



AEL/PSX/01/2024

10 January 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road, Karachi – 74000

MISCELLANEOUS INFORMATION – UN-AUDITED ACCOUNTS OF STYLERS INTERNATIONAL LIMITED

Dear Sir,

This is with reference to listing application of Stylers International Limited (SIL) pursuant to the sanction of the scheme of merger by the Honorable Lahore High Court, Lahore (the "Court") wherein AEL Textiles Limited (AEL) shall be merged with and into SIL. We are enclosing quarterly un-audited accounts of SIL for the period ended September 2023 for your information.

You may please inform the TRE Certificate Holders of the Exchange, accordingly.

Yours truly

For AEL Textiles Limited

Company Secretary



CC; -Executive Director/HOD, Offsite-II Department, Supervision Division SECP-ISD.

STYLERS INTERNATIONAL LIMITED
CONDENSED INTERIM
FINANCIAL STATEMENTS

For the Quarter Ended 30 SEPTEMBER 2023

COMPANY INFORMATION

Board of Directors

Mr. Javaid Arshad Bhatti	Director/ Chairman
Mr. Mustansar Ahmed	Director/CEO
Mr. Mian Muhammad Ahsan	Director
Mr. Muhammad Umar	Director
Mr. Muhammad Saqib	Director
Ms. Salma Bashir	Director
Mr. Khurram Alam	Director

Chief Financial Officer

Mr. Ghulam Mohioudin

Company Secretary

Mr. Ghulam Mohioudin

Web Presence

www.stylersintl.com

Registered Office

20, KM Ferozepur Road Glaxo
Town, Lahore

Auditors

Riaz Ahmad & Co
Chartered Accountants

Bankers

Meezan Bank Limited
Alfalah Bank of Pakistan

DIRECTORS' REPORT

For The Quarter Ended Sep 30, 2023

The Directors are pleased to present their review together with the un-audited financial information of the Company for the quarter ended September 30th, 2023.

Financial performance of the Company for quarter ended Sep 30, 2023, is as under:

Particulars	30 Sep 2023 Rupees	30 Sep 2022 Rupees
REVENUE	2,585,578,226	4,329,838,110
COST OF SALES	(2,068,069,557)	(3,420,170,834)
GROSS PROFIT	517,508,669	909,667,276
ADMINISTRATIVE /OTHER EXPENSES	(256,335,457)	(297,130,214)
OTHER INCOME	75,908,603	141,738,436
FINANCE COST	(48,312,470)	(52,825,548)
PROFIT BEFORE TAXATION	288,769,345	701,449,951
PROFIT AFTER TAXATION	256,910,190	654,044,428
EARNINGS PER SHARE (PKR)	0.60	1.52

During this period the Company was able to generate revenue of PKR 2.6 billion in comparison to PKR 4.3 billion of same quarter of last year essentially due lower sales volume which was in line with prevailing international market environment with gross margin at 20% was in line with last year. Administration Costs/Other expenses were 14% less than comparative quarter mainly due to lower sales. Due to lower gross profit the profit after tax and as a consequence EPS was lower that Q1 of 2022.

The Board of Directors of the Company on 07 June 2023 approved the Scheme of Arrangement for merger between the Company and AEL Textiles Limited - associated company (AEL). Pursuant to the Order of the Honorable Lahore High Court, Lahore dated 14 June 2023, the shareholders of the Company in their extraordinary general meeting duly held on 18 July 2023 also approved the Scheme of Arrangement. Order of the Honorable Lahore High Court, Lahore approving the Scheme of Arrangement is now awaited. In terms of the Scheme of Arrangement approved by directors and shareholders of the Company:

STYLERS INTERNATIONAL LTD.
20-KM Ferozepur Road, Glaxo Town, Lahore, Pakistan
Phone: + 92 42 3527 4471-3

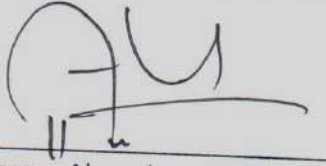
STYLERS

- (i) AEL (together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited and eligibility for induction with Central Depository Company) and all its liabilities and obligations) will be merged with and into the Company
- (ii) Shares of the Company will be issued and allotted to the members of AEL as consideration for the Proposed Merger and the shares of the Company will stand listed on the Pakistan Stock Exchange ("PSX") as a result of the Proposed Merger by filing of requisite documents/information with the PSX;
- (iii) As a consequence of the Proposed Merger and upon listing of the shares of the Company on PSX, AEL will be de-listed from the PSX and will be dissolved without winding up.

