لیے پُر عزم ہے اور اس نے ریکوری پلان جس کی 24 فروری 2022 کو منعقدہ EOGM میں ممبران نے توثیق کی تھی اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کو جمع کرایا گیا کے مطابق کمرشل آپریشن شروع کر دیا ہے۔

31 دسمبر 2022 کو ختم ہونے والی ششماہی اور سہ ماہی کے لیے کمپنی کی مالی کارکردگی درج ذیل ہے:

سہ ماہی		ششماہی		تفصیل
31 دسمبر 2021 (پاکستانی روپے)	31 دسمبر 2022 (پاکستانی روپے)	31 دسمبر 2021 (پاکستانی روپے)	31 دسمبر 2021 (پاکستانی روپے)	
-	6,813,975	-	6,813,975	آمدنی
-	(5,974,320)	-	(5,974,320)	فروخت کی لاگت
-	839,655	-	839,655	مجموعی منافع
(5,838,030)	(258,878)	(9,732,372)	(1,190,531)	انتظامی/دیگر اخراجات/آمدنی
(5,838,030)	580,777	(9,732,372)	(350,876)	قبل از ٹیکس منافع (نقصان)
(0.73)	0.06	(1.22)	(0.05)	فی شیئر آمدنی (نقصان)

بورڈ کی تفصیل:

بورڈ آف ڈائریکٹرز:

ڈائریکٹر/چیئرمین	جناب مستنصر احمد
ڈائریکٹر/سی ای او	جناب اویس طارق
ڈائریکٹر	محترمہ عائشہ نوید
ڈائریکٹر	جناب عبدالرحمن
ڈائریکٹر	جناب عزیز الرحمن
ڈائریکٹر	جناب محمد نفیس خان
ڈائریکٹر	جناب عبدالوہاب

ڈائریکٹرز کی کل تعداد:

6	(1) مرد
1	(2) خاتون

ترکیب:

2	(1) آزاد ڈائریکٹر
3	(2) نان ایگزیکٹو ڈائریکٹر
2	(3) ایگزیکٹو ڈائریکٹر



INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of AEL Textiles Limited
Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of AEL TEXTILES LIMITED as at 31 December 2022 and the related 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, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to Note 1.1 to the condensed interim financial statements, which more fully explains that the Company has changed its principal line of business and steps taken for revival of business. The new principal line of business is textile trading and manufacturing and ancillary matters. These condensed interim financial statements have been prepared using going concern basis of accounting. Our conclusion is not qualified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Mrs. Saira Mudassar.

S. Tabussum

HLB IJAZ TABUSSUM & CO.
Chartered Accountants



Place: Lahore
Date: February 27, 2023
UDIN: RR202210189HZLPSbwRG

hlbitc.com

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AEL TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Un-audited 31 December 2022	Audited 30 June 2022	Un-audited 31 December 2022	Audited 30 June 2022
	Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital	100,000,000	100,000,000		
10 000 000 (30 June 2022: 10 000 000) ordinary shares of Rupees 10 each	80,000,000	80,000,000		
Issued, subscribed and paid up share capital				
8 000 000 (30 June 2022: 8 000 000) ordinary shares of Rupees 10 each	(16,809,452)	(16,373,254)		
Reserves	63,190,548	63,626,746		
Total equity	<u>100,000,000</u>	<u>100,000,000</u>		
LIABILITIES				
NON-CURRENT LIABILITY				
Staff retirement gratuity				
CURRENT LIABILITIES				
Trade and other payables	322,882	10,508,758		
Unclaimed dividend	31,348	31,348		
Current portion of non-current liability	-	8,345,000		
Taxation	85,175	-		
TOTAL LIABILITIES	<u>439,405</u>	<u>18,885,106</u>		
CONTINGENCIES AND COMMITMENTS	439,405	18,885,106		
5				
TOTAL EQUITY AND LIABILITIES	<u>63,629,953</u>	<u>82,511,852</u>	TOTAL ASSETS	<u>63,629,953</u>
				<u>82,511,852</u>

