



**COLONY**  
**TEXTILE MILLS**

**L I M I T E D**

**CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2022  
(UN-AUDITED)**



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## COMPANY INFORMATION

### Board Of Directors

Mr. Mughis A. Sheikh	(Chairman)
Mr. Fareed Mughis Sheikh	(Chief Executive Officer)
Mr. Muhammad Tariq	
Mr. Muhammad Atta ullah Khan	
Mr. Muhammad Ashraf Saif	
Mr. Abdul Hakeem Khan Qasuria	
Mrs. Noshaba Faiz	

### Board Committees

#### Audit Committee

Mr. Abdul Hakeem Khan Qasuria	(Chairman)
Mrs. Noshaba Faiz	
Mr. Muhammad Ashraf Saif	

#### HR & Remuneration Committee

Mr. Muhammad Atta ullah Khan	(Chairman)
Mr. Muhammad Ashraf Saif	
Mr. Abdul Hakeem Khan Qasuria	

### Other Management Committees

#### Executive Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Muhammad Atta ullah Khan	

#### Technical Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Noor Khan	

#### Finance Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Atta Mohyuddin Khan	
Mr. Bilal Ahmad Khan Niazi	

### Social Compliance & Human Resource Committees

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Atta ullah Khan	
Mr. Atta Mohyuddin Khan	

### Chief Financial Officer

Mr. Atta Mohyuddin Khan

**Company Secretary**

Mr. Muhammad Tayyab

**Auditors**

Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

**Legal Advisor**

BNR  
Advocates and Corporate Counsel

**Tax Advisor**

Riaz Ahmad & Company  
Chartered Accountants

**Registered Address**

M. Ismail Aiwan-e-Science Building,  
205 Ferozepur Road, Lahore-54600  
Phone : 042-35758970-2  
Fax : 042-35763247  
Email : corporate@colonytextiles.com  
Website: www.colonytextiles.com

**Weaving Unit**

4km Raiwing Manga Road, Raiwind, District Kasur.

**Spinning Unit**

Sher Shah Road, Ismailabad, Multan.

**Share Registrar**

Hameed Majeed Associates (Pvt.) Limited  
HM House, 7 Bank Square Lahore.  
Phone: (042) 37235081-2, Fax: 042-37358817  
Email : shares@hmaconsultants.com

**Bankers**

Bank Islami Pakistan Limited  
Meezan Bank Limited  
Faysal Bank Limited  
Habib Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Silk Bank Limited  
The Bank of Punjab  
United Bank Limited  
Summit Bank Limited

## DIRECTORS' REVIEW

Dear Members,

The directors of the company are pleased to present the unaudited interim financial statements for the half year ended December 31, 2022.

The turnover in the first half year has decreased from Rs. 16,642 million to Rs. 9,861 million, compared with corresponding period of the last year. The gross loss for the period is Rs. 386 million (2021: Gross Profit Rs. 1,262 million) and the net loss of the half year is Rs. 990 million (2021: Profit Rs. 177 million). Loss per share for the half year is Rs. 1.99 as compared to the earnings per share of Rs. 0.35 of the corresponding period of the last year.

The above results show clearly the very unfortunate conditions being faced by the textile industry. We are confronted by the monstrous challenges like unprecedented devaluation and volatility in Pakistani Rupee, back breaking inflation, massive increase in the prices of all inputs including raw materials and essential parts and especially utilities. All time high interest rates, shortage of imported raw material and machinery spare parts/consumables have simply played havoc in the market. The matters have been made worse when the whole world is faced with recession, with sky rocketing inflation and slump in demand.

Pakistan has been exceptionally hurt due to massive floods which resulted in not only loss of precious lives, infrastructure damage and spread of diseases but also substantial damage to our agricultural crops, especially cotton. This dire situation clubbed with extreme political uncertainty and deteriorated law and order has totally destroyed the fabric of domestic markets and margins and demand has eroded to levels not seen before.

As people are struggling to survive, buying textiles is not a priority!

With an ever increasing global food and energy costs, pushing textile goods in the international market has become a nightmare. People all over the world are trying to focus on the essentials of life and textiles are facing its brunt. Ever increasing input costs in Pakistan along with uncertainty connected with political turmoil and foreign currency fiasco has made Pakistan not a destination of choice. While our competitor countries are introducing ways and means to keep their industry running, unfortunately this does not seem to be our focus in Pakistan.

Consolidated interim financial statements for the half year ended December 31, 2022 of the company and its wholly owned subsidiary StitchRite (Private) Limited are attached.

Although challenges are very high but we are committed to perform in the best possible manner to survive in this critical situation and add value to our stakeholders to meet the long term goals of the company.

We would like to place on record our deep appreciation for the cooperation of our banks, efforts of our executives and employees for the betterment of the company.

For and on behalf of the board



Abdul Hakeem Khan Qasuria  
Director



Fareed Mughis Sheikh  
Chief Executive Officer

Lahore  
March 01, 2023



**Tariq Abdul Ghani Maqbool & Co.**  
Chartered Accountants  
71-C-3, Gulberg-III, Lahore 54660 Pakistan.

Tel : +92 (42) 3575 9501-3  
Fax : +92 (42) 3575 9504  
E-mail : info@tagm.com.pk

Website: www.tagm.com.pk

Offices in Lahore, Karachi & Islamabad

**Independent Auditor's Review Report  
To the members of Colony Textile Mills Limited**

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

**Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Colony Textile Mills Limited ("the company") as at 31 December 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period 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 unconsolidated 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 unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

*Tariq Abdul Ghani Maqbool & Co.*

**Tariq Abdul Ghani Maqbool & Co.**  
Chartered Accountants

**Dated: 01 March 2023**

**Lahore**

**UDIN No.: RR202210055JQqIMYWOF**

*Tariq Abdul Ghani Maqbool & Co., a Partnership firm registered in Pakistan and an independent member of Geneva Group International (GGI), a Swiss entity.*