The economic conditions during period under review were not encouraging. The political uncertainty even after caretaker setup prevailed, all time higher inflation and interest rates continued. Unprecedented depreciation against all major currencies played havoc with the economy. Uncertainty over global economy persists which is expected to extend to the later part of 2023. There are some signs of easing of economy especially inflation, however early recovery is not in sight.

The expansion project "Sunshine" with a considerable investment is as per plan and will be operational in 2024. Your director's wish to thank all employees for their hard work for the Company.

On behalf of the Board of Directors

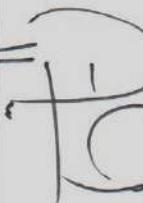


Mustanser Ahmed
Director & Chief Executive Officer
October 25, 2023

STYLERS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Unaudited 30 Sep 2023 Rupees	Audited 30 Jun 2023 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital	550,000,000	550,000,000
550,000,000 (2023: 550,000,000) ordinary shares of Rs. 10 each	5,500,000,000	5,500,000,000
Issued, subscribed and paid-up share capital	4,304,874,200	4,304,874,200
Reserves	5,237,695,799	4,980,785,610
Total equity	9,542,569,999	9,285,659,810
LIABILITIES		
NON-CURRENT LIABILITIES		
Leave encashment	12,514,765	11,440,218
Deferred taxation	5,492,569	5,492,569
	18,007,334	16,932,787
CURRENT LIABILITIES		
Trade and other payables	1,970,714,521	2,580,211,305
Short term borrowings	1,394,499,368	890,750,000
Current portion of lease liabilities	39,115,992	59,589,764
Taxation - net	2,164,293	5,455,375
	3,406,494,174	3,536,006,444
TOTAL LIABILITIES	3,424,501,508	3,552,939,231
CONTINGENCIES AND COMMITMENTS	11	
TOTAL EQUITY AND LIABILITIES	12,967,071,507	12,838,599,041
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6,461,521,190	6,008,913,683
Right-of-use assets	9,920,828	19,042,922
Investment properties	408,485,000	408,485,000
Intangible assets	153,301	186,150
Long term investment	683,749,368	683,749,368
Long term deposits	45,329,378	45,329,378
	7,609,159,065	7,165,706,501
CURRENT ASSETS		
Stores, spare parts and loose tools	29,061,689	37,279,169
Stock-in-trade	1,709,028,318	1,434,477,603
Trade debts	971,547,426	1,468,042,322
Advances, deposits and prepayments	157,645,257	104,196,264
Other receivables	141,275,293	113,486,139
Net defined benefit asset	2,676,213	19,679,789
Accrued profit	1,553,425	2,695,890
Due from the Government	1,089,710,537	1,256,506,665
Cash and bank balances	1,255,414,284	1,236,528,699
	5,357,912,442	5,672,892,540
TOTAL ASSETS	12,967,071,507	12,838,599,041

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


 CHIEF EXECUTIVE OFFICER

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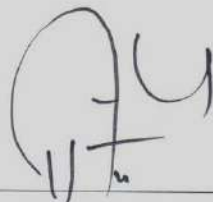
 DIRECTOR


 CHIEF FINANCIAL OFFICER



STYLERS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	Note	30 Sep 2023 Rupees	30 Sep 2022 Rupees
REVENUE	24	2,585,578,226	4,329,838,110
COST OF SALES	25	(2,068,069,557)	(3,420,170,834)
GROSS PROFIT		517,508,669	909,667,276
DISTRIBUTION COST	26	(106,803,169)	(143,830,605)
ADMINISTRATIVE EXPENSES	27	(77,101,659)	(74,913,596)
OTHER EXPENSES	28	(72,430,629)	(78,386,012)
		(256,335,457)	(297,130,214)
		261,173,212	612,537,063
OTHER INCOME	29	75,908,603	141,738,436
PROFIT FROM OPERATIONS		337,081,815	754,275,499
FINANCE COST	30	(48,312,470)	(52,825,548)
PROFIT BEFORE TAXATION		288,769,345	701,449,951
TAXATION	31	(31,859,155)	(47,405,523)
PROFIT AFTER TAXATION		256,910,190	654,044,428