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

AEL TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022
(UN-AUDITED)

	Note	HALF YEAR ENDED		QUARTER ENDED	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
-----Rupees-----					
REVENUE FROM CONTRACTS WITH CUSTOMERS	6	6,813,975	-	6,813,975	-
COST OF SALES	7	(5,974,320)	-	(5,974,320)	-
GROSS PROFIT		839,655	-	839,655	-
ADMINISTRATIVE EXPENSES		(1,190,531)	(4,250,258)	(258,878)	(2,610,617)
OTHER EXPENSES		-	(6,139,614)	-	(3,884,913)
		(1,190,531)	(10,389,872)	(258,878)	(6,495,530)
		(350,876)	(10,389,872)	580,777	(6,495,530)
OTHER INCOME		-	657,500	-	657,500
(LOSS) / PROFIT FROM OPERATIONS		(350,876)	(9,732,372)	580,777	(5,838,030)
FINANCE COST		(147)	(907)	-	(785)
(LOSS) / PROFIT BEFORE TAXATION		(351,023)	(9,733,279)	580,777	(5,838,815)
TAXATION		(85,175)	-	(85,175)	-
(LOSS) / PROFIT AFTER TAXATION		(436,198)	(9,733,279)	495,602	(5,838,815)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED - (RUPEES)	8	(0.05)	(1.22)	0.06	(0.73)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

AEL TEXTILES LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF YEAR ENDED 31 DECEMBER 2022
 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	-----Rupees-----			
(LOSS) / PROFIT AFTER TAXATION	(436,198)	(9,733,279)	495,602	(5,838,815)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Increase in surplus on revaluation of property, plant and equipment - net	-	849,359	-	849,359
Items that may be reclassified subsequently to profit or loss	-	-	-	-
	-	849,359	-	849,359
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	<u>(436,198)</u>	<u>(8,883,920)</u>	<u>495,602</u>	<u>(4,989,456)</u>

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

AEL TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	RESERVES						TOTAL	TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVES				
	Premium on issue of right shares	Surplus on revaluation of property, plant and equipment	Sub total	General	Accumulated loss	Sub total		
Balance as at 30 June 2021 - (audited)	80,000,000	63,358,539	143,358,539	14,408,600	(161,311,031)	(146,902,431)	76,456,108	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	
Loss for the period	-	-	-	-	-	-	-	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	-	-	-	-	
Balance as at 31 December 2021 - (un-audited)	80,000,000	63,366,677	143,866,677	14,408,600	(170,703,089)	(156,294,489)	67,572,188	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	-	-	
Transfer from surplus on disposal of property, plant and equipment	-	-	-	-	-	-	-	
Loss for the period	-	-	-	-	-	-	-	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	-	-	-	-	
Balance as at 30 June 2022 - (audited)	80,000,000	83,420	83,420	14,408,600	(110,781,854)	(96,373,254)	63,626,746	
Loss for the period	-	-	-	-	-	-	-	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	-	-	-	-	
Balance as at 31 December 2022 - (un-audited)	80,000,000	-	80,000,000	14,408,600	(111,218,052)	(96,809,452)	63,190,548	

RUPEES

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation

Loss for the period

Other comprehensive income for the period

Total comprehensive loss for the period

Balance as at 31 December 2021 - (un-audited)

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation

Transfer from surplus on disposal of property, plant and equipment

Loss for the period

Other comprehensive income for the period

Total comprehensive loss for the period

Balance as at 30 June 2022 - (audited)

Loss for the period

Other comprehensive income for the period

Total comprehensive loss for the period

Balance as at 31 December 2022 - (un-audited)

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


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER

AEL TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

(UN-AUDITED)	
HALF YEAR ENDED	
31 December 2022	31 December 2021
RUPEES	RUPEES

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation (351,023) (9,733,279)

