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Company Information

Board of Directors

Mr. Khalid Bashir (Chairman)
Mr. Adil Bashir
Mr. Ahsan Bashir
Mr. Humayun Maqbool
Ms. Maheen Hisham Adamjee
Mr. Mohammad Iqbal
Mr. Shams Rafi

Chief Executive Officer

Nadeem Maqbool

Chief Financial Officer

Mr. Naeem Sheikh

Audit Committee

Mr. Shams Rafi (Chairman)
Mr. Humayun Maqbool
Mr. Ahsan Bashir

HR & R Committee

Ms. Maheen Hisham Adamjee (Chairman)
Mr. Nadeem Maqbool
Mr. Ahsan Bashir
Mr. Adil Bashir

Risk Management Committee

Mr. Humayun Maqbool (Chairman)
Mr. Nadeem Maqbool
Mr. Ahsan Bashir

Share Registrar

Corptec Associates (Pvt) Ltd.
503 -E, Johar Town , Lahore

Auditors

Riaz Ahmad & Co.
Chartered Accountants

Company Secretary

Shahzad Nazir

Bankers

Allied Bank Limited
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
MCB Islamic Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Samba Bank Limited
FINCA Microfinance Bank Limited
Meezan Bank Limited
Bank Alfalah Limited

Registered Office

7-B-III, Aziz Avenue, Gulberg-V, Lahore.

Ph: +92-423-5760379, 35760382

Fax: +92-423-5760376

Email: info@suraj.com

Web: www.suraj.com

Project Locations

Nooriabad, District Dadu, Sindh.
Kotla Kahloon, District Nankana Sahib, Punjab.
Bhaikot, Rawind, District Lahore, Punjab.

Directors' Report

On behalf of the Board of Directors, I am pleased to present the operating and financial performance of the company for the Half Year ended 31 December 2022.

Overview

First half of this fiscal year was marred with acute challenges on economic front. The country faced tremendous challenges on the economic and political front which has led to an increase in the policy rate in addition to a weakening currency exacerbating inflationary pressures. Specifically, the textile industry has faced reduced demand from both the domestic and international markets. During FY 2023, large scale manufacturing (LSM) witnessed a contraction of 3.6 percent against the growth of 7.2 percent same period last year. Even sharp decline in rupee value couldn't keep exports afloat with the exports declining by 6.8 percent during Jul-Dec FY2023 and reached \$ 14.2 billion against \$ 15.2 billion last year.

Due to macro-economic deterioration and cost push inflation, sales of the company witnessed a significant decline of 24.1% to PKR 8.4 billion resulting in a decline of 90.46% in gross profit margins as compared with corresponding period. Financial charges increased due to hike in policy rate and working capital requirements and additional financing for BMR. Due to uncertain state of the economy, equities market continued to decline and as a result your company's equity portfolio has not performed well. We had to provide for impairment losses of almost Rs.42.7 million through P&L and Rs. 113.75 million through OCI. The factors outlined above have contributed to a net loss of PKR 105.167 million translating into a loss per share of Rs. 2.37.

The financial performance of your company for the Half Year ended December 31, 2022 as compared to that of last year is presented below:

Brief Income Statement	2022	2021	% Change
	(PKR in Million)		
Sales	8,398	11,064	-24.10%
Gross profit	248	2,607	-90.46%
Operating profit	176	2,337	-92.44%
Financial cost	(137)	(99)	38.59%
Profit before taxation	38	2,238	-98.26%
Taxation	(144)	(474)	-69.64%
Net Profit	(105)	1,763	-105.96%
Earnings per Share (EPS)	(2.37)	39.74	

Future Outlook

The current year has begun with many challenges with world-wide demand destruction and devastating floods in Pakistan which has adversely affected the domestic cotton crop reducing total output to about 5 million bales as compared to 8.3 million bales last year. However, we have seen a sharp decline in the consumption of cotton in almost all the textile producing countries which has led to a decline in prices. All textile producing countries have reported capacity reductions and we do not expect demand to recover fully until mid 2023. Although there have been some improvement in demand during the latter half of the 2nd quarter, we do not consider this to be sustainable in the medium term. There is a tremendous overhang of inventories for both yarn and fabric and it will take some time for this to reduce to normal levels.

In view of the pressure on the current account deficit, opening of letters of credit for raw materials and other essentials has become very difficult. The textile industry requires raw cotton due to a short domestic crop and these restrictions can only further reduce operating capacities. The currency depreciation and higher borrowing costs will place further pressure on Pakistan's exports as industry continues to battle to keep afloat.

We expect that the above factors and a manifold increase in energy costs will keep input prices very high thus affecting future profitability. All the textile producing countries are now facing the prospect of demand destruction and unless the world economies begin to recover, we see an extremely difficult year ahead. We anticipate that our earnings projections for the current year to be lower than last year but it is very difficult at this stage to give any realistic estimates. Although we expect that a weaker currency should increase exports but our reliance on costly imports of raw materials and other inputs will more than offset the benefit. Energy prices will consequently rise and an aggressive monetary policy will not help in controlling inflation.

The management remains cognizant of the challenges and would continue to make all efforts to manage the business through these testing times while ensuring improvements, efficiencies and productivity as well as enhanced cost controls.

Acknowledgements

On behalf of the Board of Directors, I would take this opportunity to thank all our partners and employees for their continued support. I would also take this opportunity to express my gratitude to the Board for their valuable insights and guidance.



Chief Executive



Director

FEBRUARY 28th, 2023
Lahore

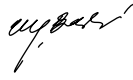
کرنٹ اکاؤنٹ خسارہ کے دباؤ کے پیش نظر خام مال اور بیگز ضروری اشیاء کے لیئر آف کریڈٹ کھولنا بہت مشکل ہو گیا ہے۔ ٹیکسٹائل انڈسٹری کو مقامی کم فصل کی وجہ سے خام کپاس کی ضرورت ہوتی ہے اور یہ پابندیاں آپریٹنگ صلاحیتوں کو مزید کم کر سکتی ہیں۔ کرنسی کی قدر میں کمی اور قرض کی زیادہ لاگت پاکستان کی برآمدات پر مزید دباؤ ڈالے گی کیونکہ صنعت اپنی بقاء کے لیے جنگ جاری رکھے ہوئے ہے۔

ہم توقع کرتے ہیں کہ مندرجہ بالا عوامل اور توانائی کی لاگت میں کمی گنا اضافہ پیداواری قیمتوں کو بہت زیادہ رکھے گا اس طرح مستقبل کے منافع کو متاثر کرے گا۔ ٹیکسٹائل پیدا کرنے والے تمام مالک اب طلب کی کمی کے امکانات کا سامنا کر رہے ہیں اور جب تک عالمی معیشتیں بحال نہیں ہو جاتیں، ہمیں آنے والا سال ایک انتہائی مشکل نظر آتا ہے۔ ہم توقع کرتے ہیں کہ موجودہ سال کے لیے ہماری آمدنی کے تخمینے پچھلے سال سے کم ہوں گے لیکن اس مرحلے پر کوئی حقیقت پسندانہ تخمینہ لگانا بہت مشکل ہے۔ اگرچہ ہم توقع کرتے ہیں کہ کمزور کرنسی سے برآمدات میں اضافہ ہوگا لیکن خام مال اور بیگز ان پٹ کی مہنگی درآمدات پر ہمارا انحصار فائدہ کو پورا کرے گا۔ اس کے نتیجے میں توانائی کی قیمتیں بڑھیں گی اور چارجز مالدیو پالیسی مہنگائی کو کنٹرول کرنے میں مددگار نہیں ہوگی۔

تظامیہ چیلنجوں سے بخوبی واقف ہے اور ان آزمائشی اوقات میں کاروبار کو منظم کرنے کے لیے تمام تر کوششیں جاری رکھے گی جبکہ بہتری، استعداد کار اور پیداواری صلاحیت کے ساتھ ساتھ لاگت کے بہتر کنٹرول کو یقینی بنائے گی۔

اظہار تشکر

بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے تمام شراکت داروں اور ملازمین کی مسلسل حمایت کا شکریہ ادا کرتے ہیں۔ میں بورڈ کی قابل قدر بصیرت اور رہنمائی کے لئے بھی ان کا شکریہ گزار رہوں۔



ڈائریکٹر



چیف ایگزیکٹو

لاہور: 28 فروری 2023ء

ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 31 دسمبر 2022 کو ختم ہونے والی پہلی ششماہی کے لئے کمپنی کی آپریٹنگ اور مالی کارکردگی پیش کرتا ہوں۔

کارکردگی کا جائزہ

رواں مالی سال کی پہلی ششماہی اقتصادی محاذ پر شدید چیلنجوں سے دوچار رہی۔ ملک کو معاشی اور سیاسی محاذ پر زبردست چیلجز کا سامنا کرنا پڑا جس کی وجہ سے کرنسی کی کمزوری جو افراط زر کے دباؤ میں اضافہ کر رہی ہے کے علاوہ پالیسی ریٹ میں اضافہ ہوا۔ خاص طور پر، بنگلہ دیش کی صنعت کو دونوں مقامی اور بین الاقوامی منڈیوں سے طلب میں کمی کا سامنا کرنا پڑا ہے۔ مالی سال 2023 کے دوران، بڑے پیمانے پر مینوفیکچرنگ (ایل ایس ایم) میں گزشتہ سال کی اسی مدت میں 7.2 فیصد کمی کے مقابلے میں 3.6 فیصد کمی دیکھی گئی۔ روپیہ کی قدر میں شدید گراؤ بھی برآمدات کو برقرار نہیں رکھ سکی اور جولائی تا دسمبر مالی سال 2023 کے دوران برآمدات میں 6.8 فیصد کمی ہوئی اور گزشتہ سال 15.2 بلین ڈالر کے مقابلے میں 14.2 بلین ڈالر تک پہنچ گئی۔

بیکروائٹا ملک گراؤ اور لاگت کو بڑھانے والی افراط زر کی وجہ سے، کمپنی کی فروخت 24.1 فیصد کمی نمایاں سے 8.4 بلین روپے تک پہنچ گئی جس کے نتیجے میں اسی مدت کے مقابلے میں مجموعی منافع کے راجن میں 90.46 فیصد کمی واقع ہوئی۔ پالیسی ریٹ اور روٹنگ کنٹریول کی ضروریات میں اضافے اور BMR کے لیے اضافی فنانسنگ کی وجہ سے مالیاتی چارجز میں اضافہ ہو گیا۔ معیشت کی غیر یقینی صورتحال کی وجہ سے، ایکویٹی مارکیٹ میں مسلسل کمی ہوتی رہی اور اس کے نتیجے میں آپ کی کمپنی کی ایکویٹی پورٹ فولیو نے اچھی کارکردگی کا مظاہرہ نہیں کیا۔ ہمیں P&L کے ذریعے تقریباً 42.7 بلین روپے اور OCI کے ذریعے 113.75 بلین روپے کے اہمیز منٹ نقصانات برداشت کرنا پڑے۔ مذکورہ بالا عوامل نے 105.167 بلین روپے کے خالص نقصان میں حصہ ڈالا جس کے نتیجے میں فی حصص نقصان 2.37 روپے ہوا۔

31 دسمبر 2022 کو ختم ہونے والی ششماہی کے لیے آپ کی کمپنی کی مالیاتی کارکردگی کا گزشتہ سال سے موازنہ درج ذیل میں پیش کیا گیا ہے:

تفصیلی اہم نمونہ	2022	2021	فیصد تبدیلی
پاکستانی روپے بلین میں			
فروخت	8,398	11,064	-24.10%
مجموعی منافع	248	2,607	-90.46%
آپریٹنگ منافع	176	2,337	-92.44%
مالی لاگت	(137)	(99)	38.59%
قبل از ٹیکس منافع	38	2,238	-98.26%
ٹیکسیشن	(144)	(474)	-69.64%
خالص منافع	(105)	1,763	-105.96%
نی شیئر آمدنی (EPS)	(2.37)	39.74	

مستقبل کا نقطہ نظر

موجودہ سال کا آغاز عالمی سطح پر طلب کی کمی اور پاکستان میں تباہ کن سیلابوں کے باعث بہت سے چیلنجوں کے ساتھ ہوا ہے جس نے مقامی کپاس کی فصل کو بری طرح متاثر کیا ہے جس سے کل پیداوار گزشتہ سال 8.3 بلین کانٹون کے مقابلے میں تقریباً 5 بلین کانٹون رہ گئی ہے۔ تاہم، ہم نے تقریباً تمام ٹیکسٹائل پیدا کرنے والے ممالک میں کپاس کی کھیت میں تیزی سے کمی دیکھی ہے جس کی وجہ سے قیمتوں میں کمی آئی ہے۔ تمام ٹیکسٹائل پیدا کرنے والے ممالک نے صلاحیت میں کمی کی اطلاع دی ہے اور ہمیں 2023 کے وسط تک طلب کے مکمل طور پر بحال ہونے کی توقع نہیں ہے۔ اگرچہ دوسری سماہی کے آخر میں طلب میں کچھ بہتری آئی ہے، لیکن ہم اسے درمیانی مدت میں پائیدار نہیں سمجھتے۔ دونوں بارن اور فبرک کے لیے انویسٹیوں کا ایک بہت بڑا ذخیرہ ہے اور اسے معمول کی سطح پر آنے میں کچھ وقت لگے گا۔

Financial Statements

For the Quarter ended 31 December 2022

Independent Auditor's Review Report

To the members of Suraj Cotton Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of SURAJ COTTON MILLS 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 the "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 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 Atif Anjum.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

Date: February 28, 2023

UDIN: RR202210132K0CQs6OWE

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Condensed Interim Statement of Financial Position

As At 31 December 2022

		Un-Audited 31 December 2022	Audited 30 June 2022
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
50,000,000 (30 June 2022: 50,000,000) ordinary shares of Rupees 10/- each		500,000	500,000
Issued, subscribed and paid up share capital			
44,372,287 (30 June 2022: 44,372,287) ordinary shares of Rupees 10 each		443,722	443,722
Reserves	4	10,620,300	11,016,711
TOTAL EQUITY		11,064,022	11,460,433
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	3,760,184	3,455,003
Lease liability		-	549
Deferred liabilities		1,035,771	710,377
		4,795,955	4,165,929
Current liabilities			
Trade and other payables		2,963,360	3,013,743
Accrued mark-up		41,712	31,378
Short term borrowings		993,927	726,496
Current portion of non-current liabilities		996,540	920,247
Provision for taxation - net		308,052	339,987
Unclaimed dividend		7,391	7,313
		5,310,982	5,039,164
TOTAL LIABILITIES		10,106,937	9,205,093
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		21,170,959	20,665,526

The annexed notes form an integral part of this interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR




CHIEF FINANCIAL OFFICER

	Note	Un-Audited	Audited
		31 December 2022	30 June 2022
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment	7	9,380,685	7,830,376
Right-of-use asset		1,431	1,664
Investment properties		477,690	477,690
Long term investments		658,393	772,151
Long term deposits		21,084	22,076
		10,539,283	9,103,957
Current assets			
Stores, spare parts and loose tools		318,240	257,298
Stock-in-trade		6,715,155	6,164,550
Trade debts		1,322,047	2,604,817
Loans and advances		43,703	76,638
Short term deposits and prepayments		244,367	171,760
Other receivables		451,122	216,571
Short term investments	8	1,397,797	1,623,048
Cash and bank balances		113,093	420,735
		10,605,524	11,535,417
		26,152	26,152
Non-current assets classified as held for sale		10,631,676	11,561,569
TOTAL ASSETS		21,170,959	20,665,526



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER


Condensed Interim Statement of Profit or Loss (Un-Audited) For The Half Year Ended 31 December 2022

	Note	Half Year Ended		Quarter Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		------(Rupees in thousand)-----			
Revenue From Contracts With Customers	9	8,398,047	11,064,747	3,370,889	6,137,151
Cost of Sales	10	(8,149,397)	(8,457,622)	(3,456,230)	(4,764,657)
Gross Profit		248,650	2,607,125	(85,341)	1,372,494
Distribution Cost		(104,281)	(103,036)	(36,917)	(57,935)
Administrative Expenses		(141,955)	(110,516)	(64,502)	(57,670)
Other Expenses		(69,022)	(265,946)	(43,351)	(109,149)
		(315,258)	(479,498)	(144,770)	(224,754)
		(66,608)	2,127,627	(230,111)	1,147,740
Other Income		243,416	210,124	142,196	102,601
Profit/loss from Operations		176,808	2,337,751	(87,915)	1,250,341
Finance Cost		(137,824)	(99,449)	(70,647)	(55,933)
Profit/loss Before Taxation		38,984	2,238,302	(158,562)	1,194,408
Taxation		(144,149)	(474,845)	(61,582)	(255,006)
Profit After Taxation		(105,165)	1,763,457	(220,144)	939,402
Earnings per Share - Basic and diluted (Rupees)	11	(2.37)	39.74	(4.96)	21.17

The annexed notes form an integral part of this interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The Half Year Ended 31 December 2022

	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
------(Rupees in thousand)-----				
PROFIT AFTER TAXATION	(105,165)	1,763,457	(220,144)	939,402
Other comprehensive Loss				
Items that will not be reclassified to profit or loss:				
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(113,757)	(126,113)	(64,896)	(5,208)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive loss for the period	(113,757)	(126,113)	(64,896)	(5,208)
Total Comprehensive (Loss) / Income For The Period	(218,922)	1,637,344	(285,040)	934,194


The annexed notes form an integral part of this interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity (Un-Audited) For The Half Year Ended 31 December 2022

Share Capital	Reserves							Total Equity	
	Capital Reserves			Revenue Reserves			Total		
	Share premium reserve	Fair value reserve on FVTOCI investments	Sub total	General Reserve	Unappropriated profit	Sub total			
------(Rupees in thousand)-----									
Balance as at 30 June 2021 - (audited)	403,384	29,000	9,985	38,985	3,714,000	5,111,633	8,825,633	8,864,618	9,268,002
Transactions with owners:									
Bonus shares issued for the year ended 30 June 2021 @ 10%	40,338	-	-	-	-	(40,338)	(40,338)	(40,338)	-
Final dividend for the year ended 30 June 2021 @ Rupees 10.00 per share	-	-	-	-	-	(403,384)	(403,384)	(403,384)	(403,384)
Profit for the period	-	-	-	-	-	1,763,457	1,763,457	1,763,457	1,763,457
Other comprehensive loss for the period - restated	-	-	(126,113)	(126,113)	-	-	-	(126,113)	(126,113)
Total comprehensive income for the period	-	-	(126,113)	(126,113)	-	1,763,457	1,763,457	1,637,344	1,637,344
Balance as at 31 December 2021 - (un-audited)	443,722	29,000	(116,128)	(87,128)	3,714,000	6,431,368	10,145,368	10,058,240	10,501,962
Profit for the period	-	-	-	-	-	1,027,074	1,027,074	1,027,074	1,027,074
Other comprehensive loss for the period	-	-	(68,603)	(68,603)	-	-	-	(68,603)	(68,603)
Total comprehensive income for the period	-	-	(68,603)	(68,603)	-	1,027,074	1,027,074	958,471	958,471
Balance as at 30 June 2022 - (audited)	443,722	29,000	(184,731)	(155,731)	3,714,000	7,458,442	11,172,442	11,016,711	11,460,433
Transaction with owners:									
Final dividend for the year ended 30 June 2022 @ Rupees 4.00 per share	-	-	-	-	-	(177,489)	(177,489)	(177,489)	(177,489)
Loss for the period	-	-	-	-	-	(105,165)	(105,165)	(105,165)	(105,165)
Other comprehensive loss for the period	-	-	(113,757)	(113,757)	-	-	-	(113,757)	(113,757)
Total comprehensive loss for the period	-	-	(113,757)	(113,757)	-	(105,165)	(105,165)	(218,922)	(218,922)
Balance as at 31 December 2022 - (un-audited)	443,722	29,000	(298,488)	(269,488)	3,714,000	7,175,788	10,889,788	10,620,300	11,064,022

The annexed notes form an integral part of this interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

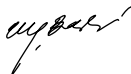
Condensed Interim Statement of Cash Flows (Un-Audited) For The Half Year Ended 31 December 2022

	Note	31 December 2022 (Rupees in thousand)	31 December 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	863,659	937,766
Finance cost paid		(123,123)	(63,952)
Workers' profit participation fund paid		(199,731)	(165,741)
Workers' welfare fund paid		(11,524)	-
Income tax paid		(180,506)	(181,862)
Profit on bank deposits received		22,728	6,096
Decrease in long term deposits		992	205
Net cash generated from operating activities		372,495	532,512
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,886,015)	(2,719,565)
Proceeds from sale of property, plant and equipment		7,880	50,910
Investments made		(2,702,589)	(1,851,598)
Proceeds from sale of investments		2,914,847	2,160,633
Dividend received		180,678	161,726
Proceeds from disposal of non-current assets classified as held for sale		-	21,199
Net cash used in investing activities		(1,485,199)	(2,176,695)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		899,013	1,756,983
Repayment of long term financing		(183,667)	(183,667)
Repayment of lease liability		(304)	(488)
Short term borrowings - net		267,431	469,373
Dividend paid		(177,411)	(402,458)
Net cash from financing activities		805,062	1,639,743
Net decrease in cash and cash equivalents		(307,642)	(4,440)
Cash and cash equivalents at the beginning of the period		420,735	282,975
Cash and cash equivalents at the end of the period		113,093	278,535

The annexed notes form an integral part of this interim financial information.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For The Half Year Ended 31 December 2022

1. THE COMPANY AND ITS ACTIVITIES

Suraj Cotton Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. Its registered office is situated at 7-B-III, Aziz Avenue, Gulberg-V, Lahore. The Company is engaged in manufacturing, sale and trading of yarn, cloth and processing of cloth.

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.

3.1 Critical Accounting Estimates and Judgements

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

**Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2022**

	Un-Audited 31 December 2022	Audited 30 June 2022
	(Rupees in thousand)	
4. RESERVES		
Capital reserves:		
Share premium reserve	29,000	29,000
Fair value reserve on FVTOCI investments - net of deferred income tax	(298,488)	(184,731)
	(269,488)	(155,731)
Revenue reserves:		
General reserve	3,714,000	3,714,000
Unappropriated profit	7,175,788	7,458,442
	10,889,788	11,172,442
	10,620,300	11,016,711
5. LONG TERM FINANCING - secured		
From banking companies		
Opening balance	3,849,419	2,962,714
Add: Obtained during the period / year	899,013	1,756,984
Less: Repaid during the period / year	(183,667)	(489,590)
Less: Other changes - non-cash movement	(384,485)	(380,689)
	4,180,280	3,849,419
Less: Current portion shown under current liabilities	(420,096)	(394,416)
	3,760,184	3,455,003

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For The Half Year Ended 31 December 2022

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

i) The Company filed a complaint dated 20 April 2022 against Chief Commissioner Inland Revenue in terms of section 10(1) of the Federal Tax Ombudsman (FTO) Ordinance, 2000 for delay in processing / sanctioning of sales tax refund of Rupees 79.470 million for the tax periods from December 2013 to October 2017. As per the tax department, the Company used to fall under zero-rated regime. Two electricity connections of the Company were included in Sales Tax General Order dated 13 September 2007 for the purpose of zero-rating. No zero-rated facility was however available on another electricity connection till 21 November 2017. On 21 November 2017, this electricity connection was included in Sales Tax General Order for zero-rating. The Company filed writ petition before Honorable Lahore High Court, Lahore (LHC) against recovery notices issued by Lahore Electric Supply Company Limited for recovery of sales tax for above-mentioned periods. Petition was disposed by LHC on 21 September 2017 with direction that only tax department or competent authority, under law, shall be entitled to recover arrears of sales tax. LESCO vide letter dated 21 May 2021 directed the Company to deposit sales tax in its account since tax department has already recovered sales tax of Rupees 79.470 million which was deposited by the Company. Later, the Company requested for issuance of refund under section 66 of the Sales Tax Act, 1990. FTO vide order dated 01 June 2022 recommended the tax department to direct Commissioner Inland Revenue to process / sanction Company's refund claims for the tax periods from December 2013 to October 2017 on provision of requisite documents by the Company. The Company is confident of favourable outcome of the matter, hence no provision thereagainst has been made in these financial statements.

ii) Guarantees of Rupees 445.536 million (30 June 2022: Rupees 323.049 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections, Director Excise and Taxation, Karachi against infrastructure cess and others.

6.2 Commitments

i) Contracts for capital expenditure are approximately of Rupees 601.612 million (30 June 2022: Rupees 1,753.577 million).

ii) Letters of credit other than for capital expenditure are of Rupees 3,131.621 million (30 June 2022: Rupees 1,645.484 million).

		Un-Audited 31 December 2022	Audited 30 June 2022
	Note	(Rupees in thousand)	
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	7,405,433	7,735,315
Capital work-in-progress	7.2	1,975,252	95,061
		9,380,685	7,830,376

**Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2022**

		Un-Audited 31 December 2022	Audited 30 June 2022
	Note	(Rupees in thousand)	
7.1 Operating fixed assets - tangible			
Opening book value		7,735,315	4,669,213
Add: Cost of additions during the period / year	7.1.1	5,824	3,695,558
		7,741,139	8,364,771
Less: Book value of deletions during the period / year	7.1.2	(2,112)	(28,892)
Less: Book value of assets transferred to non-current assets classified as held for sale during the period / year		-	(13,946)
Less: Depreciation charged during the period / year		(333,594)	(586,618)
		7,405,433	7,735,315
7.1.1 Cost of additions			
Freehold land		-	723,630
Buildings on freehold land		-	343,803
Plant and machinery		-	2,451,190
Electric installations		-	57,406
Office equipment		-	63,772
Vehicles		5,824	55,757
		5,824	3,695,558
7.1.2 Book value of deletions			
Plant and machinery		-	24,671
Vehicles		2,112	4,221
		2,112	28,892
7.2 Capital work-in-progress			
Buildings on freehold land		85,562	20,833
Plant and machinery		1,798,929	4,117
Electric installations		85,762	70,111
Advance for purchase of vehicle		4,999	-
		1,975,252	95,061
8. SHORT TERM INVESTMENTS			
At fair value through profit or loss:			
Equity investments		230,951	290,072
Mutual funds		1,166,846	1,332,976
		1,397,797	1,623,048

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For The Half Year Ended 31 December 2022

9. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	Spinning						Weaving						Total - Company					
	Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended		Half year ended		Quarter ended			
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021		
	----- (Rupees in thousand) -----																	
Primary geographical markets																		
Pakistan	4,314,900	6,650,734	1,461,609	3,831,358	3,775,965	4,412,137	1,808,558	2,304,767	8,090,865	11,062,871	3,270,167	6,136,125						
Hong Kong	-	-	-	-	32,003	-	31,633	-	32,003	-	31,633	-	-					
Italy	-	-	-	-	28,499	-	-	-	28,499	-	-	-	-					
Portugal	-	-	-	-	83,996	-	143	-	83,996	-	143	-	-					
Bangladesh	-	-	-	-	158,662	-	65,727	-	158,662	-	65,727	-	-					
Sri Lanka	4,022	1,876	3,219	1,026	-	-	-	-	4,022	1,876	3,219	1,026						
	4,318,922	6,652,610	1,464,828	3,832,384	4,079,125	4,412,137	1,906,061	2,304,767	8,398,047	11,064,747	3,370,889	6,137,151						
Major products lines																		
Yarn	4,318,922	6,652,610	1,464,828	3,832,384	-	-	-	-	4,318,922	6,652,610	1,464,828	3,832,384						
Greige fabric	-	-	-	-	4,079,125	4,412,137	1,906,061	2,304,767	4,079,125	4,412,137	1,906,061	2,304,767						
	4,318,922	6,652,610	1,464,828	3,832,384	4,079,125	4,412,137	1,906,061	2,304,767	8,398,047	11,064,747	3,370,889	6,137,151						
Timing of revenue recognition																		
Products transferred at a point in time	4,318,922	6,652,610	1,464,828	3,832,384	4,079,125	4,412,137	1,906,061	2,304,767	8,398,047	11,064,747	3,370,889	6,137,151						
Products transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-					
External revenue as reported	4,318,922	6,652,610	1,464,828	3,832,384	4,079,125	4,412,137	1,906,061	2,304,767	8,398,047	11,064,747	3,370,889	6,137,151						

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

**Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
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 in thousand) -----			
10. COST OF SALES				
Raw materials consumed	6,667,210	7,328,353	2,870,420	3,978,251
Sizing expenses	60,574	46,207	30,780	24,831
Stores, spare parts and loose tools consumed	117,496	137,523	48,879	66,894
Packing materials consumed	62,465	88,559	25,624	43,864
Salaries, wages and other benefits	552,966	574,149	246,635	291,435
Fuel and power	801,720	800,244	324,274	434,061
Repair and maintenance	38,805	52,233	26,594	25,434
Insurance	20,718	16,914	10,297	8,722
Other factory overheads	16,350	12,266	7,942	6,466
Depreciation	317,844	222,132	158,922	113,332
	8,656,148	9,278,580	3,750,367	4,993,290
Work-in-process:				
Opening stock	350,705	183,121	254,697	235,712
Closing stock	(192,453)	(287,496)	(192,453)	(287,496)
	158,252	(104,375)	62,244	(51,784)
Cost of goods manufactured	8,814,400	9,174,205	3,812,611	4,941,506
Finished goods:				
Opening stock	3,684,611	866,645	3,993,233	1,406,379
Closing stock	(4,349,614)	(1,583,228)	(4,349,614)	(1,583,228)
	(665,003)	(716,583)	(356,381)	(176,849)
	8,149,397	8,457,622	3,456,230	4,764,657

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For The Half Year Ended 31 December 2022

	Un-Audited	
	Half Year Ended	
	31 December 2022	31 December 2021
	(Rupees in thousand)	
11. (LOSS) / EARNINGS PER SHARE - BASIC & DILUTED		
There is no dilutive effect on the basic (loss) / earnings per share which is based on:		
(Loss) / profit attributable to ordinary shareholders	(105,165)	1,763,457
Weighted average number of ordinary shares	44,372,287	44,372,287
(Loss) / earnings per share - Basic and diluted	(2.37)	39.74
12. CASH GENERATED FROM OPERATIONS		
(Loss) / profit before taxation	38,984	2,238,302
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	333,594	237,338
Depreciation on right-of-use asset	233	213
Gain on sale on investments at fair value through profit or loss	(29,742)	(6,464)
Exchange loss / (gain) - net	18,937	(254)
Reversal of allowance for expected credit loss	-	(319)
Dividend income	(180,678)	(161,726)
Gain on disposal of property, plant and equipment	(5,768)	(22,135)
Gain on disposal of non-current assets classified as held for sale	-	(9,540)
Provision for workers' profit participation fund	2,094	120,210
Provision for workers' welfare fund	796	45,680
Finance cost	137,824	99,449
Unrealized loss on re-measurement of investments at fair value through profit or loss	42,736	96,467
Profit on bank deposits	(22,728)	(6,096)
Working capital changes	12.1	(1,693,359)
	863,659	937,766

**Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2022**

	Un-Audited	
	Half Year Ended	
	31 December 2022	31 December 2021
	(Rupees in thousand)	
12.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(60,942)	(53,789)
Stock-in-trade	(550,605)	(1,423,408)
Trade debts	1,263,833	(467,247)
Loans and advances	32,935	(199,684)
Trade deposits and short term prepayments	(72,607)	(39,012)
Other receivables	(234,551)	(292,607)
	378,063	(2,475,747)
Increase in trade and other payables	149,314	782,388
	527,377	(1,693,359)

**Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2022**

13 SEGMENT INFORMATION

13.1 The Company has two reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Spinning: Production of different quality of yarn using natural and artificial fibers.

Weaving: Production of different quality of greige fabric using yarn.

13.2 Transactions between operating segments are recorded on arm's length basis in a manner similar to transactions with third parties. Inter segment sales and purchases have been eliminated from the total.

	Un-Audited									
	Spinning		Weaving		Elimination of Inter-segment transactions		Total-Company			
	Half year ended 31 Dec 2022	Half year ended 31 Dec 2021	Half year ended 31 Dec 2022	Half year ended 31 Dec 2021	Half year ended 31 Dec 2022	Half year ended 31 Dec 2021	Half year ended 31 Dec 2022	Half year ended 31 Dec 2021	Half year ended 31 Dec 2022	Half year ended 31 Dec 2021
	----- (Rupees in thousand) -----									
Revenue from contracts with customers	4,318,922	6,652,610	4,079,125	4,412,137	-	-	8,398,047	-	11,064,747	-
External	1,436,758	1,878,557	-	-	(1,436,758)	(1,878,557)	-	-	-	-
Inter-segment	5,755,680	8,531,167	4,079,125	4,412,137	(1,436,758)	(1,878,557)	8,398,047	-	11,064,747	-
Cost of sales	(4,052,590)	(4,447,589)	(4,096,807)	(4,010,033)	-	-	(8,149,397)	-	(8,457,622)	-
External	(1,436,758)	(1,878,557)	-	-	1,436,758	1,878,557	-	-	-	-
Inter-segment	(5,489,348)	(6,326,146)	(4,096,807)	(4,010,033)	(1,436,758)	(1,878,557)	(8,149,397)	-	(8,457,622)	-
Gross profit / (loss)	266,332	2,205,021	(17,682)	402,104	-	-	248,650	-	2,607,125	-
Distribution cost	(60,441)	(67,524)	(53,840)	(35,512)	-	-	(104,281)	-	(103,036)	-
Administrative expenses	(99,398)	(81,951)	(42,557)	(28,565)	-	-	(141,955)	-	(110,516)	-
	(149,839)	(149,475)	(96,397)	(64,077)	-	-	(246,236)	-	(213,552)	-
Profit / (loss) before taxation and unallocated expenses	116,493	2,055,546	(114,079)	338,027	-	-	2,414	-	2,393,573	-
Unallocated income and expenses:										
Other expenses							(69,022)		(265,946)	
Other income							243,416		210,124	
Finance cost							(137,824)		(99,449)	
Taxation							(144,149)		(474,845)	
(Loss) / profit after taxation							(105,165)		1,763,457	

Inter segment sales and purchases have been eliminated on consolidation.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2022

13.3 Reconciliation of Reportable Segment Assets and Liabilities

	Spinning		Weaving		Total-Company	
	Un-Audited 31 Dec 2022	Audited 30 June 2022	Un-Audited 31 Dec 2022	Audited 30 June 2022	Un-Audited 31 Dec 2022	Audited 30 June 2022
Total assets for reportable segment	13,220,902	11,595,209	5,390,025	6,171,276	18,610,927	17,766,485
Unallocated assets:						
Investment properties					477,690	477,690
Long term investments					658,393	772,151
Short term investments					1,397,797	1,623,048
Non-current assets classified as held for sale					26,152	26,152
Total assets as per condensed interim statement of financial position					21,170,959	20,665,526
Total liabilities for reportable segments	5,439,728	4,064,215	3,315,995	4,083,201	8,755,723	8,147,416
Unallocated liabilities:						
Deferred liabilities					1,035,771	710,377
Unclaimed dividend					7,391	7,313
Provision for taxation - net					308,052	339,987
Total liabilities as per condensed interim statement of financial position					10,106,937	9,205,093

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For The Half Year Ended 31 December 2022

14. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements at 31 December 2022 - Un-audited	Level 1	Level 2	Level 3	Total
(Rupees in Thousand)				
Financial assets				
Fair value through other comprehensive income	652,063	-	-	652,063
Fair value through profit or loss	1,397,797	-	-	1,397,797
	2,049,860	-	-	2,049,860
Recurring fair value measurements at 30 June 2022 - Audited	Level 1	Level 2	Level 3	Total
(Rupees in Thousand)				
Financial assets				
Fair value through other comprehensive income	765,821	-	-	765,821
Fair value through profit or loss	1,623,048	-	-	1,623,048
	2,388,869	-	-	2,388,869

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended 31 December 2022. Further there was no transfer in and out of level 3 measurements.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For The Half Year Ended 31 December 2022

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

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

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

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

(ii) **Valuation techniques used to determine level 1 fair values**

Specific valuation technique used to value financial instruments was use of quoted market prices on dealer quotes for similar investments.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For The Half Year Ended 31 December 2022

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, joint ventures, other related parties and key management personnel. The Company is in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

	Un-audited			
	Half year ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	------(Rupees in thousand)-----			
i) Transactions				
Associated companies				
Purchase of electricity	5,764	27,427	-	27,358
Sale of goods	122,328	60,262	57,399	30,694
Sale of non-current assets classified as held for sale	-	3,042	-	-
Purchase of goods	121,823	212,652	37,715	56,315
Insurance expense	61,833	44,002	6,260	5,741
Dividend paid	84,357	191,719	84,357	191,719
Key management personnel				
Remuneration paid to Chief Executive Officer, Director	54,926	26,712	40,205	13,491
Dividend paid	51,933	54,127	51,933	54,127
Other related parties				
Company's contribution to provident fund trust	16,289	14,510	8,810	7,451

	Un-audited			
	Half year ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	------(Number of shares)-----			
Associated companies				
Purchase of electricity	-	1,917,193	-	1,917,193
Key management personnel				
Bonus shares issued	-	541,271	-	541,271

**Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2022**

	As at 31 December 2022 (Un-audited)		
	Associated companies	Other related parties	Total
	------(Rupees in thousand)-----		
Trade debts	29,630	-	29,630
Trade and other payables	29,526	-	29,526
Other receivables	46,342	-	46,342
Loans and advances	3,234	-	3,234

	As at 30 June 2022 (Audited)		
	Associated companies	Other related parties	Total
	------(Rupees in thousand)-----		
Trade debts	13,447	-	13,447
Trade and other payables	44,729	-	44,729
Other receivables	78,342	-	78,342

16. 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.

Selected Notes to the Condensed Interim Financial Statements (Un-Audited) For The Half Year Ended 31 December 2022

	Un-Audited	Audited
	31 December 2022 (Rupees in thousand)	30 June 2022
17. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Loan / advances obtained as per Islamic mode:		
Loans	97,553	-
Advances	59,941	78,430
Shariah compliant bank deposits / bank balances		
Bank balances	3,780	35,038
	Un-Audited	
	31 Decem- ber 2022	30 June 2022
	(Rupees in thousand)	
Profit earned from shariah compliant bank deposits / bank balances		
Profit on deposits with banks	5,479	-
Revenue earned from shariah compliant business	8,398,047	11,064,747
Gain/(loss) or dividend earned from shariah complaint investments		
Dividend income	24,241	34,353
Unrealized loss on re-measurement of investments at FVTOCI	(90,454)	(82,912)
Unrealized loss on re-measurement of investments at FVTPL	(37,572)	(109,548)
Realized gain on investments at FVTPL	-	-
Exchange gain / (loss)	(18,937)	254
Mark-up paid on Islamic mode of financing	2,745	2,280
Profits earned or interest paid on any conventional loan / advance		
Interest paid on loans	111,423	56,360
Profit earned on deposits with banks	17,249	5,929
Interest income on loans to employees	2,568	4,201

**Selected Notes to the Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended 31 December 2022**

Relationship with shariah compliant banks

Name	Relationship
Meezan Bank Limited	Bank balance and short term borrowings
MCB Islamic Bank Limited	Bank balance and short term borrowings
Dubai Islamic bank Limited	Bank balance
First Habib Modaraba	Lease

18. DATE OF AUTHORIZATION

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 28, 2023.

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

20. GENERAL

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

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