CHIEF EXECUTIVE OFFICER



DIRECTOR



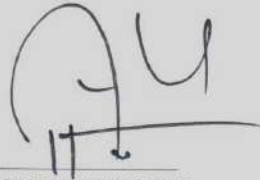
CHIEF FINANCIAL OFFICER



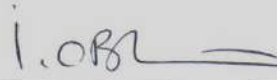
STYLERS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	Three Months ended 30 Sep 2023 Rupees	Three Months ended 30 Sep 2022 Rupees
PROFIT AFTER TAXATION	256,910,190	654,044,428
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified to profit or loss: net of tax		
Remeasurement loss on employees' retirement benefit	-	-
Surplus on revaluation of property, plant and equipment	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	256,910,190	654,044,428

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



STYLERS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2023

	Capital reserve			Revenue reserves			Total Equity
	Share capital	Share deposit money	Share premium	Revaluation surplus	Merger reserves	General reserve	

(Rupees)

Balance as at 30 June 2022 - Audited	4,304,874,200	200,000,000	-	450,194,473	-	-	920,496,200	5,875,564,873
Share deposit money received	-	(200,000,000)	-	-	-	-	-	(200,000,000)
Profit after taxation	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	1,104,689,206	-	-	2,516,806,798	2,516,806,798
Total comprehensive income for the period	-	-	-	1,104,689,206	-	-	(11,401,067)	1,093,288,139
Transfer of incremental depreciation	-	-	-	(30,057,896)	-	-	30,057,896	-
Transfer of incremental depreciation on disposal	-	-	-	(5,010)	-	-	5,010	-
Balance as at 30 June 2023 - Audited	4,304,874,200	-	-	1,524,820,773	-	-	3,485,964,837	9,285,659,810
Share deposit money received	-	-	-	-	-	-	-	-
Profit after taxation	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	256,910,190	256,910,190
Total comprehensive income for the period	-	-	-	-	-	-	256,910,190	256,910,190
Transfer of incremental depreciation	-	-	-	-	-	-	-	-
Balance as at 30 September 2023 - Unaudited	4,304,874,200	-	-	1,524,820,773	-	-	3,712,875,026	9,542,570,000

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

CHIEF EXECUTIVE OFFICER



DIRECTOR




CHIEF FINANCIAL OFFICER





STYLERS INTERNATIONAL LIMITED
STATEMENT OF CASH FLOWS
FOR THE INTERIM ENDED 30 SEPTEMBER 2023

	Three months ended 30 Sep 2023	Twelve months ended 30 June 2023
	Rupees	Rupees
CASH FLOWS:		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	288,769,345	2,752,478,995
Adjustment for non-cash items:		
Depreciation of operating fixed assets	53,399,335	197,886,218
Depreciation on right-of-use assets	9,122,094	69,142,578
Amortization of intangible assets	32,850	909,747
Credit balances written back	(2,754,270)	(826,587)
Gain on termination of lease liabilities	-	(4,444,817)
(Reversal) / provision for slow moving raw material	(12,609,018)	(8,795,269)
(Reversal) / provision for slow moving stores, spare parts and loose tools	(15,029)	1,127,385
Provision for leave encashment	2,400,000	4,734,319
Provision for gratuity	27,003,576	101,993,770
Gain from fair value measurement	-	(109,757,000)
(Gain)/Loss on disposal of fixed assets	-	4,770,911
Expected credit loss against doubtful advances to employees	-	517,789
Provision against doubtful	-	48,886,283
Fixed assets write-off	-	12,774,077
Trade debts written off	-	20,354,064
Finance cost on lease liabilities	1,601,813	187,119,997
Provision for workers' profit participation fund	13,647,660	128,426,528
Provision for workers' welfare fund	4,857,143	56,173,041
Net exchange (gain) / loss - unrealized	-	(82,888,678)
Gain on foreign exchange forward contracts - net	(8,333,683)	(730,125,891)
	88,352,471	(102,021,535)
Operating profit before working capital changes	377,121,816	2,650,457,460
(Increase) / decrease in current assets:		
Stock-in-trade	(261,941,697)	649,701,129
Stores, spare parts and loose tools	8,232,509	4,617,242
Trade debts	496,494,896	1,027,008,074
Loans and advances	87,456,145	(34,343,365)
Other receivables	(27,789,154)	(30,219,038)
Accrued profit	1,142,465	(2,695,890)
Due from the Government	163,505,046	(150,696,329)
	467,100,210	1,463,371,823
Increase / (decrease) in current liabilities:		
Trade and other payables	(628,001,587)	(929,013,441)
Net cash generated from / (used in) operations	216,220,439	3,184,815,842
Gratuity paid		
Leave encashment paid	(44,007,152)	(150,231,666)
Workers' profit participation fund paid	(1,325,453)	(9,440,617)
Workers' welfare fund paid	-	(37,407,410)
Income tax paid	-	(21,308,345)
Net decrease / (increase) in long term deposits	(28,568,073)	(170,570,709)
	(73,900,678)	(575,420,744)
Net cash generated from / (used in) operating activities	142,319,761	2,609,395,098
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(605,107,959)	(2,004,337,414)
Proceeds from disposal of operating fixed assets	-	10,023,342
RUDA (Ravi Urban Development Authority)	-	(389,999,368)
Net cash (used in) / generated from investing activities	(605,107,959)	(2,384,313,440)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings obtained	503,749,368	740,000,000
Short term borrowings repaid	-	(150,000,000)
Repayment of lease liability	(22,075,585)	(109,425,657)
Net cash flow generated from / (used in) financing activities	481,673,783	280,574,343
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,885,585	505,656,001
Net foreign exchange difference on translating cash and bank balances	-	116,357,690
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,236,528,699	614,515,008
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,255,414,284	1,236,528,699


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

STYLERS INTERNATIONAL LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

1 THE COMPANY AND ITS OPERATIONS

- 1.1** Stylers International Limited (the Company) was incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 27 November 1991 and was converted into a public limited company with effect from 21 May 2021. The Company is principally engaged in carrying out manufacturing, marketing of ready made garments and processing services.
- 1.2** The Board of Directors of the Company on 07 June 2023 approved the Scheme of Arrangement for merger between the Company and AEL Textiles Limited associated company (AEL) (the 'Proposed Merger'). Pursuant to the Order of the Honourable Lahore High Court, Lahore dated 14 June 2023, the shareholders of the Company in their extraordinary general meeting duly held on 18 July 2023 also approved the Scheme of Arrangement. Order of the Honourable Lahore High Court, Lahore approving the Scheme of Arrangement is now awaited. In terms of the Scheme of Arrangement approved by directors and shareholders of the Company: (i) AEL (together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited and eligibility for induction with Central Depository Company) and all its liabilities and obligations) will be merged with and into the Company (the Proposed Merger); (ii) shares of the Company will be issued and allotted to the members of AEL as consideration for the Proposed Merger and the shares of the Company will stand listed on the Pakistan Stock Exchange ("PSX") as a result of the Proposed Merger by filing of requisite documents/information with the PSX; and (iii) as a consequence of the Proposed Merger and upon listing of the shares of the Company on PSX, AEL will be de-listed from the PSX and will be dissolved without winding up, as more particularly described in the Scheme of Arrangement, and each in accordance with the Scheme of Arrangement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant of accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all year presented unless otherwise stated:

2.1 BASIS OF PREPARATION

a) Statement of Compliance

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.

- b)** These condensed interim financial statements are un-audited and 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 2023.

c) Accounting Convention

These financial statement have been prepared under the historical cost convention except as other wise stated in the respective accounting policies.

d) Critical accounting estimates and judgments

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. The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and investment properties with a corresponding effect on the depreciation charge and impairment.

Revaluation of land, buildings, plant and machinery and investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognized in the statement of profit or loss. Investment properties are measured at market value. In addition, it measures land, buildings and plant and machinery at revalued amounts, with changes in fair value being recognized in OCI. Land, buildings, plant and machinery and investment property were valued by reference to transactions involving properties and items of plant and machinery of a similar nature, location and condition. The Company engaged an independent valuation specialist to assess fair values as at the end of financial year.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

Income Tax

In making the estimates for income currently payable by the company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Employees Retirement Benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligation. Changes in these assumptions in future years may affect the liability under this scheme in those years.

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

- i) Guarantees of Rupees 45.27 million (2022: Rupees 36.24 million) are issued by the banks to Sui Northern Gas Pipelines Limited, Lahore Electric Supply Company Limited, Total PARCO Pakistan Limited against purchase of Fuel.
- ii) For tax years 2014, 2017 and 2018, the income tax authorities issued refund orders dated 21 September 2020, 26 August 2020 and 26 August 2020 respectively to Advance Fashion (Private) Limited (now merged into Stylers International Limited) under section 170(4) of the Income Tax Ordinance, 2001 where in the Deputy Commissioner Inland Revenue rejected income tax refund claims amounting to Rupees 0.626 million, Rupees 15.749 million and Rupees 11.886 million respectively. Being aggrieved, the Company filed appeals before the Commissioner Inland Revenue (Appeals). Appeals for tax years 2017 and 2018 are still pending adjudication whereas appeal for tax year 2014 was remanded back by Commissioner Inland Revenue (Appeals) vide order dated 28 July 2021.
- iii) Deputy Commissioner Inland Revenue (DCIR) passed Orders against the show cause notices dated 01 April 2022 and 22 March 2022 issued to the Company for tax periods from July 2020 to June 2021 and July 2021 to November 2021 respectively, claiming that the Company has adjusted input sales tax against output tax on the purchase of specific goods / items, mainly coal, accessories and spare parts for plant and machinery, that were not admissible under the law, resulting in short payments of sales tax amounting to Rupees 15.473 million (including penalty of Rupees 0.736 million and Rupees 13.819 million (including penalty of Rupees 0.658 million) respectively as per Sales Tax Act, 1990, asserting that these goods were not used in taxable activity. Being aggrieved, the Company filed appeal against the orders of the DCIR before the Commissioner Inland Revenue (Appeals)[CIR (A)] who vide order dated 18 July 2022 rejected the Company's stance and passed order by upholding the DCIR's stance. Being aggrieved, the Company has filed an appeal before Appellate Tribunal Inland Revenue which is pending adjudication.

iv) The Additional Commissioner Inland Revenue (ADMIR) passed orders on 31 May 2022 and 12 September 2022 for tax years 2016 and 2017 respectively against Advance Fashion (Private) Limited (AFL), now merged into Stylers International Limited (SIL), stating that the AFL claimed tax credits under section 65(D) of the Income tax Ordinance, 2001, whereby a company shall be given tax credit against tax payable arising on taxable income for a period of five years subject to the condition that the company will not discontinue its business in the subsequent five years after the credit has been allowed. As per ADMIR, AFL after merger with the Company effectively discontinued its operation before expiry of 5 years and hence violated the condition for eligibility of the credit thus, rejecting the tax credit claimed under section 65(D) of the Income Tax Ordinance, 2001 amounting to Rupees 10.523 million and 13.960 million for tax years 2016 and 2017 respectively and creating an additional tax demand of Rupees 0.312 million and Rupees 0.208 million for tax years 2016 and 2017 respectively. The Company being aggrieved, filed appeal before the Commissioner Inland Revenue (Appeals)[CIR(A)], citing that despite the merger with SIL, AFL is still conducting business as an industrial undertaking. For tax year 2016, the CIR (A) has confirmed the order of the ADMIR by confirming ground taken by the ADMIR while rejecting the tax credit claimed under section 65(D) of the Income Tax Ordinance, 2001 through appellate order dated 21 February 2023. Being aggrieved by the treatment meted out by the CIR (A), the Company preferred appeal before the Appellate Tribunal Inland Revenue, which is pending adjudication. For tax year 2017, the hearing of the appeal has been concluded and order is awaited.

v) The Additional Commissioner Inland Revenue (ADMIR) issued order dated 31 March 2021 under Section 122(5A) of the Income Tax Ordinance, 2001 and amended the original assessment on various grounds for tax year 2015 and created a tax demand of Rupees 48.288 million. Being aggrieved, the Company preferred an appeal before CIR (A) who vide order dated 16 July 2022 decided most of the grounds in favor of the Company except the matter relating to other income amounting to Rupees 1.435 million. Appeal effect order is awaited.

vi) The Additional Commissioner Inland Revenue passed order dated 04 October 2021 under Section 122(5A) of Income Tax Ordinance, 2001 and amended the original assessment on various grounds for tax year 2016 created a tax demand of Rupees 18.348 million. Being aggrieved, the Company filed an appeal before CIR (A) who vide order dated 10 March 2022 remanded back the issues relating to treatment of CMT sales, tax credit under Section 65(B) of the Income Tax Ordinance, 2001. Being aggrieved, the Company filed an appeal before ATIR which is pending adjudication.

vii) The Assistant Commissioner Inland Revenue issued notices to the Company under various Sections of Income Tax Ordinance, 2001 for the tax years 2018, 2019 and 2021 and required from the Company information / explanations / records. The Company has duly replied the notices. For tax year 2018 the ACIR has created a demand of 464 million by classifying CMT into local sales. The company has preferred an appeal before CIR (A). However the proceeding are still pending.

viii) The Additional Commissioner Punjab Revenue authority issued notice to the Company dated "19-Sep-23" requiring the company to showcause for non withholding of PRA amounting to Rs.205M. Proceeding are still pending till date.

The Company is actively pursuing the above matters at respective forums. Based on the advice of the legal counsel, the Company is hopeful for the favorable outcome of the matters. Hence, no provision has been made in these financial statements.

11.2 Commitments

- i) Contracts for capital expenditure are approximately of Rupees 1,028.97 million (2023: Rupees 1,581.40 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 935.78 million (2023: Rupees 509.40 million).

STYLERS INTERNATIONAL LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

	30 Sep 2023	30 Jun 2023
	Rupees	Rupees
3 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
Ordinary shares of Rs 10 each fully	4,304,874,200	4,304,874,200
	<u>4,304,874,200</u>	<u>4,304,874,200</u>
4 RESERVES		
Revenue reserve		
- Revaluation Surplus	1,558,584,668	1,558,584,668
Retain Earnings		
- Unappropriated profit	3,422,200,941	905,394,143
- Profit For the Period	256,910,190	2,516,806,798
	<u>5,237,695,799</u>	<u>4,980,785,609</u>
5 LEAVE ENCASHMENT		
Leave Encashment	12,514,765	11,440,218
	<u>12,514,765</u>	<u>11,440,218</u>
6 DEFERRED TAXATION		
	5,492,569	5,492,569
	<u>5,492,569</u>	<u>5,492,569</u>
7 TRADE AND OTHER PAYABLES		
Trade creditors	1,392,088,828	1,869,450,973
Advances from customers	5,721,382	55,773,063
Accrued liabilities	323,920,945	460,571,223
Workers' profit participation fund	142,074,861	128,427,201
Workers' welfare fund	62,873,952	58,016,809
Withholding Income tax payable	17,109,243	6,226,949
Withholding Sales tax payable	2,847,646	1,400,211
Others	24,077,664	-
	<u>1,970,714,521</u>	<u>2,579,866,429</u>
Inter Unit-USAT	-	344,876
	<u>1,970,714,521</u>	<u>2,580,211,305</u>
8 SHORT TERM BORROWINGS (ASSOCIATED COMPANIES & PERSONS)		
Associated Persons	650,750,000	370,750,000
Associated Companies	743,749,368	520,000,000
	<u>1,394,499,368</u>	<u>890,750,000</u>

	30 Sep 2023	30 Jun 2023
	Rupees	Rupees
9 LEASE LIABILITY		
Current Portion	39,115,992	59,589,764
	<u>39,115,992</u>	<u>59,589,764</u>
10 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4,122,585,441	4,127,891,319
Capital work-in-progress	2,113,642,332	1,881,022,363
Capital work-in-progress Stock	225,293,417	-
	<u>6,461,521,190</u>	<u>6,008,913,682</u>
11 RIGHT OF USE ASSETS	<u>9,920,828</u>	<u>19,042,922</u>
12 INVESTMENT PROPERTY	<u>408,485,000</u>	<u>408,485,000</u>
13 INTANGIBLE ASSETS		
IT licenses, software and implementation	153,301	186,151
	<u>153,301</u>	<u>186,151</u>

STYLERS INTERNATIONAL LIMITED

10 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress
Capital work-in-progress Stock

	Sep-23	Jun-23
	Rupees	Rupees
	4,122,585,441	4,127,891,319
	2,113,642,332	1,881,022,363
	225,293,417	-
	6,461,521,190	6,008,913,682

10.1 Operating fixed assets

	COST			DEPRECIATION			BOOK VALUE		Depreciation Rate
	As at 30 Jun 2023	Additions	Disposals	As at 30 Sep 2023	Charge for the year	Disposals	As at 30 Sep 2023	As at 30 Sep 2023	
	(Rupees)								Percentage
Freehold land	2,341,039,750	-	-	2,341,039,750	-	-	-	2,341,039,750	-
Building on freehold land	856,666,552	-	-	856,666,552	11,559,819	-	41,629,572	815,036,980	3
Plant and machinery	1,524,678,409	1,910,335	-	1,526,588,744	32,804,869	-	726,758,120	799,830,624	10
Tools and equipment	75,032,060	-	-	75,032,060	1,687,405	-	34,506,381	40,525,679	10
Furniture and fittings	29,179,798	257,840	-	29,437,638	395,728	-	5,082,101	24,355,537	10
Office equipment	2,321,680	-	-	2,321,680	1,592,837	-	1,629,745	891,935	10
Electric installation	54,078,740	949,998	-	55,028,738	1,214,725	-	28,096,162	26,932,576	10
IT equipment	46,105,563	2,798,892	-	48,904,455	2,136,378	-	33,811,756	15,092,699	33.33
Vehicles	38,286,044	42,176,390	-	80,462,434	3,563,502	-	21,382,773	59,079,661	20
	4,967,388,596	48,093,455	-	5,015,482,051	53,399,334	-	892,896,610	4,122,585,441	

	30 Sep 2023 Rupees	30 Jun 2023 Rupees
14 LONG TERM INVESTMENT	683,749,368	683,749,368
	30 Sep 2023 Rupees	30 Jun 2023 Rupees
15 LONG TERM DEPOSITS	45,329,378	45,329,378
	30 Sep 2023 Rupees	30 Jun 2023 Rupees
16 STORES, SPARE PARTS AND LOOSE TOOLS		
Stores, Spares & Loose Tools	17,207,714	20,980,450
Oil & Lubricants	14,843,371	18,860,337
IT Accessories	31,177	473,984
	32,082,262	40,314,771
Less: Provision for slow moving and obsolete stores, spare parts and loose tools	(3,020,573)	(3,035,602)
	29,061,689	37,279,169
	30 Sep 2023 Rupees	30 Jun 2023 Rupees
17 STOCK-IN-TRADE		
Fabric material	405,518,852	238,908,354
Accessories & Packing material	68,189,956	48,745,268
Chemical material	22,911,460	23,087,306
Work-in-process	560,569,857	658,267,601
Finished goods	666,642,189	492,882,088
	1,723,832,314	1,461,890,617
Less: Provision for slow moving and obsolete Raw material	(14,803,996)	(27,413,014)
	1,709,028,318	1,434,477,603
	30 Sep 2023 Rupees	30 Jun 2023 Rupees
18 TRADE DEBTS		
Export Debtors	915,951,141	1,455,983,263
Local Debtors	55,596,285	12,059,059
	971,547,426	1,468,042,322
	30 Sep 2023 Rupees	30 Jun 2023 Rupees
19 ADVANCES, DEPOSITS AND PREPAYMENTS		
Loans		
To employees	13,499,445	7,681,238
Advances		
Advance to employees against expenses	2,270,585	927,835
Advances To suppliers	134,335,498	62,666,672
	136,606,083	63,594,507
Margin against letter of credit	-	21,982,556
Prepayments	7,539,729	10,937,962

20 OTHER RECEIVABLE

US Apparel & Textiles (Private) Limited
 Automotive Plastics (Pvt) Ltd.
 Others
 NST

30 Sep 2023	30 Jun 2023
Rupees	Rupees
8,515,548	482,571
106,859,244	106,859,244
25,402,993	6,144,324
2,050,933	
<u>142,828,718</u>	<u>113,486,139</u>

21 NET DEFINED BENEFIT ASSET

<u>2,676,213</u>	<u>19,679,789</u>
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22 DUE FROM THE GOVERNMENT

Sales tax refundable
 Drawback of local taxes and levies receivable
 Export rebate receivable

30 Sep 2023	30 Jun 2023
Rupees	Rupees
703,089,837	871,242,968
315,683,982	315,683,982
70,936,718	69,579,715
<u>1,089,710,537</u>	<u>1,256,506,665</u>

22.1 Advance income tax - net

<u>(2,164,293)</u>	<u>(5,455,375)</u>
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23 CASH AND BANK BALANCES**At banks:**

LCY Current A/C
 Saving Account
 Foreign currency
 In hand

18,163,219	4,481,237
34,144,394	141,430,602
27,662,675	71,966,791
5,193,673	5,000,494
85,163,961	222,879,124

Reserve

Local currency
 Foreign currency
 Term Deposit Receipt

259,295,667	178,578,664
610,954,656	535,070,911
300,000,000	300,000,000
<u>1,170,250,323</u>	<u>1,013,649,575</u>

Total Balance

<u>1,255,414,284</u>	<u>1,236,528,699</u>
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24 REVENUE

Export sales
Local sales
Processing Income

Discount
Export rebate

30 Sep 2023	30 Sep 2022
Rupees	Rupees
2,427,992,964	4,146,987,520
98,080,795	81,815,240
39,938,459	59,050,255
2,566,012,218	4,287,853,015
(10,789,429)	(13,691,410)
30,355,437	55,676,505
19,566,008	41,985,095
2,585,578,226	4,329,838,110

25 COST OF SALES

Raw and packing materials consumed
Stores and spares consumed
Salaries, wages and other benefits
Repairs and maintenance
Fuel, power & Water
Freight charges
Insurance
Garments CMT Charges
Rent, rates and taxes
Depreciation on operating fixed assets
Depreciation on right-of-use asset
Other expenses

Opening work-in-process
Closing work-in-process
WIP Adjustment

Cost of goods manufactured

Opening stock of finished goods
Closing stock of finished goods
FG Adjustment

30 Sep 2023	30 Sep 2022
Rupees	Rupees
1,431,791,105	2,437,000,394
13,990,048	24,697,530
497,709,630	599,281,441
12,253,990	15,463,132
101,745,534	136,139,374
9,407,352	24,640,506
1,175,817	834,534
7,682,765	145,382,657
17,282,502	34,121,838
42,719,468	33,954,974
7,297,675	18,310,241
1,076,028	2,220,607
2,144,131,914	3,472,047,228
658,267,601	1,054,948,284
(560,569,857)	(951,919,360)
97,697,744	103,028,924
2,241,829,658	3,575,076,152
492,882,088	386,863,016
(666,642,189)	(541,768,334)
(173,760,101)	(154,905,318)
2,068,069,557	3,420,170,834

26 DISTRIBUTION COST

Commission , Local Sale , Excise Duty
Export development surcharge
Freight & Handling Charges
Clearing and forwarding
Claim on export sales
Salaries, wages and other benefits
Advertisement and sales promotion
Travelling and conveyance
Depreciation on operating fixed assets
Depreciation on right-of-use asset
Other expenses

30 Sep 2023	30 Sep 2022
Rupees	Rupees
13,616,423	8,526,400
7,847,273	11,456,280
6,841,370	25,591,590
22,784,101	21,462,229
15,553,414	12,794,971
22,223,959	36,769,673
6,078,903	13,616,931
6,180,397	7,914,510
4,805,940	3,395,497
820,988	1,831,024
50,400	471,500
106,803,169	143,830,605

27 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits
Repairs and maintenance
Vehicle running
Insurance
Entertainment
Printing and stationery
Rent, rates and taxes
Travelling and conveyance
Postage, telephone and telegram
Legal and professional services
Depreciation on operating fixed assets
Depreciation ROUA
Amortization of intangible asset
Fee and subscription

	30 Sep 2023	30 Sep 2022
	Rupees	Rupees
	47,743,744	38,669,587
	2,245,208	5,203,622
	2,340,078	2,574,053
	307,428	253,292
	4,712,950	6,287,686
	1,138,777	2,645,507
	4,811,358	3,007,197
	70,928	660,981
	2,217,827	1,777,402
	1,763,332	4,318,165
	5,873,927	5,093,246
	1,003,430	2,746,536
	32,850	371,937
	2,839,822	1,304,385
	77,101,659	74,913,596

28 Other expenses

Workers' profit participation fund
Net exchange loss/Gain
Workers' welfare fund
Donations (Zakat)

	30 Sep 2023	30 Sep 2022
	Rupees	Rupees
	13,647,660	31,000,000
	34,455,596	13,276,288
	4,857,143	9,000,000
	19,470,230	25,109,724
	72,430,629	78,386,012

29 OTHER INCOME

Income on bank deposits
Income on TDRs
Exchange Gain/(Loss)
Others

	30 Sep 2023	30 Sep 2022
	Rupees	Rupees
	13,135,851	5,791,880
	17,229,203	-
	42,789,279	135,946,556
	2,754,270	-
	75,908,603	141,738,436

30 FINANCE COST

Interest on Lease liability
Bank charges

	30 Sep 2023	30 Sep 2022
	Rupees	Rupees
	1,601,813	8,631,891
	46,710,657	44,193,657
	48,312,470	52,825,548

31 TAXATION

- For the Period

	30 Sep 2023	30 Sep 2022
	Rupees	Rupees
	31,859,155	47,405,523
	31,859,155	47,405,523

31 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 2023.

32 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

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

33 GENERAL

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

34 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors on Oct 25, 2023.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