Adjustments for non-cash charges and other items:

Depreciation - 2,361,961
 Reversal of impairment loss on plant and machinery - (657,500)
 Provision for staff retirement gratuity - 534,790
 Provision for slow moving and obsolete stores, spare parts and loose tools - 1,640,000

CASH USED IN OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES

(351,023) (5,854,028)

Working capital changes:

(Increase) / decrease in current assets:

Loans and advances	-	5,909
Trade debtor	(225)	-
Other receivables	76,145,081	3,342,421
	76,144,856	3,348,330

Decrease in trade and other payables (18,530,876) (180,373)

Cash generated from / (used in) operations

57,262,957 (2,686,071)

Staff retirement gratuity paid

- (245,000)

Net cash generated from / (used in) operating activities

57,262,957 (2,931,071)

CASH FLOWS FROM INVESTING ACTIVITIES

- -

CASH FLOWS FROM FINANCING ACTIVITIES

Short term borrowings received

- 5,938,000

Net cash from financing activities

- 5,938,000

NET INCREASE IN CASH AND CASH EQUIVALENTS

57,262,957 3,006,929

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD

2,184,931 938,388

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

59,447,888 3,945,317

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

AEL TEXTILES LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022
(UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

AEL Textiles Limited (the Company) is a public limited company incorporated in Pakistan on 20 February 1994 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at Room No. 404 and 405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi. The principal activity of the Company is textile trading and manufacturing and ancillary matters. Head office of the Company is located at 55-60 Al Noor Garden Sultan Town, Lahore.

Upon decision of the Board of Directors of the Company on 27 January 2022, members of the Company in an Extraordinary General Meeting (EOGM) held on 24 February 2022 approved to dispose of the Company's assets located at 35-Kilometres, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad. Moreover it was also decided to initiate the implementation of the Alternate / Revival Business Plan for textile trading and manufacturing. The proceeds from the disposal of the assets were used to repay the current and non-current liabilities of the Company and the remaining portion is being utilized for the implementation of the Alternate / Revival Business Plan as mentioned above. On 23 November 2021, Automotive Plastics (Private) Limited (APPL), made a public announcement of intention to acquire more than 51% ordinary shares together with management control of the Company in accordance with the provisions of Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. On 27 June 2022, a share purchase agreement was signed between APPL and sponsors of the Company for the acquisition of 73.57% shares of the Company. On 30 June 2022, APPL made a public announcement of offer to acquire 1 057 181 ordinary shares of the Company. On 14 August 2022, offer letters were dispatched along with the acceptance forms to all shareholders of the Company except sponsors. On 04 November 2022, APPL has become the substantial shareholder of the Company by purchasing 5 899 138 shares (being the aggregate of 5 885 638 ordinary shares purchased pursuant to share purchase agreement dated 27 June 2022 and 13 500 ordinary shares acquired pursuant to public offer). New Board of Directors has been constituted after resignation of the previous Board of Directors on 04 November 2022.

On 05 July 2021, Securities and Exchange Commission of Pakistan (SECP) issued a show cause notice to the Board of Directors and to the Company under section 301(m) read with section 304(b) of the Companies Act, 2017 regarding Company's suspended operations and the proposed winding up of the Company. On 18 October 2022, keeping in view the hearings, Executive Director, Adjudication Department-I of SECP has ordered in writing to drop the proceeding initiated through the SCN without any adverse action with an advise to the Company to keep the commission updated on quarterly basis about the revival of the Company till its conclusion. As per Notice no. PSX/N-1318 dated 26 November 2020 issued by PSX, the Company's shares were placed on the defaulters' segment due to suspended commercial production / business operations in its principal line of business for a continuous period of one year and due to the show cause for winding up issued by SECP. As the winding up proceedings have been dropped by SECP and the new management of the Company has started business operations in new principal line of business of the Company, hence the new management of the Company believes that the Company's shares will now be placed on Normal Counter.

During the half year ended 31 December 2022, the Company has started business operations in new principal line of business of the Company and made gross sales of Rupees 8.177 million. The new management of the Company is confident that the Company will be in profit with increased sales volume. The new sponsor of the Company is committed to support the Company both operationally and financially. Hence, these condensed interim financial statements have been prepared using going concern basis of accounting.

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 2022. 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 ACCOUNTING POLICIES

The accounting policies 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 published financial statements of the Company for the year ended 30 June 2022 except for the fact that previously the financial statements of the Company were prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively. However, as now the Company is a going concern, hence these condensed interim financial statements have been prepared under the historical cost convention. There is no impact of this change on the financial position, profit / loss and cash flows of the Company.

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, there are no significant judgments made by the management in applying the Company's accounting policies and there are no key sources of estimation and

5 CONTINGENCIES AND COMMITMENTS

There was no contingent liability and commitment as at 31 December 2022 (30 June 2022: Rupees Nil)

(UN-AUDITED)			
HALF YEAR ENDED		QUARTER ENDED	
31 December 2022	31 December 2021	31 December 2022	31 December 2021

----- RUPEES -----

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross revenue	8,176,770	-	8,176,770	-
Less: Sales tax	(1,362,795)	-	(1,362,795)	-
	<u>6,813,975</u>	<u>-</u>	<u>6,813,975</u>	<u>-</u>

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(UN-AUDITED)

HALF YEAR ENDED		QUARTER ENDED	
31 December 2022	31 December 2021	31 December 2022	31 December 2021

----- RUPEES -----

Major Product:

Garments	6,813,975	-	6,813,975	-
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Geographical region:

Pakistan	6,813,975	-	6,813,975	-
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Type of customer:

Non-government customer	6,813,975	-	6,813,975	-
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Timing of transfer of goods:

Goods transferred to customers at a point in time	6,813,975	-	6,813,975	-
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(UN-AUDITED)

HALF YEAR ENDED		QUARTER ENDED	
31 December 2022	31 December 2021	31 December 2022	31 December 2021

----- RUPEES -----

7 COST OF SALES

Purchase of garments	5,974,320	-	5,974,320	-
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8 LOSS PER SHARE - BASIC AND DILUTED

(UN-AUDITED)

HALF YEAR ENDED	
31 December 2022	31 December 2021

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

Loss attributable to ordinary shareholders	(Rupees)	(436,198)	(9,733,279)
Weighted average number of ordinary shares	(Numbers)	8,000,000	8,000,000
Loss per share	(Rupees)	(0.05)	(1.22)

9 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of holding company, associated companies / undertaking, 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 are as follows:

Name	Basis of relationship	Nature of transactions	HALF YEAR ENDED		QUARTER ENDED	
			31 December 2022	31 December 2021	31 December 2022	31 December 2021
***** RUPEES *****						
i) Transactions						
Associated companies						
Arshad Textile Mills Limited*	Common directorship	Sharing of costs	-	530,957	-	176,739
		Settlement of balances - net	57,736,272	-	57,736,272	-
Stylers International Limited	Associated company of holding company	Purchase of Garments	5,974,320	-	5,974,320	-
Other related parties						
Directors and executives		Borrowings received	-	5,938,000	-	5,938,000
		Meeting fee and remuneration paid to directors and executives	-	3,090,000	-	1,605,000
ii) Period end balances						
					Un-audited 31 December 2022	Audited 30 June 2022
					Rupees	Rupees
		Trade and other payables			-	9,680,000
		Other receivables			-	75,419,081

* Arshad Textile Mills Limited was related party uptill 04 November 2022.

10 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

11 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.

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

12 GENERAL

Figures have been rounded off to the nearest of Rupee unless otherwise stated.

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors on

24 February 2023



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER