

ZAHIDJEE

HALF YEAR REPORT

**FOR THE PERIOD ENDED
DECEMBER 31, 2022**



ZAHIDJEE TEXTILE MILLS LIMITED

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COMPANY INFORMATION**Board of Directors**

Mr. Ahmad Zahid	Chairman
Mr. Muhammad Zahid	Chief Executive
Mrs. Mehreen Fahad	Director
Mr. Muhammad Ali	Director
Mr. Sajjad Hussain Shah	Independent Director
Mr. Faisal Masood Afzal	Independent Director
Mr. Shahbaz Haider Agha	Independent Director

Audit Committee

Mr. Sajjad Hussain Shah	Chairman
Mr. Faisal Masood Afzal	Member
Mr. Muhammad Ali	Member

HR & Remuneration Committee

Mr. Shahbaz Haider Agha	Chairman
Mr. Muhammad Ali	Member
Mr. Ahmad Zahid	Member
Mr. Muhammad Zahid	Member

Chief Financial Officer

Shahab-ud-Din Khan

Company Secretary

Mr. Muhammad Ilyas

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Ltd
Bank Al-Falah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
JS Bank Limited
MCB Bank
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registered Office

2-H, Gulberg-II, Jail Road, Lahore
Tel: 042-35777291-5

Plant site

- 28-KM, Sheikhpura Road, Faisalabad
- 32-KM, Tandlian wala Road, Faisalabad
- M-3 Industrial City, Sahianwala, Faisalabad

Export Office

2-H, Gulberg-II, Jail Road, Lahore
Tel: 042-35777291-5

Share Registrar

Corptec Associates (Private) Limited
503-E, Johar Town, Lahore
Tel: 042-35170335-6 Fax 042-35170338
E-mail: info@corptec.com.pk

DIRECTORS' REPORT TO SHAREHOLDERS

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

Economic Review

Pakistan's economy is currently going through a fragile phase, tainted by the global recessionary outlook and domestic economic challenges, amidst unfavorable political backdrop. The CPI based inflation continued double-digit growth, led by post floods supply shocks and rising energy costs dented the margins of manufactures. The State Bank of Pakistan, in order to contain surging inflationary pressures, jacked up the interest rates to 16% in November-2022. With government's strict import curbs in place that's Creates the problems for manufacturers.

Industry Review

Textile exports have started feeling the pinch of global slowdown as is visible in the latest numbers released by Pakistan Bureau of Statistics (PBS), for the half year ended December 31, 2022. Sluggish demand, low domestic cotton availability and restricted imports have led to most of the textile companies either shutting down for short term or reducing their production to 50%.

Financial Results

The Summary of key Financial numbers is presented below:

	December 31	
	2022	2021
	(Rupees in '000')	
Sales	16,294,551	10,750,757
Gross profit	2,318,751	2,462,924
Profit before taxation	1,703,268	1,940,374
Provision for taxation	72,946	170,607
Profit after taxation	<u>1,630,322</u>	<u>1,769,766</u>
Earnings per share – Basic and diluted	<u>8.52</u>	<u>9.25</u>

Despite various challenges, your company has been able to achieve considerable growth in terms of sales and profitability. Turnover increased by 55.4 %, securing the top line of Rs. 16.2 billion against Rs. 10.7 billion for the Same Period Last Year , which is due to the acceleration in the sale price of yarn on account of global increase in cotton rate during the period under review, Due to increase in financial cost and inflation impact of Raw Material, the net Profit closed to Rs. 1.630 billion from Rs. 1.769 billion of corresponding period Dec 31, 2021

The net profit translated into Earnings per Share (EPS) of Rs. 8.52 as against Rs. 9.25 of the corresponding period.

Acknowledgments

The directors appreciate sincere contribution and the hard work by staff and workers of the company. We are grateful for the trust and confidence exhibited in the company by shareholders, bankers and other stake holders.

For and on behalf of the Board

Dated: February 28, 2023
Lahore


MUHAMMAD ZAHID
Chief Executive Officer

ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والے نصف سال کے لئے کمپنی کے آڈیٹرز کی جانب سے باضابطہ جائزہ شدہ غیر آڈٹ شدہ مالی نتائج پیش کرتے ہوئے خوشی محسوس کر رہے ہیں

اقتصادی جائزہ

پاکستان کی معیشت اس وقت ایک نازک دور سے گزر رہی ہے، جس میں عالمی کساد کے نقطہ نظر اور غیر موافق سیاسی پس منظر کے درمیان داخلی معاشی چیلنجز شامل ہیں۔ سی پی آئی پر مبنی افراط زر کی شرح میں دو ہندسوں میں اضافہ جاری رہا، جس کی وجہ سے سیلاب کے بعد سپلائی کے جھٹکے اور توانائی کی بڑھتی ہوئی لاگت نے مینوفیکچررز کے مارجن کو نقصان پہنچایا۔ اسٹیٹ بینک آف پاکستان نے افراط زر کے بڑھتے ہوئے دباؤ پر قابو پانے کے لیے نومبر-2022 میں شرح سود کو بڑھا کر 16 فیصد کر دیا۔ حکومت کی جانب سے سخت درآمدی پابندیوں کی وجہ سے مینوفیکچررز کے لیے مشکلات پیدا ہوئیں۔

صنعتی جائزہ

اورہ رائے شماریات پاکستان (پی پی ایس) کی جانب سے 31 دسمبر 2022 کو ختم ہونے والے ششماہی کے تازہ ترین اعداد و شمار کے مطابق ٹیکسٹائل کی برآمدات نے عالمی سطح پر سست روی کا سامنا کرنا شروع کر دیا ہے۔ سست طلب، کم مقامی کپاس کی دستیابی اور محدود درآمدات کی وجہ سے زیادہ تر ٹیکسٹائل کمپنیاں یا تو مختصر مدت کے لیے بند ہو گئیں یا اپنی پیداوار 50 فیصد تک کم ہو گئیں۔

مالی نتائج:

اہم مالیاتی نمبروں کا خلاصہ ذیل میں پیش کیا گیا ہے

تفصیل	31 دسمبر	
	2022	2021
	(روپے ہزاروں میں)	
فروخت	16,294,551	10,750,757
مجموعی منافع	2,318,751	2,462,924
منافع قبل از ٹیکس	1,703,268	1,940,374
ٹیکسیشن	72,946	170,607
منافع بعد از ٹیکس	1,630,322	1,769,766
نی شیئر آمدن	8.52	9.25

مختلف چیلنجوں کے باوجود، آپ کی کمپنی فروخت اور منافع کے لحاظ سے کافی ترقی حاصل کرنے میں کامیاب رہی ہے۔ کاروبار میں 55.4 فیصد اضافہ ہوا، جس نے روپے کی ٹاپ لائن حاصل کی۔ 16.2 ارب روپے کے مقابلے پچھلے سال اسی مدت کے لیے 10.7 بلین جو کہ زیر نظر مدت کے دوران کپاس کی عالمی شرح میں اضافے کی وجہ سے یارن کی فروخت کی قیمت میں تیزی کی وجہ سے ہے مالیاتی لاگت میں اضافے اور خام مال کی افراط زر کے اثرات کی وجہ سے خالص منافع 1.630 ارب روپے پر بند ہوا۔ 1.630 ارب روپے سے 1.769 بلین 31 دسمبر 2021 کو ختم ہوا۔

جس کی وجہ سے نی شیئر آمدنی 8.52 روپے ہو گئی ہے۔ جو کہ گذشتہ سال کی اسی مدت کے دوران 9.25 روپے تھی۔

اظہار تشکر:

ڈائریکٹرز مخلصانہ تعاون اور کمپنی کے عملے اور کارکنوں کی محنت کو سراہتے ہیں۔ اور ہم اپنے حصص یافتگان، بینکوں، مالیاتی اداروں کا کمپنی پر اعتماد کے لئے ان کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



محمد زاہد

(چیف ایگزیکٹو آفیسر)

مورخہ: 28 فروری، 2023

مقام: لاہور

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2022

	Note	Un-audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	14,348,464,378	14,362,509,332
Long term security deposits		27,975,784	27,975,784
		14,376,440,162	14,390,485,116
CURRENT ASSETS			
Stores, spares and loose tools		292,086,293	254,557,964
Stock in trade		4,774,969,684	4,093,773,310
Trade debts		3,989,852,053	4,313,378,831
Loans, advances and deposit		601,045,607	616,478,964
Prepayments		16,606,580	1,461,673
Other receivables		61,288,791	42,316,724
Short term investment	4	117,839,217	125,076,301
Tax refunds due from Government		414,699,278	161,271,930
Cash and bank balances	5	3,225,750,243	2,772,922,754
		13,494,137,746	12,381,238,451
CURRENT LIABILITIES			
Trade and other payables		2,780,072,610	1,484,590,413
Interest / mark up payable		101,020,685	117,871,419
Short term borrowings		3,097,391,403	3,973,559,386
Unclaimed dividend		10,607,479	8,039,833
Current portion of long term finance		505,319,251	383,126,413
Provision for taxation - income tax		211,287,831	322,745,926
		6,705,699,259	6,289,933,390
		21,164,878,649	20,481,790,177
NON - CURRENT LIABILITIES			
Long term finance		3,737,949,237	4,404,524,331
Deferred liability			
Deferred taxation	6	1,156,488,681	1,385,918,367
		4,894,437,918	5,790,442,698
CONTINGENCIES AND COMMITMENTS			
Net worth	7	-	-
		16,270,440,731	14,691,347,479
Represented by :			
Share capital	8	1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment		4,068,399,282	4,076,646,922
Revenue reserves	9	9,921,571,946	8,334,231,054
		16,270,440,731	14,691,347,479
		16,270,440,731	14,691,347,479

The annexed notes from 1 to 18 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	Quarter ended December 31,		Half year ended December 31,	
		2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Sales	10	7,775,920,365	5,680,369,734	16,294,551,280	10,750,757,416
Cost of sales	11	7,177,261,313	4,359,549,845	13,975,799,894	8,287,832,926
Gross profit		598,659,052	1,320,819,889	2,318,751,386	2,462,924,490
Trading profit	12	-	191,513	-	2,115,382
Other income	13	114,059,662	7,559,200	267,754,930	39,949,643
		712,718,714	1,328,570,602	2,586,506,316	2,504,989,515
Distribution cost		145,412,295	61,333,188	281,150,833	113,964,319
Administrative expenses		66,989,314	50,811,736	133,229,907	85,877,137
Other operating expenses		23,977,749	60,148,332	97,263,657	114,264,264
Finance cost		177,684,342	152,853,867	371,594,121	250,510,207
		414,063,700	325,147,124	883,238,518	564,615,927
Profit for the year before taxation:		298,655,014	1,003,423,478	1,703,267,798	1,940,373,588
Provision for taxation	14	24,023,859	135,728,733	72,945,574	170,607,318
Profit for the year		274,631,155	867,694,745	1,630,322,224	1,769,766,270
Earnings per share - Basic and diluted		3.80	4.53	8.52	9.25

The annexed notes from 1 to 18 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	<u>Quarter ended December 31,</u>		<u>Half year ended December 31,</u>	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
Profit for the period	274,631,155	867,694,745	1,630,322,224	1,769,766,270
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>274,631,155</u>	<u>867,694,745</u>	<u>1,630,322,224</u>	<u>1,769,766,270</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			Total
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total	
R u p e e s								
Balance as at July 01, 2021 (Audited)	1,914,210,990	366,258,513	1,096,622,306	1,462,880,819	300,000,000	4,167,630,862	4,467,630,862	7,844,722,671
Transactions with owners								
Dividend paid (Rs. 1.3 per share of Rs. 10 each)	-	-	-	-	-	(248,847,494)	(248,847,494)	(248,847,494)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	1,769,766,270	1,769,766,270	1,769,766,270
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	1,769,766,270	1,769,766,270	1,769,766,270
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(28,582,088)	(28,582,088)	-	28,582,088	28,582,088	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(197,932)	(197,932)	-	197,932	197,932	-
Adjustment of deferred tax for the period	-	-	(3,213,071)	(3,213,071)	-	-	-	(3,213,071)
Balance as at December 31, 2021 (Unaudited)	1,914,210,990	366,258,513	1,064,629,215	1,430,887,728	300,000,000	5,717,329,657	6,017,329,657	9,362,428,375
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	2,207,971,196	2,207,971,196	2,207,971,196
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss								
Surplus on revaluation of property, plant and equipment arisen during the year	-	-	4,068,631,098	4,068,631,098	-	-	-	4,068,631,098
Related deferred tax	-	-	(916,199,254)	(916,199,254)	-	-	-	(916,199,254)
	-	-	3,152,431,844	3,152,431,844	-	-	-	3,152,431,844
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(105,739,298)	(105,739,298)	-	105,739,298	105,739,298	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(3,190,905)	(3,190,905)	-	3,190,905	3,190,905	-
Adjustment of deferred tax for the period	-	-	(31,483,934)	(31,483,934)	-	-	-	(31,483,934)
Balance as at June 30, 2022 (Audited)	1,914,210,990	366,258,513	4,076,646,922	4,442,905,435	300,000,000	8,034,231,054	8,334,231,054	14,691,347,479
Transactions with owners								
Dividend paid (Rs. 1 per share of Rs. 10 each)	-	-	-	-	-	(191,421,099)	(191,421,099)	(191,421,099)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	1,630,322,224	1,630,322,224	1,630,322,224
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	1,630,322,224	1,630,322,224	1,630,322,224
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(148,439,767)	(148,439,767)	-	148,439,767	148,439,767	-
Adjustment of deferred tax for the period	-	-	140,192,127	140,192,127	-	-	-	140,192,127
Balance as at December 31, 2022 (Unaudited)	1,914,210,990	366,258,513	4,068,399,282	4,434,657,795	300,000,000	9,621,571,946	9,921,571,946	16,270,440,731

The annexed notes from 1 to 18 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Un-Audited Dec-31 2022 Rupees	Un-Audited Dec-31 2021 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	1,703,267,798	1,940,373,588
Adjustment for:		
Depreciation of property, plant and equipment	561,507,018	275,920,513
Gain on disposal of non current asset held for sale	-	(1,436,800)
(Gain) / Loss on disposal of operating assets - net	(1,082,360)	1,724,049
Balances written Off - net	(9,508)	(112,251)
Fair value loss on short term investments	7,237,084	-
Finance cost	371,594,121	250,510,207
Operating cash flows before working capital changes	<u>2,642,514,154</u>	<u>2,466,979,306</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(37,528,329)	27,239,952
Stock in trade	(681,196,374)	(3,356,966,286)
Trade debts	323,526,778	(622,074,200)
Loans, advances and deposit	(204,493,339)	(181,271,648)
Prepayments	(15,144,907)	(18,477,301)
Other receivables	(18,972,068)	15,490,717
Tax refunds due from Government	(204,030,789)	(753,673,250)
Increase in current liabilities		
Trade and other payables	1,298,059,352	2,335,718,624
	<u>460,220,324</u>	<u>(2,554,013,392)</u>
Cash generated from / (used in) operating activities	3,102,734,478	(87,034,086)
Finance cost paid	(388,444,855)	(175,898,176)
Income tax paid	(103,111,091)	(103,266,256)
Net cash generated from / (used in) operating activities	<u>2,611,178,531</u>	<u>(366,198,518)</u>

	Un-Audited Dec-31 2022 Rupees	Un-Audited Dec-31 2021 Rupees
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(548,629,704)	(3,375,466,596)
Proceeds from disposal of operating assets	2,250,000	4,315,000
Increase in short term investment	-	(22,223,806)
Proceeds from sale of non current asset held for sale	-	360,636,800
Net cash (used in) investing activities	<u>(546,379,704)</u>	<u>(3,032,738,602)</u>
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	35,000,000	1,793,276,986
Repayment of long term finance	(579,382,256)	(104,512,514)
(Decrease) / Increase in short term borrowings - net	(876,167,983)	3,601,755,163
Dividend paid	(191,421,099)	(248,847,494)
Net cash (used in) / generated from financing activities	<u>(1,611,971,338)</u>	<u>5,041,672,141</u>
Net increase in cash and cash equivalents (a+b+c)	452,827,489	1,642,735,021
Cash and cash equivalents at the beginning of the period	2,772,922,754	384,991,004
Cash and cash equivalents at the end of the period	<u>3,225,750,243</u>	<u>2,027,726,025</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1. GENERAL INFORMATION

- 1.1** Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 2-H Jail Road, Gulberg II, Lahore in the province of Punjab. The Company is listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad, M-3 Industrial Estate, Faisalabad, in the province of Punjab.
- 1.2** The Company's spinning projects comprising 50,400 spindles are under implementation.
- 1.3** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited have been merged with Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.4** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

2.1.1 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.

