

# MAQBOOL

## TEXTILE MILLS LIMITED

Half Yearly Report & Financial Statement (Auditor's Reviewed)  
For the half year ended December 31, 2022

## Company Profile

<b>Board of Directors</b>	Ms. Romana Tanvir Sheikh Mian Tanvir Ahmad Sheikh Main Anis Ahmad Sheikh Mian Aziz Ahmad Sheikh Main Atta Shafi Tanvir Sheikh Main Bakhtawar Tanvir Sheikh Mian Shafi Anis Sheikh Maj. ( R ) Javed Mussarat Syed Raza Abbas Jaffari Mr. Tariq Rahim Anwar	- Chairperson - C.E.O        - Independent Director - Independent Director - Independent Director
<b>MAQBOOL TEXTILE MILLS LIMITED</b>		
<b>Audit Committee</b>	Maj. ( R ) Javed Mussarat Mian Idrees Ahmad Sheikh Mian Aziz Ahmad Sheikh	- Chairman - Member - Member
<b>HR &amp; Remuneration Committee</b>	Mian Aziz Ahmad Sheikh Mian Idrees Ahmad Sheikh Main Atta Shafi Tanvir Sheikh	- Chairman - Member - Member
<b>Chief Financial Officer/Company Secretary Head of Internal Audit</b>	M. Ehsanullah Khan Mahmood Ul Hassan	
<b>Auditors</b>	M/s Yousuf Adil Chartered Accountant Mehar Fatima Tower, Opposite High Court, Multan	
<b>Half Yearly Report &amp; Financial Statement (Auditor's Reviewed) For the half year ended December 31, 2021</b>	Khalil Ur Rehman Hameed Law Chambers, Lahore	
<b>For the half year ended December 31, 2020 Bankers</b>	Habib Bank Limited. Bank Al-Habib Limited. Habib Metropolitan Bank Limited. United Bank Limited. Faysal Bank Limited. The Bank of Punjab. Bank Al-Falah Limited (Islamic Banking) Meezan Bank Limited. National Bank of Pakistan (Islamic Banking) National Bank of Pakistan (Conventional) Askari Bank Limited. Bank Alfalah Limited (Islamic Banking) Bankislami Pakistan Limited.	
<b>Registered/Head Office</b>	2-Industrial Estate, Multan	
<b>Mills (Unit I, II, IV &amp; Ginning)</b>	M.M. Road, Chowk Sarwar Shaheed, Disst. Muzaffargarh.	
<b>Mills (Unit III)</b>	Rajana Road, Pir Mahal, Disst. Toba Tek Singh.	
<b>Share Registrar</b>	M/s Hameed Majeed Associates H.M. House, 7-Bank Square, Lahore.	

## **DIRECTORS REPORT**

Dear Shareholders,

On behalf of the Board of Directors of the Company, It is my privilege to present before you the Half Yearly Auditors Reviewed Accounts of the Company for the period ended **31-12-2022** as required U/s 226 of the Companies Act 2017.

The shadows of the economic meltdown in the international as well as local market, ever since the beginning of the Ukrainian war, loomed large on the entire industry in the country, specifically the local Textiles. The overall international economic slump and the diminishing demand for Pakistani Textile products, took a heavy toll on industry which still continues with uncertainty in the market due to prevalent economic conditions. The devaluation of Pakistan Rupee, limited Availability of Foreign Exchange for Imports, inconsistent supply of Raw Materials, high markup rates added to the gravity of the situation. The devastation caused by the unprecedented floods also adversely effected the economy. Your Company also suffered heavily on account of these overall grave economic conditions which affected the production as well as sales quantum with higher costs of production.

During the six month period under report, the operation of the Mills was restricted to **378** working shifts compared to **552** working shifts during the same period last year resulting loss in production by **31.05%**. The total sales for the period were **Rs.4,667 Million** compared to **Rs.4,930 Million** for the corresponding period last year. The gross profit for the period was **Rs.341.66 Million** as compared to **Rs.497.66 Million** last year. The net Loss after providing for the tax amounted to **Rs.192.14 Million** for the Six Month period ended **December 31, 2022** as compared to after Tax net Profit of **Rs.152.29 Million** for the same period last year.

The slump in the market still continues which coupled with the recent extra ordinary budgetary measures and increase in the energy prices is making the situation tougher. However, your Directors are endeavoring hard to cope with the situation and hope to transform the Company operations successfully through the present difficult times.

**Chairperson**  
**Dt.27.02.2023**

# مقبول ٹیکسٹائل ملز لمیٹڈ

## ڈائریکٹر نظر ثانی

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے آدھے سال کی مدت جو کے 2022-12-31 کو ختم ہوتی ہے اس کی آڈٹ شدہ مالیاتی بیانات آپ کے سامنے پیش کرنا میرا اعزاز ہے۔

یوکرائی جنگ کے آغاز کے بعد سے ہی بین الاقوامی اور مقامی مارکیٹ میں معاشی بد حالی کے سائے ملک کی پوری صنعت بالخصوص ٹیکسٹائل پر چھائے ہوئے ہیں۔ مجموعی طور پر بین الاقوامی اقتصادی اور پاکستانی ٹیکسٹائل مصنوعات کی کم ہوتی مانگ نے اس صنعت کو شدید نقصان پہنچایا ہے جو کہ موجودہ معاشی حالات کی وجہ سے مارکیٹ میں اب بھی غیر یقینی صورت حال کا شکار ہے۔ پاکستانی روپے کی قدر میں کمی، درآمدت کیلئے زرمبادلہ کی محدود دستیابی، خام مال کی غیر متواتر فراہمی، مارک اپ کی بلند شرح نے صورت حال کی سنگینی میں اضافہ کیا۔ غیر معمولی سیلاب سے ہونے والی تباہی نے بھی معاہدیت کو بری طرح متاثر کیا۔

آپ کی کمپنی کو ان معاشی حالات کی وجہ سے بھی بہت زیادہ نقصان اٹھانا پڑا جس نے پیداوار کے ساتھ ساتھ اس کی لاگت اور فروخت کی مقدار کو بھی متاثر کیا۔ رپورٹ کے تحت چھ ماہ کی مدت کے دوران پچھلے سال 552 ورکنگ شیفتوں کے مقابلے میں ملز کے آپریشن کو 378 ورکنگ شیفتوں تک محدود رکھا گیا جس کی وجہ سے 31.05 فیصد پیداوار کا نقصان ہوا۔ اس مدت کیلئے کل فروخت 4,667 ملین روپے رہی جو کہ پچھلے سال اسی مدت کیلئے 4,930 ملین روپے تھی۔ اس مدت کیلئے مجموعی منافع 341.66 ملین روپے رہا جس کے مقابلے پچھلے سال 497.66 ملین روپے تھا۔ ٹیکس کی فراہمی کے بعد خالص نقصان 2022-12-31 کو ختم ہونے والی چھ ماہ کی مدت کیلئے 192.14 ملین رہا، جبکہ گزشتہ سال کی اسی مدت کیلئے ٹیکس کے بعد 152.29 ملین روپے خالص منافع تھا۔

مارکیٹ میں مندی بدستور جاری ہے جس کے ساتھ حالیہ غیر معمولی بجٹ کے اقدامات اور توانائی کی قیمتوں میں اضافہ صورتحال کو مزید مشکل بنا رہا ہے۔ تاہم آپ کے ڈائریکٹرز اس صورت حال سے نمٹنے کیلئے بھرپور کوشش کر رہے ہیں اور امید کرتے ہیں کہ موجودہ مشکل وقت میں کمپنی کے کاموں کو کامیابی کے ساتھ بدل دیں گے۔

چیئر پرسن۔

تاریخ: 27-02-2023

## INDEPENDENT AUDITORS' REVIEW REPORT

**To the members of Maqbool Textile Mills Limited**

**Report on the Review of Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Maqbool Textile Mills Limited** (the Company) as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as the "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 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 and the related notes for the three-month period ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 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 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Sufyan.

### **Chartered Accountants**

Multan

Date: 28.02.2023

UDIN: RR202210180k56WhDd7A

**MAQBOOL TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

<b>ASSETS</b>	<b>Note</b>	<b>(Unaudited) December 31, 2022 Rupees</b>	<b>(Audited) June 30, 2022 Rupees</b>
<b>Non-current assets</b>			
Property, plant and equipment	3	4,377,366,579	4,394,408,320
Long term deposits		15,926,564	11,926,564
		<b>4,393,293,143</b>	<b>4,406,334,884</b>
<b>Current assets</b>			
Stores and spares		186,092,999	154,376,454
Stock in trade	4	2,195,015,509	1,464,491,019
Trade debts		1,281,904,998	1,209,849,176
Advances, prepayments and other receivable		61,640,538	271,687,511
Due from government		408,434,412	347,078,051
Advance income tax		65,764,217	126,984,260
Other financial assets	5	10,000,000	-
Cash and bank balances		42,807,257	29,520,661
		<b>4,251,659,930</b>	<b>3,603,987,132</b>
<b>Total assets</b>		<b>8,644,953,073</b>	<b>8,010,322,016</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		184,320,000	184,320,000
Share premium		65,280,000	65,280,000
Surplus on revaluation of property plant and equipment - net of deferred tax		1,596,118,793	1,637,396,190
General reserve		168,000,000	168,000,000
Unappropriated profit		640,803,171	828,283,416
		<b>2,654,521,964</b>	<b>2,883,279,606</b>
<b>Non-current liabilities</b>			
Long term financing	6	631,117,797	693,496,712
Lease liabilities	7	41,884,569	23,174,149
Deferred taxation		680,381,749	630,437,197
Staff retirement benefits - gratuity		55,170,321	52,558,664
		<b>1,408,554,436</b>	<b>1,399,666,722</b>
<b>Current liabilities</b>			
Trade and other payables		1,008,965,708	772,924,546
Accrued markup		141,763,961	76,470,912
Short term borrowings	8	3,209,825,487	2,555,577,395
Unclaimed dividend		3,005,565	3,050,565
Unpaid dividend		4,011,497	3,790,584
Current portion of long term financing	6	104,386,200	139,253,864
Current portion of deferred grant	6	-	2,891,532
Current portion of lease liabilities	7	11,340,360	6,733,552
Provision for taxation		98,577,895	166,682,738
		<b>4,581,876,673</b>	<b>3,727,375,688</b>
<b>Contingencies and commitments</b>	9		
<b>Total equity and liabilities</b>		<b>8,644,953,073</b>	<b>8,010,322,016</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

**Chief Executive**

**Director**

**Acting Chief Financial Officer**

**MAQBOOL TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	Note	.....Six month period ended .....		..... Three month period ended .....	
		December 31, 2022	December 31, 2021	December 31, 2,022	December 31, 2021
		----- Rupees -----			
Revenue from contracts with customers	10	4,667,235,619	4,930,963,487	1,969,056,677	2,816,872,854
Cost of goods sold	11	(4,330,129,102)	(4,447,517,411)	(1,780,078,255)	(2,549,515,692)
Gross profit		337,106,517	483,446,076	188,978,422	267,357,162
Other income		4,555,072	14,210,536	4,555,072	6,340,933
		341,661,589	497,656,612	193,533,494	273,698,095
Selling and distribution expense		(34,575,657)	(33,497,375)	(10,773,092)	(19,572,845)
Administrative expense		(140,364,658)	(114,261,161)	(80,130,917)	(66,008,418)
Other operating expense		-	(16,155,649)	-	(7,454,265)
		(174,940,315)	(163,914,185)	(90,904,009)	(93,035,528)
Finance cost		(267,575,705)	(115,758,230)	(162,082,526)	(61,620,008)
(Loss) / Profit before taxation		(100,854,431)	217,984,197	(59,453,041)	119,042,559
Taxation		(92,059,868)	(65,694,193)	(58,579,550)	(40,209,297)
<b>(Loss) / Profit after taxation</b>		<b>(192,914,299)</b>	<b>152,290,004</b>	<b>(118,032,591)</b>	<b>78,833,262</b>
Earnings per share - basic and diluted		<b>(10.47)</b>	<b>8.26</b>	<b>(6)</b>	<b>4.28</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

Chief Executive

Director

Acting Chief Financial Officer

**MAQBOOL TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	<u>...Six month period ended ...</u>		<u>...Three month period ended ...</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	----- Rupees -----			
<b>(Loss) / Profit for the period</b>	<b>(192,914,299)</b>	152,290,004	<b>(118,032,591)</b>	78,833,262
<b>Other comprehensive income:</b>				
<b><i>Items that will not be reclassified subsequently to profit or loss</i></b>				
Transfer from deferred tax due to change rate on opening revaluation surplus	<b>(17,411,343)</b>	(5,958,567)	<b>(17,411,343)</b>	(5,958,567)
Total comprehensive income for the period	<b><u>(210,325,642)</u></b>	<u>146,331,437</u>	<b><u>(135,443,934)</u></b>	<u>72,874,695</u>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

Chief Executive

Director

Acting Chief Financial Officer



**MAQBOOL TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

Share capital	Share premium	Capital Reserve	Revenue Reserves		Total	
		Surplus on revaluation of property, plant and equipment	General reserve	Unappropriated profit		
----- Rupees -----						
<b>Balance as at July 01, 2021</b>	<b>184,320,000</b>	<b>65,280,000</b>	<b>1,086,594,358</b>	<b>168,000,000</b>	<b>606,821,489</b>	<b>2,111,015,847</b>
Profit for the six month period ended December 31,2021	-	-	-	-	152,290,004	152,290,004
Other comprehensive (loss) for the period	-	-	(5,958,567)	-	-	(5,958,567)
Total comprehensive income for the period	-	-	(5,958,567)	-	152,290,004	146,331,437
<b>Transactions with shareholders:</b>						
Dividend for the year ended June 30,2021 @ Rs. 1.75 per share					(32,256,000)	(32,256,000)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	(34,661,229)	-	34,661,229	-
<b>Balance as at December 31, 2021</b>	<b>184,320,000</b>	<b>65,280,000</b>	<b>1,045,974,562</b>	<b>168,000,000</b>	<b>761,516,722</b>	<b>2,225,091,284</b>
<b>Balance as at July 01, 2022</b>	<b>184,320,000</b>	<b>65,280,000</b>	<b>1,637,396,190</b>	<b>168,000,000</b>	<b>828,283,416</b>	<b>2,883,279,606</b>
Loss for the six month period ended December 31,2022	-	-	-	-	(192,914,299)	(192,914,299)
Other comprehensive income for the period	-	-	(17,411,343)	-	-	(17,411,343)
Total comprehensive income for the period	-	-	(17,411,343)	-	(192,914,299)	(210,325,642)
<b>Transactions with shareholders:</b>						
Dividend for the year ended June 30,2022 @ Rs. 1 per share	-	-	-	-	(18,432,000)	(18,432,000)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	(23,866,054)	-	23,866,054	-
<b>Balance as at December 31, 2022</b>	<b>184,320,000</b>	<b>65,280,000</b>	<b>1,596,118,793</b>	<b>168,000,000</b>	<b>640,803,171</b>	<b>2,654,521,964</b>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

Chief Executive

Director

Acting Chief Financial Officer

**MAQBOOL TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	.....Six month period ended.....	
	December 31, 2022 Rupees	December 31, 2021 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	(100,854,431)	217,984,197
Adjustments for :		
Depreciation on property, plant and equipment	104,077,666	67,543,633
Provision for staff retirement benefits - gratuity	22,513,300	18,729,046
Finance cost	267,575,705	115,758,230
	<u>394,166,671</u>	<u>202,030,909</u>
Operating cash flows before working capital changes	293,312,240	420,015,106
<b>(Increase)/decrease in current assets</b>		
Stores and spares	(31,716,545)	(22,191,547)
Stock in trade	(730,524,490)	(1,484,079,212)
Trade debts	(72,055,822)	(309,368,726)
Loans and advances	210,046,973	(417,121)
Due from government	(61,356,361)	(183,899,581)
	<u>(685,606,245)</u>	<u>(1,999,956,187)</u>
<b>(Decrease)/increase in current liabilities</b>		
Trade and other payables	236,041,162	359,643,685
Cash used in operations	<u>(156,252,843)</u>	<u>(1,220,297,396)</u>
Income tax paid	(66,411,459)	(46,214,895)
Gratuity paid	(19,901,643)	(13,757,940)
Finance cost paid	<u>(202,282,656)</u>	<u>(93,248,499)</u>
	<u>(288,595,758)</u>	<u>(153,221,334)</u>
Net cash used in operating activities	<u>(444,848,601)</u>	<u>(1,373,518,730)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(87,035,925)	(26,560,892)
Additions to long term deposits	(4,000,000)	(1,660,050)
Other financial assets	(10,000,000)	-
Additions to capital work in progress	-	(275,304,665)
Net cash used in investing activities	<u>(101,035,925)</u>	<u>(303,525,607)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of long term financing	-	65,045,600
Repayment of long term financing	(100,138,111)	(113,281,932)
Liabilities against right of use assets- net	23,317,228	8,134,390
Short term borrowings - net	718,209,764	1,401,718,605
Dividend paid	(18,256,087)	(17,091,855)
Net cash (used in)/generated from financing activities	<u>623,132,794</u>	<u>1,344,524,808</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	77,248,268	(332,519,529)
Cash and cash equivalents at beginning of the period	<u>(1,317,656,049)</u>	<u>(573,665,299)</u>
Cash and cash equivalents at end of the period	<u>(1,240,407,781)</u>	<u>(906,184,828)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	42,807,257	24,093,497
Running finance	<u>(1,283,215,038)</u>	<u>(930,278,325)</u>
	<u>(1,240,407,781)</u>	<u>(906,184,828)</u>

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

Chief Executive

Director

Acting Chief Financial Officer

**MAQBOOL TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

**1. LEGAL STATUS**

1.1 Maqbool Textile Mills Limited (the "Company") was incorporated in Pakistan on December 03, 1989 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange (formerly Karachi, Lahore and Islamabad Stock Exchanges). The registered office of the Company is situated at 2-Industrial Estate Multan, Pakistan. The Company is principally engaged in manufacturing, trading and sale of yarn, cotton seed and cotton lint. The Company's area of the mill at unit 1, unit 2 and unit 4 is 65.64 acres located at M.M. Road, Chowk Sarwar Shaheed, Distt.Muzaffargarh and area of unit 3 is 21.81 acres located at Rajana Road, Pirmahal, Distt, Toba Tek Singh.

1.2 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of compliance**

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; 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. These interim financial statements are unaudited but subject to limited scope review by auditors and is being submitted to the shareholders as required under Section 237 of the Act.

2.2 These condensed interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2022. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2022 whereas comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows have been extracted from un-audited condensed interim financial statements for the six month period ended December 31, 2021.

**2.3 Accounting policies and methods of computation**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Company's financial reporting and therefore, have not been detailed in this interim financial statements.

<b>3. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>	<b>(Unaudited) December 31, 2022 Rupees</b>	<b>(Audited) June 30, 2022 Rupees</b>
Operating assets	3.1	<b>4,377,366,579</b>	4,394,408,320
<b>3.1 Operating assets</b>			
Opening carrying value- operating assets		<b>4,364,945,395</b>	2,859,872,473
Opening carrying value- right of use assets		<b>29,462,925</b>	25,435,469
		<b>4,394,408,320</b>	2,885,307,942

		(Unaudited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>Additions during the period / year</b>			
Buildings on freehold land		32,203	150,386,661
Plant and machinery		48,095,965	740,560,045
Electric fittings and installations		6,863,157	24,016,403
Office equipment's		625,600	2,424,155
Telephone installations		-	51,000
Arms & ammunitions		50,000	-
Weighing scales		25,000	-
Furniture and fixtures		289,800	1,336,371
Vehicles- owned		1,891,000	1,146,115
Vehicles- right of use asset		29,163,200	11,067,000
		<b>87,035,925</b>	930,987,750
Revaluation adjustment		-	737,150,221
Depreciation charge for the period/year		(98,247,562)	(151,998,049)
Depreciation charge for the period/year- right of use assets		(5,830,104)	(7,039,544)
Closing carrying value		<b>4,377,366,579</b>	4,394,408,320
Closing carrying value -operating fixed assets		<b>4,318,469,941</b>	4,364,945,395
Closing carrying value- right of use assets		<b>58,896,638</b>	29,462,925
		<b>4,377,366,579</b>	4,394,408,320
<b>4. STOCK IN TRADE</b>			
Raw materials		1,284,072,204	431,583,908
Work in process		97,039,901	90,806,080
Finished goods			
- Yarn		805,687,340	937,792,513
- Waste		8,216,064	4,308,518
		<b>813,903,404</b>	942,101,031
		<b>2,195,015,509</b>	1,464,491,019
<b>5. OTHER FINANCIAL ASSETS</b>	<b>Note</b>		
Measured at amortised cost	5.1	<b>10,000,000</b>	-
<b>5.1 Market value of other financial assets</b>			
<b>December</b>	<b>June</b>		
<b>2022</b>	<b>2022</b>		
<b>Number of certificates</b>	<b>Investment in term finance certificate</b>		
	Bank Al Habib		
	Limited	5.2	
<b>2,000</b>	-	<b>10,000,000</b>	-
<b>2,000</b>	-	<b>10,000,000</b>	-
<b>5.2</b>	This represents investment in AA+ rated, unsecured, subordinated and perpetual term finance certificate of Bank Al Habib Limited having face value of Rs.5,000 per certificate and carries profit at the rate of 6 Months KIBOR +1.65% per annum.		
		(Unaudited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>6. LONG TERM FINANCING</b>	<b>Note</b>		
<b>From banking companies - secured</b>			
Habib Bank Limited			
- LTFF I	6.1	86,045,752	110,630,256
- LTFF II	6.2	4,224,574	8,449,152
- Demand Finance	6.3	18,954,414	24,369,854
		<b>109,224,740</b>	143,449,262

		(Unaudited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
Bank Al Habib Limited			
- TERF	6.4	579,024,257	580,386,850
- Term Finance	6.5	47,255,000	67,255,000
- Salaries and wages loan	6.6	-	44,550,996
		<b>626,279,257</b>	692,192,846
		<b>735,503,997</b>	835,642,108
Current portion of long term loans		<b>(104,386,200)</b>	(139,253,864)
Current portion of deferred grant		-	(2,891,532)
		<b>631,117,797</b>	693,496,712

#### 6.1 **Habib Bank Limited (HBL)- LTFF-I**

This finance has been obtained from HBL for expansion / BMR of Unit No.1. The loan is repayable in 16 equal quarterly installments with one year grace period, commenced from December 28, 2019. Repayment of principal of this loan was deferred for 1 year from March 27, 2020 to March 26, 2021 as per SBP circular no 14 dated March 26, 2020. It carries markup at flat rate of 4%. This finance is secured against first pari passu charge amounting to Rs. 600 million over the fixed assets of the Company and personal guarantees of directors of the Company.

#### 6.2 **Habib Bank Limited (HBL)- LTFF- II**

This finance has been obtained from HBL against retirement of import bills of machinery imported against sanctioned DF/LTF finance facility of Rs. 245 Million. This loan amount has been transferred to LTF/EOP finance from demand finance on August 8, 2019 after approval from SBP. Repayment of principal of this loan was deferred for 1 year from March 27, 2020 to March 26, 2021 as per SBP circular no 14 dated March 26, 2020. It carries markup at flat rate of 4%. This finance is secured against first pari passu charge amounting to Rs.600 million over the fixed assets of the Company and personal guarantees of directors of the Company.

#### 6.3 **Habib Bank Limited (HBL)- DF**

This finance has been obtained from HBL for reprofiling/refinancing of capital expenditures (CAPEX) already incurred by the company. This loan was obtained on August 8, 2019. It is repayable in 16 quarterly installments commenced from December 28, 2019. Repayment of principal of this loan was deferred for 1 year from March 27, 2020 to March 26, 2021 as per SBP circular no 14 dated March 26, 2020. It carries markup at the rate of 6 month KIBOR + 1.50%. During the period, markup was charged at 4.00% to 5.00%. The loan is secured against first pari passu charge amounting to Rs. 600 million over the fixed assets of the Company and personal guarantees of directors of the Company.

#### 6.4 **Bank Al Habib Limited - TERF**

This loan is obtained from Bank Al Habib Limited under SBP's Temporary economic relief finance for refinancing of CAPEX. This loan is repayable in 32 equal quarterly installments commencing from November, 2022 with 2 year grace period. It carries mark up at flat rate of 4%. It is secured against first pari passu charge amounting to Rs. 1,355.4 million over fixed assets of the company and personal guarantees of directors of the company.

#### 6.5 **Bank Al Habib Limited - Term Finance**

This finance has been obtained from Bank Al Habib Limited for reprofiling/refinancing of CAPEX already incurred by the company. The loan was obtained on December 31, 2019 without grace period. It is repayable in 10 quarterly installments commencing from March 31, 2020. Repayment of principal of this loan was deferred for 1 year from March 27, 2020 to September 20, 2021 as per SBP circular no 14 dated March 26, 2020. It carries markup at the rate of 6 month KIBOR + 1.50%. During the period, markup was charged at 12.97% to 17.07%. The loan is secured against first pari passu charge amounting to Rs. 267 million over fixed assets of the company and personal guarantees of directors of the company.

#### 6.6 **Bank Al Habib Limited - Salaries and wages**

This finance has been obtained from Bank Al Habib Limited to pay salaries & wages under SBP's Refinance Scheme for payment of salaries & wages and is repayable in 8 equal quarterly instalments commencing from January 2021 with 6 months grace period. It carries mark up at flat rate of 3%. This loan is secured against first pari passu charge amounting to Rs. 267 million over fixed assets of the company and personal guarantees of directors of the company.

		(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees	Rupees
<b>7. LEASE LIABILITIES</b>			
Present value of minimum lease payments		53,224,929	29,907,701
Current portion shown under current liabilities	7.1	<u>(11,340,360)</u>	<u>(6,733,552)</u>
		<u>41,884,569</u>	<u>23,174,149</u>

- 7.1.** Minimum lease payments have been discounted at an implicit interest rate ranging from 8.13% to 21.40% per annum (June 30, 2022: 8.13% to 17.37% per annum) to arrive at their present values. The lessee has the option to purchase the assets after expiry of the lease term.

The amount of future payments of the lease and the period in which these payments will become due are as follows:

December 2022	Minimum lease payment	Future finance charge	Present value of lease liability
	------(Rupees)-----		
Not later than one year	18,740,384	7,400,024	11,340,360
Later than one year and not later than five years	<u>50,342,157</u>	<u>8,457,588</u>	<u>41,884,569</u>
	<u>69,082,541</u>	<u>15,857,612</u>	<u>53,224,929</u>
June 2022	Minimum lease payment	Future finance charge	Present value of lease liability
	------(Rupees)-----		
Not later than one year	9,667,075	2,933,523	6,733,552
Later than one year and not later than five years	<u>26,358,925</u>	<u>3,184,777</u>	<u>23,174,148</u>
	<u>36,026,000</u>	<u>6,118,300</u>	<u>29,907,701</u>

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
	Rupees	Rupees
<b>8. SHORT TERM BORROWINGS</b>		
<b>From banking companies</b>		
<b>Secured - under markup arrangements</b>		
Running finance	1,283,215,038	1,347,176,710
Cash finance	1,376,364,008	772,904,443
Murabaha finance	<u>550,246,441</u>	<u>435,496,242</u>
	<b>8.1</b>	<u>3,209,825,487</u>
		<u>2,555,577,395</u>

- 8.1** Short term borrowings are available from various banks under mark-up arrangements aggregating to Rs. 7,220 million (June 30, 2022: Rs. 6,320 million) of which facilities remained un-utilized at the period end amounted to Rs. 4,010 million (June 30, 2022: 3,764 million). These facilities are subject to markup ranging from 11.26 % to 17.85 % (June 30, 2022: 8.50 % to 16.54 %) per annum. These facilities are secured against pledge of raw materials and finished goods, hypothecation charge and joint pari passu charge over present and future current assets of the Company, lien on documents of title to goods and personal guarantees of certain directors of the Company.

## **9. CONTINGENCIES AND COMMITMENTS**

- 9.1** There is no significant change in status of contingent liabilities since the annual financial statements as at June 30, 2022.
- 9.2** Commitments outstanding at the end of the period in respect of irrevocable letter of credit is Rs. **31.58 million** (June 30, 2022: 235.31 million) and letter of guarantee is Rs. **18.02 million** (June 2022: Rs. 6.06 million).

----- (Unaudited) -----					
		...Six month period ended ...		...Three month period ended ...	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees	Rupees	Rupees	Rupees
<b>10. REVENUE FROM</b>					
	<b>- CONTRACTS</b>				
	Local	4,541,724,140	4,078,701,714	1,942,312,832	2,341,105,852
	Export	125,511,479	852,261,773	26,743,845	475,767,002
		<b>4,667,235,619</b>	<b>4,930,963,487</b>	<b>1,969,056,677</b>	<b>2,816,872,854</b>
<b>11. COST OF GOODS SOLD</b>					
	Raw materials consumed	3,002,034,276	3,451,365,302	1,189,304,026	2,014,256,736
	Salaries, wages and benefits	304,092,803	302,812,419	151,086,897	159,626,437
	Stores consumed	63,562,843	63,482,347	33,082,722	35,368,549
	Packing materials consumed	60,295,589	68,548,130	29,180,722	36,991,753
	Power and fuel	579,248,206	509,244,390	241,274,689	278,410,407
	Repair and maintenance	13,389,532	18,701,818	9,512,049	13,325,047
	Insurance	6,415,340	8,320,362	2,133,510	3,520,362
	Depreciation	97,486,707	63,109,919	58,484,943	33,059,919
		<b>4,126,525,296</b>	<b>4,485,584,687</b>	<b>1,714,059,558</b>	<b>2,574,559,210</b>
	Work-in-process				
	Opening stock	90,806,080	53,945,001	83,753,330	41,411,260
	Closing stock	(97,039,901)	(88,983,801)	(97,039,901)	(88,983,801)
		<b>(6,233,821)</b>	<b>(35,038,800)</b>	<b>(13,286,571)</b>	<b>(47,572,541)</b>
	Cost of goods manufactured	<b>4,120,291,475</b>	<b>4,450,545,887</b>	<b>1,700,772,987</b>	<b>2,526,986,669</b>
	Finished goods				
	Opening stock	942,101,031	158,193,410	839,305,802	271,937,689
	Purchases	81,640,000	335,645,000	53,902,870	247,458,220
	Closing stock	(813,903,404)	(496,866,886)	(813,903,404)	(496,866,886)
		<b>209,837,627</b>	<b>(3,028,476)</b>	<b>79,305,268</b>	<b>22,529,023</b>
		<b>4,330,129,102</b>	<b>4,447,517,411</b>	<b>1,780,078,255</b>	<b>2,549,515,692</b>

## 12. RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings and key management personnel. The company in the normal course of business carries out transactions with related parties. Significant transactions with related parties are as follows:

----- (Unaudited) -----					
		Six month period ended		Three month period ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees	Rupees	Rupees	Rupees
<b>Key management personnel</b>					
	Remuneration to:				
	Chief Executive	5,294,734	2,960,000	2,647,367	1,980,000
	Directors	9,821,910	4,858,800	4,910,955	2,429,400
	Executives	3,980,000	5,460,000	1,990,000	2,760,000

12.1 All transactions with related parties have been carried out on agreed terms and conditions.

## 13. FAIR VALUE MEASUREMENTS

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy are as follows.

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

### 13.1 Fair value of property, plant and equipment

The Company follows the revaluation model for its free hold land, building on free hold land, plant and machinery, generator and electric fittings and installations. The fair value measurement as at June 30, 2022 was performed by K.G. Traders (Private) Limited. K.G. Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations.

------(Unaudited)-----			
December 31, 2022			
Level 1	Level 2	Level 3	
-----Rupees-----			
<b>Property, plant and equipment</b>			
- Freehold lands	608,820,000	-	
- Buildings on freehold lands	1,014,539,415	-	
- Plant and machinery	2,602,150,935	-	
- Generators	6,407,672	-	
- Electric fittings and installations	63,427,665	-	
-	4,295,345,689	-	
------(Audited)-----			
June 30, 2022			
Level 1	Level 2	Level 3	
-----Rupees-----			
<b>Property, plant and equipment</b>			
- Freehold lands	608,820,000	-	
- Buildings on freehold lands	1,040,520,906	-	
- Plant and machinery	2,619,988,995	-	
- Generators	6,744,918	-	
- Electric fittings and installations	61,347,533	-	
-	4,337,422,352	-	

Other than this the fair value of all financial assets and financial liabilities are approximaee to their carrying value.

### 14. FINANCIAL RISK MANAGEMENT

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

### 15. DATE OF AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were authorized for issue on \_\_\_\_\_, 2023 by the Board of Directors of the Company.

### 16. FIGURES

Figures have been rounded-off to the nearest rupee except stated otherwise.

Chief Executive

Director

Acting Chief Financial Officer