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2022

EQUITY AND LIABILITIES	Note	31-Dec-22 (Rupees in '000')	30-Jun-22 (Rupees in '000')
<b>Share Capital and Reserves</b>			
Authorized share capital			
530,000,000 (30 June 2022: 530,000,000) ordinary shares of Rs. 10 each		5,300,000	5,300,000
Issued, subscribed and paid up capital		4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
Revaluation surplus on property, plant and equipment		19,594	19,594
Director's loan	6	120,000	120,000
General reserves		4,702	4,702
Unappropriated profit		879,388	1,869,384
Surplus on remeasurement of investments		795	1,040
		9,160,967	10,151,208
<b>Non Current Liabilities</b>			
Long term financing	7	5,499,230	6,153,624
Liabilities against assets subject to finance lease		-	1,614
Deferred liabilities		6,224,691	5,911,931
		11,723,921	12,067,169
<b>Current Liabilities</b>			
Trade and other payables		2,985,884	2,688,356
Short term borrowings	8	3,409,255	3,597,762
Accrued mark-up		141,383	119,645
Unclaimed dividend		94	94
Current portion of long term liabilities		1,415,435	969,475
Provision for taxation		245,076	505,413
		8,197,127	7,880,745
Contingencies and commitments	9	-	-
		29,082,015	30,099,122
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	10	19,096,288	19,368,679
Right of use assets	11	83,905	86,056
Investment property		791,089	791,089
Long term investments	12	183,693	177,434
Investment in subsidiary		160,000	130,000
Long term deposits		51,132	51,132
		20,366,107	20,604,390
<b>Current Assets</b>			
Stores, spare parts and loose tools		525,364	625,514
Stock in trade	13	3,941,303	4,736,428
Trade debts		1,097,299	1,580,033
Loans and advances		1,322,504	1,512,360
Trade deposits and short term prepayments		118,329	85,729
Other financial assets	14	13	14
Tax refunds due from the government		1,687,429	933,601
Cash and bank balances		23,667	21,053
		8,715,908	9,494,732
		29,082,015	30,099,122

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM  
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Half year ended 31-Dec		Quarter ended 31-Dec	
		2022	2021	2022	2021
		(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
Sales - net	15	9,861,450	16,642,469	4,552,038	8,831,070
Cost of sales	16	(10,247,095)	(15,380,115)	(4,966,813)	(8,089,799)
Gross (loss)/profit		(385,645)	1,262,354	(414,775)	741,271
Operating expenses:					
Distribution cost		(153,184)	(174,261)	(93,664)	(102,942)
Administrative expenses		(275,699)	(293,757)	(156,743)	(209,842)
		(428,883)	(468,018)	(250,407)	(312,784)
Operating (loss)/profit		(814,528)	794,336	(665,182)	428,487
Finance cost	17	(440,381)	(346,178)	(218,038)	(177,697)
Other Operating Charges		(1)	(117,865)	(1)	(117,865)
		(440,382)	(464,043)	(218,039)	(295,562)
Other income	18	70,492	53,013	41,958	26,217
(Loss)/Profit before taxation		(1,184,418)	383,306	(841,263)	159,142
Taxation		194,422	(206,656)	256,254	(109,249)
<b>Net (Loss)/profit for the period</b>		<b>(989,996)</b>	<b>176,650</b>	<b>(585,009)</b>	<b>49,893</b>
(Loss)/Earnings per share - basic and diluted (Rupees)					
		(1.99)	0.35	(1.17)	0.10

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer



**UNCONSOLIDATED CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended		Quarter ended	
	31-Dec		31-Dec	
	2022	2021	2022	2021
Note	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
(Loss)/Profit for the period	(989,996)	176,650	(585,009)	49,893
<b>Other comprehensive income:</b>				
Items that may be reclassified to profit or loss statement:				
- Net fair value gain / (loss) on investment measured at FVTOCI				
	(245)	(1,684)	(245)	(1,684)
<b>Total comprehensive (loss)/income for the period</b>	<b>(990,241)</b>	<b>174,966</b>	<b>(585,254)</b>	<b>48,209</b>

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM  
STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the period before taxation	(1,184,418)	383,306
Adjustments for:		
Provision for staff retirement benefits	114,000	78,250
Depreciation on operating assets	438,374	427,569
Finance cost	440,381	346,178
(Profit) / loss from investment in IL	(6,504)	117,862
(Profit) / loss on remeasurement of investments	1	4
(Gain) on disposal of property, plant and equipment	(7,894)	(836)
	978,358	969,027
Operating cash flows before working capital changes	(206,060)	1,352,333
<b>Changes in working capital:</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	100,150	(115,857)
Stock in trade	795,125	142,756
Trade debts	482,734	(253,386)
Loans, advances, deposits and other receivables	(561,852)	(93,020)
Increase / (decrease) in current liabilities:		
Trade and other payables	297,528	6,163
	1,113,685	(313,344)
Cash generated from operating activities	907,625	1,038,989
Finance cost paid	(182,176)	(141,804)
Staff retirement benefits paid	(37,708)	(62,264)
Income tax paid	(100,635)	(93,664)
	(320,519)	(297,732)
Net cash generated from operating activities	587,106	741,257
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(292,117)	(703,507)
Investment in subsidiary	(30,000)	-
Proceeds from disposal of property, plant and equipment	136,178	1,049
Net cash used in investing activities	(185,939)	(702,458)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances repaid	(203,469)	(262,028)
Lease finance - net	(6,579)	(7,566)
Short term borrowings - net	(188,507)	220,306
Net cash used in financing activities	(398,555)	(49,288)
Net (decrease) / increase in cash and cash equivalents	2,613	(10,489)
Cash and cash equivalents at beginning of the period	21,053	54,796
Cash and cash equivalents at end of the period	23,667	44,307

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Ordinary share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Director's loan	Revenue reserves		Surplus on remeasurement of investments	Total
					General reserves	Unappropriated profit / (loss)		
Rupees in ('000')								
Balance as at 01 July 2021	4,980,100	3,156,388	19,594	120,000	4,702	1,590,412	2,951	9,874,147
<b>Total comprehensive income:</b>								
Profit for the half year ended 31 December 2021	-	-	-	-	-	176,650	-	176,650
<b>Other comprehensive income:</b>								
- Net Fair value gain/(Loss) on investment measured at FVTOCI	-	-	-	-	-	-	(1,684)	(1,684)
Total comprehensive income for the period	-	-	-	-	-	176,650	(1,684)	174,966
Balance as at 31 December 2021	4,980,100	3,156,388	19,594	120,000	4,702	1,767,062	1,267	10,049,113
<b>Profit for the half year ended 30 June 2022</b>	-	-	-	-	-	109,661	-	109,661
<b>Other comprehensive income:</b>								
- Remeasurement of defined benefit obligation	-	-	-	-	-	(7,339)	-	(7,339)
- Net Fair value gain/(Loss) on investment measured at FVTOCI	-	-	-	-	-	-	(227)	(227)
Total comprehensive income for the period	-	-	-	-	-	102,322	(227)	102,095
Balance as at 30 June 2022	4,980,100	3,156,388	19,594	120,000	4,702	1,869,384	1,040	10,151,208
<b>Total comprehensive income:</b>								
(Loss)/Profit for the half year ended 31 December 2022	-	-	-	-	-	(989,996)	-	(989,996)
<b>Other comprehensive income:</b>								
- Net Fair value gain/(Loss) on investment measured at FVTOCI	-	-	-	-	-	-	(245)	(245)
	-	-	-	-	-	(989,996)	(245)	(990,241)
Balance as at 31 December 2022	4,980,100	3,156,388	19,594	120,000	4,702	879,388	795	9,160,967

The annexed notes from 01 to 23 form an integral part of this unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

### 1. LEGAL STATUS AND NATURE OF BUSINESS

**1.01** Colony Textile Mills Limited ("the Company") is a public company limited by shares incorporated in Pakistan on 12 January 2011. The Company is listed on Pakistan Stock Exchange Limited. The company's registered office is located at M. Ismail Aiwan-i-Science Building, Ferozepur Road, Lahore, Pakistan. The principal activity of the company is manufacturing and sale of yarn, fabrics, garments made ups and trading in real estate.

Geographical location and addresses of major business units including mills/plants of the Company are as under:

Location	Purpose
M. Ismail Aiwan-i-Science Building, 205 Ferozepur Road, Lahore.	Head Office
4km Raiwind Manga Road, Raiwind, District Kasur.	Weaving unit
Sher Shah Road, Ismailabad, Multan.	Spinning unit

**1.02** These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

The Company has the following wholly-owned subsidiary company:

	Effective shareholding %
- Stitchrite (Private) Limited	100

### 2. BASIS OF PREPARATION

#### 2.01 Statement of Compliance

(a) These unconsolidated 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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(b) These unconsolidated condensed interim financial statements comprise the unconsolidated condensed interim statement of financial position of the company as at December 31, 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows together with notes forming part thereof.

(c) These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

(d) These unconsolidated 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 as at and for the year ended June 30, 2022. Comparative unconsolidated condensed interim statement of financial position has been extracted from annual financial statements for the year ended June 30, 2022, whereas comparatives for unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows and related notes for the half year ended December 31, 2021 have been subjected to review but not audited.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the preceding year ended 30 June 2022.

**4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this unconsolidated condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2022.

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

**5. PRESENTATION AND FUNCTIONAL CURRENCY**

The unconsolidated condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

6. DIRECTORS' LOAN	Note	31-Dec-22	30-Jun-22
		(Rupees in '000')	(Rupees in '000')
		Un-audited	Audited
Directors' loan		120,000	120,000
	6.01	<u>120,000</u>	<u>120,000</u>

**6.01** This represents interest free loans from directors of the Company, payable at the discretion of the entity. It does not pass the liability test and thus recorded as equity at face value. It will not be re-measured subsequently. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the directors' loan would be a direct debit to equity. The Company has applied TR-32 'Accounting Directors' Loan' issued by Institute of Chartered Accountants of Pakistan whose compliance was mandatory with effect from period beginning on or after 01 January 2016. Amount of Rs. 120 million is subordinated to the liabilities of financial institutions.

**7. LONG TERM FINANCING**

From banking companies - Secured	6,907,308	7,110,777
Less: Current portion shown under current liabilities	<u>1,408,078</u>	<u>957,153</u>
	<u>5,499,230</u>	<u>6,153,624</u>

**8. SHORT TERM BORROWINGS - SECURED**

Short term finances availed from various banking companies / other financial institutions under mark-up arrangements aggregate to Rs. 3,409 million (30 June 2022: Rs. 3,598 million).

**9. CONTINGENCIES AND COMMITMENTS**

There is no significant change in the status of contingencies and commitments as reported in the audited annual financial statements for the year ended 30 June 2022.

**10. PROPERTY, PLANT AND EQUIPMENT**

Operating assets - owned	10.01	18,493,524	18,779,629
Capital work in progress	10.02	<u>602,764</u>	<u>589,050</u>
		<u>19,096,288</u>	<u>19,368,679</u>

**10.01 Operating assets - owned**

Opening book value 18,779,629 18,121,144

**Additions during the period / year:**

Building on freehold land	1,289	60,152
Plant, machinery and equipment	254,237	1,137,187
Factory tools and equipment	627	23,646
Furniture and fixtures	1,539	13,456
Office and hospital equipment	5,941	8,838
Vehicles	<u>5,110</u>	<u>45,389</u>
	268,743	1,288,667

	31-Dec-22 (Rupees in '000')	30-Jun-22 (Rupees in '000')		
Note	Un-audited	Audited		
Brought Forward	268,743	1,288,667		
Transfer from capital work in progress during the period / year	9,659	387,846		
Book value of assets disposed off during the period / year	(128,285)	(149,814)		
Depreciation charge for the period / year	(436,223)	(868,214)		
Closing book value	<u>18,493,524</u>	<u>18,779,629</u>		
<b>10.02 Capital work-in-progress</b>				
Balance at the beginning	589,050	527,287		
Addition during the period / year	23,374	449,609		
	<u>612,424</u>	<u>976,896</u>		
Less; Transfer to operating assets				
- Building on freehold land	9,659	22,956		
- Plant, machinery and equipment	-	364,890		
	<u>602,764</u>	<u>589,050</u>		
<b>Breakup of the closing balance of capital work-in-progress</b>	<u>602,764</u>			
The details are as under:				
Plant and machinery	100,084	100,084		
Civil work	502,680	488,966		
	<u>602,764</u>	<u>589,050</u>		
<b>11. RIGHT-OF-USE ASSETS</b>				
Opening net book value (NBV)	86,056	90,585		
Depreciation charge for the period / year	(2,152)	(4,529)		
Closing net book value (NBV)	<u>83,905</u>	<u>86,056</u>		
<b>12. LONG TERM INVESTMENTS</b>				
At fair value through statement of profit or loss designated on initial recognition				
- Investment in Imperial Limited	182,424	175,920		
At fair value through other comprehensive income	1,269	1,514		
	<u>183,693</u>	<u>177,434</u>		
<b>13. STOCK IN TRADE</b>				
<b>Textile</b>				
Raw material	1,019,773	1,702,808		
Work in process	349,890	392,980		
Finished goods	2,406,640	2,475,640		
	<u>3,776,303</u>	<u>4,571,428</u>		
<b>Real Estate Business</b>				
Land held for development and resale	165,000	165,000		
	<u>3,941,303</u>	<u>4,736,428</u>		
<b>14. OTHER FINANCIAL ASSETS</b>				
Other financial assets	14.01	13		
	<u>13</u>	<u>14</u>		
14.01 These include shares of listed companies classified at fair value through statement of profit or loss.				
<b>31 Dec 2022      30 June 2022      Quoted - at fair value</b>				
<i>No. of Shares / Bonds</i>				
89	89	Oil and Gas Development Company Limited	7	7
250	250	Maple Leaf Cement Factory Limited	6	7
<u>339</u>	<u>339</u>		<u>13</u>	<u>14</u>

Note	Half year ended		Quarter ended	
	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')
<b>15. SALES - NET</b>				
Local	8,975,111	15,547,427	4,310,032	8,297,342
Export	947,751	1,162,432	270,968	570,679
	9,922,862	16,709,859	4,581,000	8,868,021
Commission	(61,413)	(67,390)	(28,963)	(36,951)
	9,861,450	16,642,469	4,552,038	8,831,070
<b>16. COST OF SALES</b>				
Raw material consumed	5,920,702	10,663,094	2,758,826	5,638,322
Stores consumed	718,767	825,785	411,541	459,136
Staff salaries, wages and benefits	1,079,436	1,428,446	534,232	719,216
Power and fuel	1,918,292	1,961,750	963,569	1,036,724
Insurance	25,422	28,138	16,622	14,220
Depreciation	431,085	420,614	215,681	211,951
Other factory overheads	41,301	54,688	29,962	27,130
	10,135,005	15,382,515	4,930,433	8,106,699
Work in process:				
Opening	392,980	499,580	377,830	495,848
Closing	(349,890)	(500,080)	(349,890)	(500,080)
	43,090	(500)	27,940	(4,232)
Cost of goods manufactured	10,178,095	15,382,015	4,958,373	8,102,467
Finished goods:				
Opening stock	2,475,640	2,560,618	2,415,080	2,549,850
Closing stock	(2,406,640)	(2,562,518)	(2,406,640)	(2,562,518)
	69,000	(1,900)	8,440	(12,668)
Real estate				
Opening	165,000	165,000	165,000	165,000
Closing	(165,000)	(165,000)	(165,000)	(165,000)
	-	-	-	-
Cost of sales	10,247,095	15,380,115	4,966,813	8,089,799
<b>17. FINANCE COST</b>				
Accrued during the period	440,381	346,178	218,038	177,697
	440,381	346,178	218,038	177,697
<b>18. OTHER INCOME</b>				

This includes profit on bank deposits, rental income and exchange gains.

**19. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of subsidiary, associated companies, other related companies, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Aggregate transactions are as follows:

Related parties	Half year ended		Quarter ended	
	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')
<b>Subsidiary:</b>				
- Loan to Stitchrite (Pvt.) Limited	17,669	-	17,669	-
- Investment in subsidiary	160,000	100,000	160,000	100,000
-Rent received from Stitchrite (Pvt.) Limited	-	6,000	-	-
- Sales to Stitchrite (Pvt.) Limited	16,639	47,638	5,158	34,415
<b>Provident Fund Trust:</b>				
- Contribution to Provident Fund Trust	15,868	15,656	7,832	7,920

**20. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The unconsolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2022.

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

The carrying value of all financial assets and liabilities reflected in the unconsolidated condensed interim financial information approximate their fair value.

**20.01 Fair value hierarchy**

Following are three levels in fair value hierarchy that reflect the significance of the inputs used in measurement of fair values of financial instruments.

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. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has financial assets at fair value of Rs. 282 thousand (June 30, 2022: 282 thousand) which is valued under level 1 valuation method. The Company does not have any investment in level 2 and 3 category.

**21. SEGMENT INFORMATION**

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

- Spinning: Production of different qualities of yarn using cotton and man-made fibres.
- Weaving: Production of different qualities of greige fabric using cotton and man-made fibre yarn.



Transactions among the business segments are recorded at cost. Inter segment sales and purchases have been eliminated from the total.

	Half year ended					
	Spinning		Weaving		Total Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	----- Rupees in '000' -----					
Sales:						
Total sales	7,935,154	14,206,413	2,039,687	3,126,679	9,974,841	17,333,092
Inter segment	(113,391)	(690,623)	-	-	(113,391)	(690,623)
External sales	7,821,763	13,515,790	2,039,687	3,126,679	9,861,450	16,642,469
Cost of sales	(8,078,257)	(12,658,069)	(2,168,838)	(2,722,046)	(10,247,095)	(15,380,115)
Gross profit	(256,494)	857,721	(129,151)	404,633	(385,645)	1,262,354
Distribution cost	(103,911)	(116,557)	(49,274)	(57,704)	(153,185)	(174,261)
Administrative expenses	(175,419)	(186,254)	(100,280)	(107,503)	(275,699)	(293,757)
	(279,330)	(302,811)	(149,553)	(165,207)	(428,884)	(468,018)
	(535,824)	554,910	(278,704)	239,426	(814,529)	794,336
Finance cost	(264,229)	(207,707)	(176,152)	(138,471)	(440,381)	(346,178)
	(800,053)	347,203	(454,857)	100,955	(1,254,910)	448,158
<b>Unallocated income and expenses:</b>						
Other income					70,492	53,013
Other operating charges					(1)	(117,865)
(Loss) / profit before tax					(1,184,418)	383,306
Taxation					194,422	(206,656)
(Loss) / profit for the period					(989,996)	176,650
Other comprehensive income:						
(Loss) / profit on remeasurement of investments					(245)	(1,684)
Total comprehensive (Loss) / profit for the period					(990,241)	174,966

	Quarter ended					
	Spinning		Weaving		Total Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	----- Rupees in '000' -----					
Sales:						
Total sales	3,814,383	7,499,934	770,299	1,748,025	4,584,682	9,247,959
Inter segment	(32,645)	(416,889)	-	-	(32,645)	(416,889)
External sales	3,781,738	7,083,045	770,299	1,748,025	4,552,037	8,831,070
Cost of sales	(4,042,060)	(6,574,848)	(924,753)	(1,514,951)	(4,966,813)	(8,089,799)
Gross profit	(260,322)	508,197	(154,454)	233,074	(414,776)	741,271
Distribution cost	(68,199)	(73,766)	(25,466)	(29,176)	(93,664)	(102,942)
Administrative expenses	(104,046)	(135,905)	(52,697)	(73,937)	(156,743)	(209,842)
	(172,245)	(209,671)	(78,162)	(103,113)	(250,407)	(312,784)
	(432,567)	298,526	(232,616)	129,961	(665,183)	428,487
Finance cost	(130,823)	(106,618)	(87,215)	(71,079)	(218,038)	(177,697)
	(563,390)	191,908	(319,832)	58,882	(883,221)	250,790
<b>Unallocated income and expenses:</b>						
Other income					41,958	26,217
Other operating charges					(1)	(117,865)
(Loss) / profit before tax					(841,263)	159,142
Taxation					256,254	(109,249)
(Loss) / profit for the period					(585,009)	49,893
Other comprehensive income:						
Profit / (loss) on remeasurement of investments					(245)	(1,684)
Total comprehensive (Loss) / profit for the period					(585,254)	48,209

## Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Total Company	
	31-Dec-22	30-Jun-22	31-Dec-22	30-Jun-22	31-Dec-22	30-Jun-22
	----- Rupees in '000' -----					
<b>Total assets for reportable segments</b>	10,740,908	10,894,651	8,439,285	8,560,083	19,180,193	19,454,735
<b>Unallocated assets:</b>						
Investment property					791,089	791,089
Long term investments					183,693	177,434
Investment in Subsidiary					160,000	130,000
Cash and bank balances					23,667	21,053
Other corporate assets					8,743,373	9,524,811
Total assets as per statement of financial position					<u>29,082,015</u>	<u>30,099,122</u>
<b>Unallocated liabilities:</b>						
Directors' subordinant loan					120,000	120,000
Provision for taxation					245,076	505,413
Other corporate liabilities					28,716,939	29,473,709
Total liabilities as per statement of financial position					<u>29,082,015</u>	<u>30,099,122</u>

**22. DATE OF AUTHORIZATION FOR ISSUE**

This unconsolidated condensed interim financial information was authorized for issue on 01 March 2023 by the Board of Directors of the Company.

**23. GENERAL**

- Corresponding figures have been re-arranged, wherever necessary, to the facilitation of comparison.
- Figures in this unconsolidated condensed interim financial information have been rounded-off to the nearest rupee in thousand except where stated otherwise.



Chief Financial Officer



Director



Chief Executive Officer

# **COLONY TEXTILE MILLS LIMITED**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2022

	Note	31-Dec-22 (Rupees in '000')	30-Jun-22 (Rupees in '000')
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital			
530,000,000 (30 June 2022: 530,000,000)			
ordinary shares of Rs. 10 each		5,300,000	5,300,000
Issued, subscribed and paid up capital		4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
Revaluation surplus on property, plant and equipment		19,594	19,594
Director's loan	6	120,000	120,000
General reserves		4,702	4,702
Unappropriated profit		878,889	1,856,751
Surplus on remeasurement of investments		795	1,040
		9,160,468	10,138,575
<b>Non Current Liabilities</b>			
Long term financing	7	5,499,230	6,153,623
Liabilities against assets subject to finance lease		-	1,614
Deferred liabilities		6,225,985	5,913,843
		11,725,215	12,069,080
<b>Current Liabilities</b>			
Trade and other payables		3,060,181	2,840,341
Short term borrowings	8	3,409,255	3,597,762
Accrued mark-up		141,383	119,645
Unclaimed dividend		94	94
Current portion of long term liabilities		1,415,435	969,475
Provision for taxation		247,953	508,410
		8,274,301	8,035,727
Contingencies and commitments	9	-	-
		29,159,984	30,243,382
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	10	19,172,679	19,446,781
Right of use assets	11	83,905	86,055
Investment property		791,089	791,089
Long term investments	12	183,693	177,434
Long term deposits		51,132	51,132
		20,282,498	20,552,491
<b>Current Assets</b>			
Stores, spare parts and loose tools		581,046	680,108
Stock in trade	13	3,988,471	4,853,572
Trade debts		1,144,747	1,582,836
Loans and advances		1,314,558	1,508,501
Trade deposits and short term prepayments		118,578	85,729
Other financial assets	14	13	14
Tax refunds due from the government		1,706,072	958,638
Cash and bank balances		24,001	21,493
		8,877,486	9,690,891
		29,159,984	30,243,382

The annexed notes from 01 to 23 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM  
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Half year ended		Quarter ended	
		31-Dec		31-Dec	
		2022	2021	2022	2021
		(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
Sales - net	15	10,066,122	16,677,592	4,614,534	8,886,338
Cost of sales	16	(10,390,222)	(15,382,046)	(5,003,724)	(8,125,604)
Gross (Loss) / profit		(324,100)	1,295,546	(389,190)	760,734
Operating expenses:					
Distribution cost		(160,494)	(175,258)	(95,492)	(103,651)
Administrative expenses		(307,129)	(309,615)	(172,084)	(218,616)
		(467,623)	(484,873)	(267,576)	(322,267)
Operating profit		(791,723)	810,673	(656,766)	438,467
Finance cost	17	(440,574)	(346,333)	(218,231)	(177,852)
Other Operating Charges		(10,600)	(117,865)	(10,600)	(117,865)
		(451,173)	(464,199)	(228,830)	(295,718)
Other income	18	70,492	53,923	41,958	27,041
(Loss)/Profit before taxation		(1,172,404)	400,397	(843,638)	169,790
Taxation		194,542	(210,674)	252,201	(111,899)
<b>Net (Loss) / profit for the period / year</b>		<b>(977,862)</b>	<b>189,723</b>	<b>(591,437)</b>	<b>57,891</b>
(Loss)/Earnings per share - basic and diluted (Rupees)		(1.96)	0.38	(1.19)	0.12

The annexed notes from 01 to 23 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Half year ended		Quarter ended	
	31-Dec		31-Dec	
	2022	2021	2022	2021
Note	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
(Loss)/Profit for the period/year	(977,862)	189,723	(591,437)	57,891
<b>Other comprehensive income:</b>				
Items that may be reclassified to profit or loss statement:				
- Net fair value gain / (loss) on investment measured at FVTOCI	(245)	(1,684)	(245)	(1,684)
<b>Total comprehensive (Loss)/ income for the period/year</b>	<b>(978,107)</b>	<b>188,039</b>	<b>(591,682)</b>	<b>56,208</b>

The annexed notes from 01 to 23 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM  
STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the period before taxation	(1,172,404)	400,397
Adjustments for:		
Provision for staff retirement benefits	115,294	79,045
Depreciation on operating assets	440,569	429,464
Finance cost	440,574	346,333
(Profit) / loss from investment in IL	(6,504)	117,862
(Profit) / loss on remeasurement of investments	1	4
(Gain) on disposal of property, plant and equipment	(7,894)	(836)
	982,040	971,872
Operating cash flows before working capital changes	(190,364)	1,372,269
<b>Changes in working capital:</b>		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	99,062	(134,751)
Stock in trade	865,101	113,374
Trade debts	438,089	(253,391)
Loans, advances, deposits and other receivables	(550,278)	(105,774)
Increase / (decrease) in current liabilities:		
Trade and other payables	219,840	42,079
	1,071,814	(338,463)
Cash generated from operating activities	881,450	1,033,806
Finance cost paid	(182,369)	(141,959)
Staff retirement benefits paid	(39,620)	(62,392)
Income tax paid	(101,978)	(94,569)
	(323,966)	(298,920)
Net cash generated from operating activities	557,484	734,886
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(292,836)	(712,695)
Proceeds from disposal of property, plant and equipment	136,413	1,049
Net cash used in investing activities	(156,423)	(711,646)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances repaid	(203,468)	(262,027)
Lease finance - net	(6,579)	(7,566)
Short term borrowings - net	(188,507)	220,305
Net cash used in financing activities	(398,554)	(49,288)
Net (decrease) / increase in cash and cash equivalents	2,508	(26,048)
Cash and cash equivalents at beginning of the period	21,493	70,884
Cash and cash equivalents at end of the period	24,001	44,836

The annexed notes from 01 to 23 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM  
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Ordinary share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Director's loan	Revenue reserves		Surplus on remeasurement of investments	Total
					General reserves	Unappropriated profit / (loss)		
Rupees in ('000')								
Balance as at 01 July 2021	4,980,100	3,156,388	19,594	120,000	4,702	1,564,305	2,951	9,848,040
<b>Total comprehensive income:</b>								
Profit for the half year ended 31 December 2021	-	-	-	-	-	189,723	-	189,723
<b>Other comprehensive income:</b>								
- Net fair value gain / (Loss) on investment measured at FVTOCI	-	-	-	-	-	-	(1,684)	(1,684)
Total comprehensive income for the period	-	-	-	-	-	189,723	(1,684)	188,039
Balance as at 31 December 2021	4,980,100	3,156,388	19,594	120,000	4,702	1,754,028	1,267	10,036,079
<b>Total comprehensive income:</b>								
Profit for the half year ended 30 June 2022	-	-	-	-	-	110,062	-	110,062
<b>Other comprehensive income:</b>								
- Remeasurement of defined benefit obligation	-	-	-	-	-	(7,339)	-	(7,339)
- Net fair value gain / (Loss) on investment measured at FVTOCI	-	-	-	-	-	-	(227)	(227)
Total comprehensive income for the period	-	-	-	-	-	102,723	(227)	102,496
Balance as at 30 June 2022	4,980,100	3,156,388	19,594	120,000	4,702	1,856,751	1,040	10,138,575
<b>Total comprehensive income:</b>								
(Loss) / Profit for the half year ended 31 December 2022	-	-	-	-	-	(977,862)	-	(977,862)
<b>Other comprehensive income:</b>								
- Net fair value gain / (Loss) on investment measured at FVTOCI	-	-	-	-	-	-	(245)	(245)
	-	-	-	-	-	(977,862)	(245)	(978,107)
Balance as at 31 December 2022	4,980,100	3,156,388	19,594	120,000	4,702	878,889	795	9,160,468

The annexed notes from 01 to 23 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer



## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

### 1. THE GROUP AND ITS OPERATIONS

The group consists of Colony Textile Mills Limited ("the Holding Company") and its 100% owned subsidiary company "Stitchrite (Private) Limited". Brief profile of the Holding Company and its Subsidiary Company are as follows:

#### 1.01 COLONY TEXTILE MILLS LIMITED

Colony Textile Mills Limited ("the Company") is a public company limited by shares incorporated in Pakistan on 12 January 2011. The Company is listed on Pakistan Stock Exchange Limited. The company's registered office is located at M. Ismail Aiwan-i-Science Building, Ferozpur Road, Lahore, Pakistan. The principal activity of the company is manufacturing and sale of yarn, fabrics, garments made ups and trading in real estate.

#### 1.02 STITCHRITE (PRIVATE) LIMITED

Stitchrite (Private) Limited was incorporated in Pakistan as on 11 October 2019 under Companies Act, 2017 (XIX of 2017) limited by shares. The company's registered office is located at M. Ismail Aiwan-i-Science Building, Ferozpur Road, Lahore, Pakistan. The Company is principally engaged in general trading and manufacturing of textile products.

Stitchrite (Private) Limited

Effective Shareholding %
100

### 2. BASIS OF PREPARATION

#### 2.01 Statement of Compliance

(a) These consolidated 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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(b) These consolidated condensed interim financial statements comprise the consolidated condensed interim statement of financial position of the company as at December 31, 2022 and the related consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows together with notes forming part thereof.

(c) These consolidated condensed interim financial statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the preceding year ended 30 June 2022.

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this consolidated condensed interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2022.

### 5. PRESENTATION AND FUNCTIONAL CURRENCY

The consolidated condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

6. DIRECTOR'S LOAN	Note	31-Dec-22	30-Jun-22
		(Rupees in '000') Un-audited	(Rupees in '000') Audited
Director's loan	6.01	120,000	120,000

**6.01** This represents interest free loans from directors of the Company, payable at the discretion of the entity. It does not pass the liability test and thus recorded as equity at face value. It will not be re-measured subsequently. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the directors' loan would be a direct debit to equity. The Company has applied TR-32 'Accounting Directors' Loan' issued by Institute of Chartered Accountants of Pakistan whose compliance was mandatory with effect from period beginning on or after 01 January 2016. Amount of Rs. 120 million is subordinated to the liabilities of financial institutions.

7. LONG TERM FINANCING	Note	31-Dec-22	30-Jun-22
		(Rupees in '000') Un-audited	(Rupees in '000') Audited
From banking companies - Secured		6,907,308	7,110,776
Current portion shown under current liabilities		(1,408,078)	(957,153)
		5,499,230	6,153,623

**8. SHORT TERM BORROWINGS - SECURED**

Short term finances availed from various banking companies / other financial institutions under mark-up arrangements aggregate to Rs. 3,409 million (30 June 2022: Rs. 3,598 million).

**9. CONTINGENCIES AND COMMITMENTS**

There is no significant change in the status of contingencies and commitments as reported in the audited annual financial statements for the year ended 30 June 2022.

10. PROPERTY, PLANT AND EQUIPMENT	Note	31-Dec-22	30-Jun-22
		(Rupees in '000') Un-audited	(Rupees in '000') Audited
Operating assets - owned	10.01	18,569,915	18,857,731
Capital work in progress	10.02	602,764	589,050
		19,172,679	19,446,781

**10.01 Operating assets - owned**

Opening book value 18,857,731 18,184,413

**Additions during the period / year:**

Building on freehold land	1,289	60,152
Plant, machinery and equipment	254,695	1,148,928
Factory tools and equipment	627	23,881
Furniture and fixtures	1,801	16,608
Office and hospital equipment	5,941	10,202
Vehicles	5,110	47,699

269,462 1,307,470

Transfer from capital work in progress during the period / year 9,659 387,846

Book value of assets disposed off during the period / year (128,520) (149,814)

Depreciation charge for the period / year (438,417) (872,184)

Closing book value 18,569,915 18,857,731

**10.02 Capital work-in-progress**

Balance at the beginning 589,050 527,287

Addition during the period / year 23,374 449,609

612,424 976,895

Transfer to operating assets (9,659) (387,845)

602,764 589,050

**Breakup of the closing balance of capital work-in-progress**

The details are as under:

Plant and machinery 100,084 100,084

Civil work 502,680 488,966

602,764 589,050

	Note	31-Dec-22 (Rupees in '000') Un-audited	30-Jun-22 (Rupees in '000') Audited
<b>11. RIGHT OF USE ASSETS</b>			
Opening net book value (NBV)		86,056	90,584
Depreciation charge for the period / year		(2,152)	(4,529)
Closing net book value (NBV)		83,905	86,055
<b>12. LONG TERM INVESTMENTS</b>			
At fair value through statement of profit or loss designated on initial recognition			
- Investment in Imperial Limited		182,424	175,920
At fair value through other comprehensive income		1,269	1,514
		183,693	177,434
<b>13. STOCK IN TRADE</b>			
<b>Textile</b>			
Raw material		1,031,027	1,726,287
Work in process		364,589	435,171
Finished goods		2,427,854	2,527,115
		3,823,471	4,688,572
<b>Real Estate Business</b>			
Land held for development and resale		165,000	165,000
		3,988,471	4,853,572
<b>14. OTHER FINANCIAL ASSETS</b>			
Other financial assets	14.01	13	14
<b>14.01</b> These include shares of listed companies classified at fair value through statement of profit or loss.			
<b>31 Dec 2022</b>	<b>30 June 2022</b>	<b>Quoted - at fair value</b>	
<b>No. of Shares / Bonds</b>			
89	89	Oil and Gas Development Company Limited	7
250	250	Maple Leaf Cement Factory Limited	7
339	339		13
			14

	Note	Half year ended		Quarter ended	
		31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')
<b>15. SALES - NET</b>					
Local		8,977,027	15,500,421	4,311,948	8,297,974
Export		1,150,507	1,244,561	331,548	625,315
		10,127,534	16,744,982	4,643,496	8,923,289
Commission		(61,413)	(67,390)	(28,963)	(36,951)
Sales - net		10,066,122	16,677,592	4,614,534	8,886,338
<b>16. COST OF SALES</b>					
Raw material consumed		5,958,101	10,660,806	2,771,007	5,669,172
Stores consumed		729,218	827,577	415,057	460,800
Staff salaries, wages and benefits		1,109,330	1,449,828	548,411	732,005
Power and fuel		1,919,128	1,962,931	963,815	1,037,570
Insurance		25,752	28,216	16,841	14,260
Depreciation		433,043	422,509	216,647	213,004
Other factory overheads		45,808	58,558	31,526	28,933
		10,220,380	15,410,425	4,963,304	8,155,744
Work in process:					
Opening		435,171	517,526	410,207	526,794
Closing		(364,589)	(544,262)	(364,589)	(544,262)
		70,581	(26,736)	45,617	(17,468)
Cost of goods manufactured		10,290,961	15,383,689	5,008,922	8,138,276
Finished goods:					
Opening stock		2,527,115	2,560,979	2,422,657	2,549,950
Closing stock		(2,427,854)	(2,562,622)	(2,427,854)	(2,562,622)
		99,260	(1,643)	(5,197)	(12,672)
Real estate					
Opening		165,000	165,000	165,000	165,000
Closing		(165,000)	(165,000)	(165,000)	(165,000)
		-	-	-	-
Cost of sales		10,390,222	15,382,046	5,003,724	8,125,604
<b>17. FINANCE COST</b>					
Accrued during the period		440,574	346,333	218,231	177,852
		440,574	346,333	218,231	177,852

**18. OTHER INCOME**

This includes profit on bank deposits, rental income and exchange gains.

**19. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of subsidiary, associated companies, other related companies, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Aggregate transactions are as follows:

Related parties	Half year ended		Quarter ended	
	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')	31-Dec-22 (Rupees in '000')	31-Dec-21 (Rupees in '000')
<b>Subsidiary:</b>				
- Loan to Stitchrite (Pvt.) Limited	17,669	-	17,669	-
- Investment in subsidiary	160,000	100,000	160,000	100,000
- Rent received from Stitchrite (Pvt.) Limited	-	6,000	-	-
- Sales to Stitchrite (Pvt.) Limited	16,639	47,638	5,158	34,415
<b>Provident Fund Trust:</b>				
- Contribution to Provident Fund Trust	15,868	15,656	7,832	7,920

**20. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The consolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited annual financial statements for the year ended 30 June 2022.

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

The carrying value of all financial assets and liabilities reflected in the consolidated condensed interim financial information approximate their fair value.

**20.01 Fair value hierarchy**

Following are three levels in fair value hierarchy that reflect the significance of the inputs used in measurement of fair values of financial instruments.

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. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Group has financial assets at fair value of Rs. 282 thousand (June 30, 2022: 282 thousand) which is valued under level 1 valuation method. The Group does not have any investment in level 2 and 3 category.

**21. SEGMENT INFORMATION**

The Group has two reportable business segments. The following summary describes the operation in each of the company's reportable segments:

- Spinning: Production of different qualities of yarn using cotton and man-made fibres.
- Weaving: Production of different qualities of greige fabric using cotton and man-made fibre yarn.

Transactions among the business segments are recorded at cost. Intersegment sales and purchases have been eliminated from the total.

	Half year ended					
	Spinning		Weaving		Total Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
----- Rupees in '000' -----						
Sales:						
Total sales	7,935,154	14,206,413	2,039,687	3,126,679	9,974,841	17,333,092
Inter segment	(113,391)	(690,623)	-	-	(113,391)	(690,623)
External sales	7,821,763	13,515,790	2,039,687	3,126,679	9,861,450	16,642,469
Cost of sales	(8,078,257)	(12,658,069)	(2,168,838)	(2,722,046)	(10,247,095)	(15,380,115)
Gross profit	(256,494)	857,721	(129,151)	404,633	(385,645)	1,262,354
Distribution cost	(103,911)	(116,557)	(49,274)	(57,704)	(153,185)	(174,261)
Administrative expenses	(175,419)	(186,254)	(100,280)	(107,503)	(275,699)	(293,757)
	(279,330)	(302,811)	(149,553)	(165,207)	(428,884)	(468,018)
	(535,824)	554,910	(278,704)	239,426	(814,529)	794,336
Finance cost	(264,229)	(207,707)	(176,152)	(138,471)	(440,381)	(346,178)
	(800,053)	347,203	(454,857)	100,955	(1,254,910)	448,158

**Unallocated income and expenses:**

Other income		70,492	53,013
Other operating charges		(1)	(117,865)
(Loss) / profit before tax		(1,184,418)	383,306
Taxation		194,422	(206,656)
(Loss) / profit for the period		(989,996)	176,650
Other comprehensive income:			
(Loss) / profit on remeasurement of investments		(245)	(1,684)
Total comprehensive (Loss) / profit for the period		(990,241)	174,966

	Quarter ended					
	Spinning		Weaving		Total Company	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
----- Rupees in '000' -----						
Sales:						
Total sales	3,814,383	7,499,934	770,299	1,748,025	4,584,682	9,247,959
Inter segment	(32,645)	(416,889)	-	-	(32,645)	(416,889)
External sales	3,781,738	7,083,045	770,299	1,748,025	4,552,037	8,831,070
Cost of sales	(4,042,060)	(6,574,848)	(924,753)	(1,514,951)	(4,966,813)	(8,089,799)
Gross profit	(260,322)	508,197	(154,454)	233,074	(414,776)	741,271
Distribution cost	(68,199)	(73,766)	(25,466)	(29,176)	(93,664)	(102,942)
Administrative expenses	(104,046)	(135,905)	(52,697)	(73,937)	(156,743)	(209,842)
	(172,245)	(209,671)	(78,162)	(103,113)	(250,407)	(312,784)
	(432,567)	298,526	(232,616)	129,961	(665,183)	428,487
Finance cost	(130,823)	(106,618)	(87,215)	(71,079)	(218,038)	(177,697)
	(563,390)	191,908	(319,832)	58,882	(883,221)	250,790

**Unallocated income and expenses:**

Other income		41,958	26,217
Other operating charges		(1)	(117,865)
(Loss) / profit before tax		(841,263)	159,142
Taxation		256,254	(109,249)
(Loss) / profit for the period		(585,009)	49,893
Other comprehensive income:			
Profit / (loss) on remeasurement of investments		(245)	(1,684)
Total comprehensive (Loss) / profit for the period		(585,254)	48,209

Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Total Company	
	31-Dec-22	30-Jun-22	31-Dec-22	30-Jun-22	31-Dec-22	30-Jun-22
	----- Rupees in '000' -----					
<b>Total assets for reportable segments</b>	10,740,908	10,894,651	8,439,285	8,560,083	19,180,193	19,454,735
<b>Unallocated assets:</b>						
Investment property					791,089	791,089
Long term investments					183,693	177,434
Investment in Subsidiary					160,000	130,000
Cash and bank balances					23,667	21,053
Other corporate assets					8,743,373	9,524,811
Total assets as per statement of financial position					<u>29,082,015</u>	<u>30,099,122</u>
<b>Unallocated liabilities:</b>						
Directors' subordinated loan					120,000	120,000
Provision for taxation					245,076	505,413
Other corporate liabilities					28,716,939	29,473,709
Total liabilities as per statement of financial position					<u>29,082,015</u>	<u>30,099,122</u>

22. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorized for issue on 01 March 2023 by the Board of Directors of the Company.

23. GENERAL

- Corresponding figures have been re-arranged, wherever necessary, to facilitate the comparison.
- Figures in this consolidated condensed interim financial information have been rounded-off to the nearest rupee in thousand except where stated otherwise.



Chief Financial Officer



Director



Chief Executive Officer

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹران ششماہی مالی حسابات تختہ 31 دسمبر 2022ء بمعدہ بیرونی محاسبان کی جائزہ شدہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔ کمپنی کا پہلی ششماہی میں کاروباری حجم گزشتہ برس کے مقابل مبلغ 16,642 ملین روپے سے کم ہو کر 9,861 ملین روپے ہو گیا ہے۔ اس مدت کے لیے مجموعی نقصان مبلغ 386 ملین روپے ہے (2021: مجموعی منافع 1,262 ملین روپے) اور نصف سال کا خالص نقصان 990 ملین روپے (2021: منافع 177 ملین روپے) نصف سال کا فی حصہ نقصان 1.99 روپے رہا جبکہ پچھلے سال اسی ششماہی میں فی حصہ آمدنی 0.35 روپے تھی۔

مندرجہ بالا نتائج واضح طور پر ظاہر کرتے ہیں کہ ٹیکسٹائل کی صنعت کو بہت ناخوشگوار حالات کا سامنا ہے۔ ہمیں پاکستانی روپے کی غیر متوقع قدر میں کمی اور اتار چڑھاؤ، کمزور مہنگائی، خام مال اور ضروری پرزہ جات اور خام طور پر یوٹیلٹیز سمیت تمام اشیاء کی قیمتوں میں زبردست اضافے جیسے خوفناک مسائل کا سامنا ہے۔ ہمہ وقت بلند شرح سود، درآمد شدہ خام مال اور مشینز کے سپنر پارٹس استعمال کی اشیاء کی قلت نے مارکیٹ میں تباہی مچا دی ہے۔ معاملات اس وقت مزید خراب ہوئے جب تمام عالم کساد بازی کا شکار ہے جبکہ مہنگائی آسمان کو چھو رہی ہے اور مانگ میں مندی ہے۔

پاکستان بڑے پیمانے پر سیلاب کی وجہ سے غیر معمولی طور پر متاثر ہوا ہے جس کے نتیجے میں نہ صرف قیمتی جانوں کا نقصان ہوا ہے، انفراسٹرکچر، بنیادی ڈھانچہ متاثر ہوا اور مملکت بیمار یوں کا پھیلاؤ بڑھا، بلکہ ہماری زرعی فصلوں خصوصاً کپاس کو بھی بڑے پیمانے پر نقصان پہنچا ہے۔ اس سنگین صورتحال نے انتہائی سیاسی غیر یقینی اور بگڑتی ہوئی امن و امان کی صورت حال نے ذیلی منڈیوں اور منافع اور طلب کو مکمل طور پر خراب کر دیا ہے جو اس سے پہلے نہیں دیکھی گئی۔ چونکہ لوگ زندہ رہنے کی جدوجہد کر رہے ہیں لہذا ٹیکسٹائل خریداری ترجیح نہیں ہے۔


عالمی خوراک اور توانائی کی بڑھتی ہوئی قیمتوں کے ساتھ بین الاقوامی منڈی میں ٹیکسٹائل کے سامان کو آگے بڑھانا ایک ڈراؤنا خواب بن گیا ہے۔ پوری دنیا میں لوگ ضروریات زندگی پر توجہ مرکوز کرنے کی کوشش کر رہے ہیں اور ٹیکسٹائل کو اس کا نقصان اٹھانا پڑ رہا ہے۔ پاکستان میں مسلسل بڑھتی ہوئی ان پٹ لاگت کے ساتھ سیاسی انتشار اور غیر ملکی کرنسی کی خرابی سے جزی غیر یقینی صورت حال نے پاکستان کو غیر پسندیدہ جگہ بنا دیا ہے جبکہ ہمارے حریف ممالک اپنی صنعت کو چلانے کے لئے طریقہ اور ذرائع متعارف کروا رہے ہیں۔ بدقسمتی سے پاکستان میں ہماری توجہ اس طرف مرکوز نہیں ہے۔


کمپنی کے مجموعی مالیاتی حسابات برائے ششماہی تختہ 31 دسمبر 2022ء اور اس کی مکمل ملکیت والی ذیلی کمپنی StitchRite (Private) Limited کے مالیاتی حسابات شلک ہیں۔

اگرچہ درپیش مسائل بہت بڑے ہیں لیکن ہم اس نازک صورت حال میں زندہ رہنے اور کمپنی کے طویل مدتی اہداف کو پورا کرنے کے لئے اپنے اسٹیک ہولڈرز کی قدر میں اضافہ کرنے کے لئے بہترین کارکردگی کا مظاہرہ کرنے کے لئے پرعزم ہیں۔

ہم اپنے مالیاتی اداروں کے تعاون اور کمپنی کی بہتری کے لئے اپنے ایگزیکٹوز اور ملازمین کی کوششوں کو سراہتے ہوئے ریکارڈ پر رکھنا چاہتے ہیں۔

منجانب بورڈ

  
عبدالحکیم خان قصوریہ  
ڈائریکٹر

  
فرید معیث شیخ  
چیف ایگزیکٹو آفیسر

لاہور: 01 مارچ 2023ء





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**COLONY**  
TEXTILE MILLS  
LIMITED

## **Colony Textile Mills Limited**

Ismail Aiwan-e-Science Building  
205 Ferozepur Road Lahore - 54600  
Phone: 042-35758970-2  
Fax: 042-35763247