2.1.2 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

2.1.3 These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2022.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

Standards, interpretations and amendments to published approved accounting standards that are effective in current year:

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2023 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2022.

2.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at valuation and short term investment measured at fair value.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2022.

2.5 Estimates, judgments and risk management policies

- 2.5.1** The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2022.

- 2.5.2** Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2022.

	Note	Un-Audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets		11,832,075,348	12,290,234,384
Capital work in progress		1,866,745,290	1,728,369,377
Non operating lands		16,203,950	16,203,950
Advance against purchase of land		575,525,890	271,847,312
Advances for capital expenditure		57,913,900	55,854,309
		<u>14,348,464,378</u>	<u>14,362,509,332</u>
3.1 Operating assets			
Book value at beginning of period / year		12,290,234,384	5,576,168,368
Additions during the period / year	3.1.1	104,515,622	7,589,528,049
Disposal during the period / year		(1,167,640)	(13,829,549)
Depreciation charge during the period / year		(561,507,018)	(861,632,484)
		<u>11,832,075,348</u>	<u>12,290,234,384</u>
3.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follow			
Freehold land		-	537,854,384
Building on freehold land		-	1,690,829,869
Plant and machinery		103,141,497	5,162,918,242
Electric installations		485,000	118,231,402
Factory equipment		63,500	6,195,336
Office equipment		694,650	5,160,743
Electric appliances		18,500	2,059,041
Furniture and fittings		112,475	379,467
Vehicles		-	65,899,560
		<u>104,515,622</u>	<u>7,589,528,049</u>
3.2 Capital work in progress			
Civil work		510,855,013	498,929,688
Plant and machinery		1,355,890,277	1,229,439,690
		<u>1,866,745,290</u>	<u>1,728,369,377</u>
4. Short term investments			
Investment in ordinary shares	4.1	<u>117,839,217</u>	<u>125,076,301</u>

	Un-Audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees	
4.1	Financial assets at fair value through profit or loss		
	Quoted securities		
	Habib Metropolitan Bank Limited		
	2,022,854 (2022: 2,022,854) Ordinary shares of Rs.10/- each	78,992,449	82,127,872
	JS Bank Limited		
	100,000 (2022: 100,000) Ordinary shares of Rs.10/- each	400,000	571,000
	Askari Bank Limited		
	1,680,000 (2022: 1,680,000) Ordinary shares of Rs.10/- each	29,282,400	38,098,815
	Bank of Punjab		
	1,029,375 (2022: 1,029,375) Ordinary shares of Rs.10/- each	5,579,213	8,506,006
	MCB		
	88,000 (2022: 88,000) Ordinary shares of Rs.10/- each	10,822,240	13,245,512
		125,076,301	142,550,205
	Adjustment in fair value	(7,237,084)	(17,473,904)
		117,839,217	125,076,301

4.2 The fair value of short term investment is based on prices quoted in active markets which is level 1 of fair value hierarchy.

5. Cash and bank balances

Cash in hand	31,813,924	19,795,587
Cash at banks		
In current accounts	230,701,778	86,190,813
In PLS accounts	556,621	421,781
In Deposit accounts	2,962,677,920	2,666,514,573
	3,225,750,243	2,772,922,754

5.1 It represents the investment in Term deposit receipts carrying profit at the rates ranging from 4.9% to 15% per annum.

Un-Audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
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6. DEFERRED TAXATION

Opening balance	1,385,918,367	421,348,664
Deferred tax related to		
Surplus arisen on revaluation	-	916,199,254
Incremental depreciation on revalued assets	(41,505,999)	(45,798,075)
Surplus realised on disposal of revalued assets	-	(1,155,856)
(Reversal) / Provision of deferred tax on surplus	(140,192,127)	34,697,005
Provision during the period	(47,731,560)	60,627,375
	1,156,488,681	1,385,918,367

6.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	1,156,488,681	1,385,918,367

7. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2022 except the following:

	Un-Audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
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Contingencies

Bank guarantees issued in favour of :

Faisalabad Electric Supply Company Limited for supply of electricity.	72,747,000	32,496,000
Excise and taxation department against imposition of infrastructure cess	160,000,000	100,000,000

Commitments

Under letters of credit for:

Plant and machinery	1,548,573,712	2,740,544,263
Raw material and spare parts	5,860,240,841	1,772,892,290

Under contracts for purchase of land

305,223,750

334,426,125

Under contracts for civil work

889,429,789

901,291,603

8. SHARE CAPITAL

8.1 Authorised capital

Un-Audited December 31, 2022	Audited June 30, 2022
Number of shares	

Un-Audited December 31, 2022	Audited June 30, 2022
------------------------------------	-----------------------------

220,000,000 220,000,000

2,200,000,000 2,200,000,000

8.2 Issued, subscribed and paid up capital

Un-Audited December 31, 2022	Audited June 30, 2022
Number of shares	

Un-Audited December 31, 2022	Audited June 30, 2022
------------------------------------	-----------------------------

89,462,580	89,462,580	Ordinary shares of Rs. 10/- each fully paid in cash.	894,625,800	894,625,800
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23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	230,416,040	230,416,040
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78,916,915	78,916,915	Ordinary shares of Rs.10/- each issued as fully paid bonus shares.	789,169,150	789,169,150
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191,421,099 191,421,099

1,914,210,990 1,914,210,990

	Un-Audited December 31, 2022 Rupees	Audited June 30, 2022 Rupees
9. Revenue reserves		
General	300,000,000	300,000,000
Unappropriated profit	9,621,571,946	8,034,231,054
	<u>9,921,571,946</u>	<u>8,334,231,054</u>

	Quarter ended December 31,		Half year ended December 31,	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
10. Sales				
Export				
Cloth / made ups	1,411,208,775	977,327,202	2,440,315,647	1,646,782,745
Local				
Yarn	7,247,205,532	5,303,179,580	15,496,819,719	10,208,601,335
Cloth	268,539	11,677,033	1,822,547	31,781,111
Waste and left over	457,778,401	239,681,487	883,505,276	465,185,645
Conversion receipts	7,661,874	8,802,376	47,028,959	49,993,603
	7,712,914,346	5,563,340,476	16,429,176,501	10,755,561,694
Less : Sales tax	(1,294,336,859)	(808,348,616)	(2,409,428,565)	(1,562,773,921)
	7,829,786,262	5,732,319,062	16,460,063,583	10,839,570,518
Add: Export rebate / duty drawback	7,207,119	159,625	7,207,119	686,389
	7,836,993,381	5,732,478,687	16,467,270,702	10,840,256,906
Less: Commission and claims	61,073,016	52,108,953	172,719,422	89,499,490
	<u>7,775,920,365</u>	<u>5,680,369,734</u>	<u>16,294,551,280</u>	<u>10,750,757,416</u>

11. Cost of sales				
Cost of goods manufactured (Note 11.1)	7,684,100,365	4,256,502,702	14,595,477,482	8,367,402,235
Finished goods				
Opening stock	711,692,149	498,549,650	598,853,613	315,933,198
Closing stock	(1,218,531,201)	(395,502,507)	(1,218,531,201)	(395,502,507)
	(506,839,052)	103,047,143	(619,677,588)	(79,569,309)
	<u>7,177,261,313</u>	<u>4,359,549,845</u>	<u>13,975,799,894</u>	<u>8,287,832,926</u>

11.1 Cost of goods manufactured

Raw material consumed (Note 11.1.1)	6,459,923,885	3,598,059,402	11,846,783,064	6,780,740,557
Packing material consumed	120,337,218	117,508,732	126,761,665	123,735,071
Salaries, wages and benefits	241,415,307	204,784,356	529,650,026	419,978,432
Retirement benefits	-	7,504,062	10,355,547	14,075,199
Stores and spares consumed	49,072,194	47,194,202	270,455,428	194,803,631
Fuel and power	323,664,295	263,610,472	1,249,650,438	608,737,686
Repairs and maintenance	6,116,350	8,293,722	29,314,373	29,312,728
Insurance	5,728,649	4,177,500	11,387,293	8,462,879
Depreciation	381,515,534	150,350,303	547,380,971	272,494,179
Other	1,927,230	1,366,632	4,635,234	3,270,893
	7,589,700,662	4,402,849,382	14,626,374,039	8,455,611,255
Work in process				
Opening stock	353,851,924	66,393,264	228,555,664	124,530,924
Closing stock	(259,452,221)	(212,739,944)	(259,452,221)	(212,739,944)
	94,399,703	(146,346,680)	(30,896,557)	(88,209,020)
	<u>7,684,100,365</u>	<u>4,256,502,702</u>	<u>14,595,477,482</u>	<u>8,367,402,235</u>

	Quarter ended December 31,		Half year ended December 31,	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees
11.1.1 Raw material consumed				
Opening Stock	2,402,537,123	1,758,176,802	2,952,252,684	2,509,188,984
Purchases including purchase expenses	7,179,758,374	7,538,259,541	12,016,901,992	9,969,928,516
	<u>9,582,295,497</u>	<u>9,296,436,344</u>	<u>14,969,154,676</u>	<u>12,479,117,499</u>
Closing stock	(3,122,371,612)	(5,698,376,942)	(3,122,371,612)	(5,698,376,942)
	<u>6,459,923,885</u>	<u>3,598,059,402</u>	<u>11,846,783,064</u>	<u>6,780,740,557</u>

12. TRADING PROFIT

Sale of polyester / cotton	-	96,967,986	-	554,857,374
Cost of sales	-	(96,776,473)	-	(552,741,992)
	<u>-</u>	<u>191,513</u>	<u>-</u>	<u>2,115,382</u>

13. Other income

Income from financial assets:				
Profit on deposits	78,616,400	2,326,427	196,761,470	29,883,142
Gain on sale of non current asset held for sale	-	1,436,800	-	1,436,800
Income from Non financial assets:				
Gain on disposal of vehicle	8,719	-	1,082,360	-
Other	35,434,543	3,795,973	69,911,100	8,629,701
	<u>114,059,662</u>	<u>7,559,200</u>	<u>267,754,930</u>	<u>39,949,643</u>

14. PROVISION FOR TAXATION

	Quarter ended December 31,		Half year ended December 31,	
	2022	2021	2022	2021
	Rupees	Rupees	Rupees	Rupees Restated
Current				
for the period	112,674,804	126,407,567	161,596,519	158,009,458
for prior period	586,613	(41,879,963)	586,613	(41,879,963)
Deferred	(89,237,559)	51,201,129	(89,237,559)	54,477,823
	<u>24,023,859</u>	<u>135,728,733</u>	<u>72,945,574</u>	<u>170,607,318</u>

15. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of directors, associated undertakings and key management personnel. Significant transactions with related parties are as follows:-

Relationship	Nature of transaction	Un-Audited December 31, 2022 Rupees	Un-Audited December 31, 2021 Rupees
Key management personnel	Remuneration	20,096,531	23,093,087
Director	Short term loan	80,885,000	
	Repaid		
	Obtained	150,770,000	
Director	sale of non current asset held for sale	-	360,636,800

16. Date of authorisation for issue

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Company.

17. General

- (a) There is no unusual item included in these interim financial statements which is effecting assets, liabilities, equity, profit or cash flows of the company.
- (b) Provisions for taxation and workers' profit participation fund made in these condensed interim financial statements are subject to adjustment in annual financial statements.
- (c) The figure of corresponding period have been rearranged wherever necessary to reflect more appropriate presentation in the financial statements.

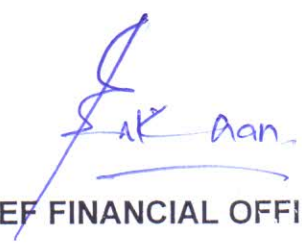
18. Figures have been rounded off to nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER