



**PREMIUM
TEXTILE
MILLS**

HALF YEARLY REPORT (UN-AUDITED)

Financial Statements

For The 2nd Quarter Half Year

Ended 31st Dec 2023

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Corporate Information

Board of Directors

Mr. Mohammad Aslam Parekh	Chairman
Mr. Abdul Kadir Adam	Chief Executive
Mr. Mohammad Yasin Siddik	Executive Director
Ms. Naila Hasan	Independent Director
Mr. Mohammad Raziuddin Monem	Independent Director
Ms. Lubna Asif Balagamwala	Non-Executive Director
Mr. Tanzeel Abdul Sattar (NIT Nominee)	Non-Executive Director

Company Secretary

Mr. Hammad Ullah Khan

Managing Director

Mr. Zaid Siddik

Technical Director

Mr. Ashraf Aziz

Chief Financial Officer

Ms. Shenila Parekh

Head of Internal Audit

Mr. Abdul Wasey Khan

Auditors

Rahman Sarfaraz Rahim
Iqbal Rafiq Chartered Accountants

Registered and Corporate Office

1st floor, Haji Adam Chambers, Altaf Hussain Road,
New Challi, Karachi.

Phone: 0213 -2400405-8

Email: premhead@premiumtextile.com

Mill

Plot 58,60,61 &76,77,78 Main Super Highway,
Nooriabad, Distt. Dadu (Sindh), Pakistan.

Phone : (025) 4007463-9

Share Registrar

FD Registrar Services (SMC-Pvt) Ltd. 17th floor,
Saima Trade Tower A I.I. Chundrigar Road,
Karachi Phone:0213-2271905-6
fdregistrar@yahoo.com

Bankers

Bank AI- Habib limited
Bank AI- Falah limited
Meezan Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
Askari Bank

Audit Committee

Ms. Naila Hasan	Chairperson
Mr. Mohammad Raziuddin Monem	Member
Ms. Lubna Asif Balagamwala	Member

Human Resources & Remuneration Committee

Mr. Mohammad Raziuddin Monem	Chairperson
Ms. Naila Hasan	Member
Ms. Lubna Asif Balagamwala	Member

Website

www.premiumtextile.com

DIRECTORS REPORT TO THE MEMBERS

FOR THE 2nd QUARTER/HALF YEAR ENDED 31ST DECEMBER, 2023

Dear Shareholders,

Assalam-o-Alaikum waRahmatullahi waBarakatohu.

The Board of Directors is pleased to present the unaudited Financial Statements of Premium Textile Mills Limited for the half year ended December 31, 2023.

During the period under review, the company's gross profit margin has been reduced from Rs.2.195 billion (Dec-2022) to 2.024 billion (Dec-2023). The company booked a net loss after tax Rs.183.053 million as compared to the net profit after tax of Rs.846.190 million in Dec-2022.

Even in these difficult times, the company's revenue has increased by 25% from Rs.10.491 billion (Dec-2022) to 13.132 billion (Dec-2023) due to the blessings of Almighty Allah SWT and the continuous efforts of the management.

FINANCIAL PERFORMANCE

Particulars	Dec-23		Dec-22	
	Amount	%	Amount	%
Sales - net	13,132,579,592		10,491,076,033	
Gross profit	2,024,242,485	15.41%	2,195,178,711	20.92%
Administrative expenses	(289,090,003)	(2.20%)	(216,852,077)	(2.07%)
Distribution costs	(214,242,237)	(1.63%)	(133,442,640)	(1.27%)
Finance costs	(1,573,503,662)	(11.98%)	(958,401,153)	(9.14%)
(Loss) / Profit before taxation	(9,884,911)	(0.08%)	992,521,777	9.46%
(Loss) / Profit after taxation	(183,053,161)	(1.39%)	846,190,502	8.07%

PERFORMANCE OF YOUR COMPANY

Due to the discontinuation of concessional power tariff (Electricity and Gas), unavailability of LTFF and ERF facilities on concessional rates, the company has made the loss after tax as compared to the profit after tax in corresponding period last year.

Major factors contributed towards the loss after tax were, increase in Gas charges from Rs.852 per mmbtu to Rs.3,070 per mmbtu (blended gas Natural + RLNG), increase in financial charges due to the unavailability of LTFF for financing against machinery and other inflationary factors. The impact of gas charges was around Rs.450 million whereas the increase in markup charges was approximately Rs.615 million.

FUTURE OUTLOOK

Textile export sector is facing the worst scenarios in the last decade. For securing the IMF loan, government has discontinued the various facilities given to the export sector such as regional competitive power tariff (Gas and electricity), lower markup rates on ERF and LTFF, zero rate regime and uninterrupted gas supply to the export sector.

Going forward the country, as a whole, will need to take serious steps for reducing the cost of energy (Electricity and Gas) & to plug in the gaps i.e. theft, pilferage and line losses in the energy sector. Even the IMF report suggests that line losses are much above international standards.

It is also our sincere hope that the local cotton crop will be better for the next cotton season so that the burden of import may be reduced.


Acknowledgement

We would like to acknowledge the hard work, loyalty, contribution and devotion of our staff and workers. We would also like to express our thanks to our customers for the trust shown in our products and the bankers for their continued support of the company. We are also grateful to our shareholders for their confidence in the Management team.

FOR AND ON BEHALF OF BOARD OF DIRECTORS



Mr. Abdul Kadir Adam
Chief Executive



Mr. M. Yasin Siddik
Executive Director

21st February , 2024 Karachi.

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈرز

السلام علیکم ورحمت اللہ وبرکاتہ۔

ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی دوسری سہ ماہی کے لیے کمپنی کے غیر مدقق مالی حسابات پیش کرنا چاہیں گے

زیر جائزہ مدت کے دوران، کمپنی کے مجموعی منافع کا مارجن 2.195 بلین روپے (دسمبر-2022) سے کم ہو کر 2.024 بلین (دسمبر-2023) ہو گیا ہے۔ کمپنی نے دسمبر-2022 میں 846.190 بلین روپے کے بعد ٹیکس کے بعد خالص منافع کے مقابلے میں 183.053 بلین روپے ٹیکس کے بعد خالص نقصان کیا ہے۔

اس مشکل وقت میں بھی اللہ سبحانہ و تعالیٰ کی مہربانیوں اور انتظامیہ کی مسلسل کوششوں کی وجہ سے کمپنی کی سیلز 10.491 بلین روپے (دسمبر 2022) سے 25 فیصد بڑھ کر 13.132 ارب (دسمبر 2023) تک پہنچ گئی ہے

مالیاتی جھلکیاں

دسمبر 2023		دسمبر 2023		مالیاتی
%	رقم	%	رقم	
	10,491,076,033		13,132,579,592	سیلز نیٹ
20.92%	2,195,178,711	15.41%	2,024,242,485	کل منافع
(2.07%)	(216,852,077)	(2.2%)	(289,090,003)	انتظامی اخراجات
(1.27%)	(133,442,640)	(1.63%)	(214,242,237)	تقسیم کے اخراجات
(9.14%)	(958,401,153)	(11.98%)	(1,573,503,662)	مالیاتی لاگت
9.46%	992,521,777	(0.08%)	(9,884,911)	(نقصان) / منافع ٹیکس سے پہلے
8.07%	846,190,502	(1.39%)	(183,053,161)	(نقصان) / منافع ٹیکس کے بعد

آپ کی کمپنی کی کارکردگی

رعایتی بجلی کے نرخوں (بجلی اور گیس) کی بندش، رعایتی نرخوں پر LTFF اور ERF سہولیات کی عدم دستیابی کی وجہ سے، کمپنی نے گزشتہ سال کی اسی مدت میں ٹیکس کے بعد منافع کے مقابلے میں ٹیکس کے بعد نقصان کیا ہے۔

ٹیکس کے بعد ہونے والے نقصان میں اہم عوامل میں شامل گیس چارجز میں 852 روپے فی ایم ایم بی ٹی یو سے بڑھ کر 3,070 روپے فی ایم ایم بی ٹی یو (ملا ہوا گیس نیچرل + آرائل این جی)، مشینری اور دیگر کے خلاف مالی اعانت کے لیے ایل ٹی ایف ایف کی عدم دستیابی کی وجہ سے مالیاتی چارجز میں اضافہ۔

افراط زر کے عوامل گیس چارجز کا اثر تقریباً 450 ملین روپے تھا جبکہ مارک اپ چارجز میں اضافہ تقریباً 615 ملین روپے تھا۔

مستقبل کا آؤٹ لک

ٹیکسٹائل ایکسپورٹ سیکٹر کو گزشتہ دہائی کے بدترین حالات کا سامنا ہے۔ آئی ایم ایف کے قرض کے حصول کے لیے، حکومت نے برآمدی شعبے کو دی جانے والی مختلف سہولیات جیسے کہ علاقائی مسابقتی پاور ٹیرف (گیس اور بجلی)، ERF اور LTFF پر کم مارک اپ کی شرح، صفر شرح نظام اور برآمدی شعبے کو گیس کی بلا تعطل فراہمی بند کر دی ہے۔

ملک کو آگے بڑھتے ہوئے، مجموعی طور پر، توانائی (بجلی اور گیس) کی لاگت کو کم کرنے اور توانائی کے شعبے میں چوری، چوری اور لائن لاسز جیسے خلا کو پورا کرنے کے لیے سنجیدہ اقدامات کرنے کی ضرورت ہوگی۔ یہاں تک کہ آئی ایم ایف کی رپورٹ بھی بتاتی ہے کہ لائن لاسز بین الاقوامی معیار سے بہت زیادہ ہیں۔

یہ بھی ہماری پوری امید ہے کہ کپاس کی مقامی فصل اگلے کپاس کے سیزن کے لیے بہتر ہوگی تاکہ درآمد کا بوجھ کم ہو سکے۔

اعتراف

ہم اپنے عملے اور کارکنوں کی محنت، وفاداری، شراکت اور لگن کا اعتراف کرنا چاہیں گے۔ ہم اپنی مصنوعات پر دکھائے گئے اعتماد کے لیے اپنے صارفین اور بینکرز کی مسلسل حمایت کے لیے ان کا شکریہ بھی ادا کرنا چاہیں گے۔

کمپنی ہم اپنے شیئر ہولڈرز کے مینجمنٹ ٹیم پر اعتماد کے لیے ان کے بھی شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



جناب عبدالقادر آدم
چیف ایگزیکٹو



جناب یاسین صدیق
ایگزیکٹو ڈائریکٹر

مورخہ 21 فروری 2024

کراچی۔



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF M/S. PREMIUM TEXTILE MILLS LIMITED**

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **M/s. Premium Textile Mills Limited** ("the Company") as at **December 31, 2023** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the 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.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2023. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2023.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: February 22, 2024

UDIN: RR202310213mDFvXyClx

Premium Textile Mills Limited

Condensed Interim Statement of Financial Position

As at december 31, 2023 (unaudited)

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	Rupees	
ASSETS			
Non- current assets			
Property, plant and equipment	3	14,616,616,558	12,170,206,485
Long term advances and deposits		102,634,459	31,460,559
Intangible assets	4	24,591,870	18,221,220
		<u>14,743,842,887</u>	<u>12,219,888,264</u>
Current assets			
Stores and spares		481,344,731	569,409,130
Stock in trade	5	8,330,229,945	8,973,797,538
Trade debts - net	6	4,563,367,243	4,606,616,224
Tax refunds due from Government	7	80,716,211	51,376,127
Advances, deposits and other receivables	8	313,705,333	885,943,373
Cash and bank balances	9	884,161,782	712,197,857
		<u>14,653,525,245</u>	<u>15,799,340,249</u>
Total assets		<u>29,397,368,132</u>	<u>28,019,228,513</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized capital</i>			
7,000,000 (June 30, 2023: 7,000,000) ordinary shares of Rs. 10/- each		<u>70,000,000</u>	<u>70,000,000</u>
Issued, subscribed and paid-up capital		61,630,000	61,630,000
<i>Capital reserve</i>			
Surplus on revaluation of plant and electrical instruments	10	1,219,231,223	1,295,655,749
<i>Revenue reserve</i>			
Unappropriated profits		7,534,678,316	7,795,381,951
Total equity		<u>8,815,539,539</u>	<u>9,152,667,700</u>
LIABILITIES			
Non-current liabilities			
Long term financing - secured	11	7,634,912,240	5,903,407,449
Deferred liabilities	12	1,373,429,665	1,320,656,892
		<u>9,008,341,905</u>	<u>7,224,064,341</u>
Current liabilities			
Trade and other payables	13	2,142,342,744	2,103,924,888
Unclaimed dividend		10,481,479	9,770,976
Accrued markup	14	628,697,761	505,719,136
Short term borrowings - secured	15	7,816,864,199	8,136,883,241
Taxation-net	7	27,554,383	-
Current maturity of government grant		166,454,878	149,417,152
Current maturity of Gas Infrastructure Development Cess		45,964,990	-
Current maturity of long term financing	11	735,126,254	736,781,079
		<u>11,573,486,688</u>	<u>11,642,496,472</u>
Contingencies and commitments	16		
Total equity and liabilities		<u>29,397,368,132</u>	<u>28,019,228,513</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

Premium Textile Mills Limited

Condensed Interim Statement of Profit or Loss

For the half year and quarter ended December 31, 2023 (unaudited)

Note	Half year ended		Quarter ended		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
	Rupees		Rupees		
Sales - net	17	13,132,579,592	10,491,076,003	6,379,400,514	4,726,954,475
Cost of sales	18	(11,108,337,107)	(8,295,897,292)	(5,395,582,378)	(4,202,916,341)
Gross profit		2,024,242,485	2,195,178,711	983,818,136	524,038,134
Administrative expenses		(289,090,003)	(216,852,077)	(153,796,344)	(135,392,271)
Distribution costs		(214,242,237)	(133,442,640)	(113,881,488)	(67,179,733)
		(503,332,240)	(350,294,717)	(267,677,832)	(202,572,004)
Operating profit		1,520,910,245	1,844,883,994	716,140,304	321,466,130
Finance costs	19	(1,573,503,662)	(958,401,153)	(845,679,433)	(663,986,790)
Other operating expenses		(10,694,779)	(127,584,177)	(10,694,779)	(127,584,177)
Other income / (expenses) - net	20	53,403,285	233,623,113	6,804,291	73,525,846
		(1,530,795,156)	(852,362,217)	(849,569,921)	(718,045,121)
(Loss) / Profit before taxation		(9,884,911)	992,521,777	(133,429,617)	(396,578,991)
Taxation					
- Current		(169,917,485)	(153,239,263)	(70,754,854)	(91,969,935)
- Deferred		(3,250,765)	6,907,988	(3,250,765)	14,593,731
		(173,168,250)	(146,331,275)	(74,005,619)	(77,376,204)
(Loss) / Profit after taxation		(183,053,161)	846,190,502	(207,435,236)	(473,955,195)
(Loss) / Earnings per share - basic and diluted		(29.70)	137.30	(33.66)	(76.90)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Ravin

Premium Textile Mills Limited

Statement of Comprehensive Income

For the half year and quarter ended December 31, 2023 (unaudited)

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	————— Rupees —————			
(Loss) / Profit after taxation	(183,053,161)	846,190,502	(207,435,236)	(473,955,195)
Other comprehensive income	-	-	-	-
Total comprehensive (Loss) / income for the period (Unaudited)	<u>(183,053,161)</u>	<u>846,190,502</u>	<u>(207,435,236)</u>	<u>(473,955,195)</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Review

Premium Textile Mills Limited

Statement of Changes in Equity

For the half year ended December 31, 2023 (unaudited)

	Issued, subscribed and paid up capital	Revenue reserve Unappropriated profits	Capital reserve Surplus on revaluation of plant and equipment	Total
	Rupees			
Balance as at June 30, 2022 (Audited)	61,630,000	7,000,291,403	1,246,126,234	8,308,047,637
<i>Total comprehensive income for the period ended December 30, 2022</i>				
- Profit after taxation	-	846,190,502	-	846,190,502
- Other comprehensive income	-	-	-	-
	-	846,190,502	-	846,190,502
Transfer to unappropriated profit on account of incremental depreciation	-	62,160,575	(62,160,575)	-
Revaluation surplus realized on disposal of fixed assets	-	2,914,727	(2,914,727)	-
<i>Transactions with owners</i>				
Final cash dividend paid @ 500% for the year ended June 30, 2022 (2021: 500%)	-	(308,150,000)	-	(308,150,000)
	-	(308,150,000)	-	(308,150,000)
Balance as at December 31, 2022 (Unaudited)	<u>61,630,000</u>	<u>7,603,407,207</u>	<u>1,181,050,932</u>	<u>8,846,088,139</u>
Balance as at June 30, 2023 (Audited)	<u>61,630,000</u>	<u>7,795,381,951</u>	<u>1,295,655,749</u>	<u>9,152,667,700</u>
<i>Total comprehensive income for the period ended December 31, 2023</i>				
- Loss after taxation	-	(183,053,161)	-	(183,053,161)
- Other comprehensive income	-	-	-	-
	-	(183,053,161)	-	(183,053,161)
Transfer to unappropriated profit on account of incremental depreciation	-	64,170,064	(64,170,064)	-
Revaluation surplus realized on disposal of fixed assets	-	12,254,462	(12,254,462)	-
<i>Transactions with owners</i>				
Final cash dividend paid @ 250% for the year ended June 30, 2023 (2022: 500%)	-	(154,075,000)	-	(154,075,000)
	-	(154,075,000)	-	(154,075,000)
Balance as at December 31, 2023 (Unaudited)	<u>61,630,000</u>	<u>7,534,678,316</u>	<u>1,219,231,223</u>	<u>8,815,539,539</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Basir

Premium Textile Mills Limited

Condensed Interim Statement of Cash Flows

For the half year Ended December 31, 2023 (unaudited)

		Half year ended	
		December 31, 2023	December 31, 2022
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
	(Loss) / profit before taxation	(9,884,911)	992,521,777
<i>Adjustments for non cash and other items:</i>			
-	Depreciation	606,829,536	456,806,299
-	Gain on disposal of property, plant and equipment	(6,804,008)	(477,902)
-	Provision for staff retirement benefits	78,560,311	25,466,155
-	Amortization of intangible assets	1,341,640	171,653
-	Amortization of deferred government grant	(83,347,234)	(84,267,395)
-	Reversal of expected credit losses	(15,060,401)	-
-	Provision for Workers' Profit Participation Fund	40,493	54,506,502
-	Provision for Workers' Welfare Fund	10,654,286	20,712,471
-	Unrealized exchange losses	36,780,015	5,694,619
-	Finance costs	1,573,503,662	958,401,153
		2,202,498,300	1,437,013,555
Cash generated from operating activities before working capital changes		2,192,613,389	2,429,535,332
Effect on cash flow due to working capital changes			
<i>(Increase) / decrease in current assets</i>			
-	Stores and spares	88,064,399	(35,337,567)
-	Stock in trade	643,567,593	(4,135,564,582)
-	Trade debts	54,358,293	888,961,163
-	Advances, deposits and other receivables	572,238,040	(524,032,854)
-	Sales tax refundable / payable	(70,332,014)	(364,513,953)
<i>Increase / (decrease) in current liabilities</i>			
-	Trade and other payables	102,163,619	186,090,750
		1,390,059,930	(3,984,397,043)
Cash used in operations		3,582,673,319	(1,554,861,711)
-	Taxes paid	(101,371,172)	(152,027,885)
-	Staff retirement benefits	(34,271,957)	(9,085,476)
-	Payment of Workers' Profit Participation Fund	(83,672,771)	(349,735,715)
-	Finance cost paid	(1,341,473,321)	(508,286,934)
-	Long term advances and deposits - net	(99,173,900)	(22,056,691)
Net cash generated from / (used in) operating activities		1,922,710,198	(2,596,054,412)
CASH FLOWS FROM INVESTING ACTIVITIES			
-	Acquisition of property, plant and equipment	(3,069,482,301)	(1,448,582,417)
-	Acquisition of intangible assets	(7,712,290)	(11,370,664)
-	Proceeds from disposal of property, plant and equipment	51,046,700	7,898,821
Net cash used in investing activities		(3,026,147,891)	(1,452,054,260)
CASH FLOWS FROM FINANCING ACTIVITIES			
-	Repayment of Long term financing (principal portion)	(330,706,348)	(335,117,427)
-	Long term financing obtained	2,112,320,431	1,205,786,727
-	Short term borrowings - net	3,482,069,905	2,561,855,044
-	Dividend paid	(153,364,497)	(308,150,781)
Net cash generated from financing activities		5,110,319,491	3,124,373,563
Net decrease in cash and cash equivalents		4,006,881,798	(923,735,109)
Cash and cash equivalents at the beginning of the period / year		(5,094,373,138)	(3,648,705,003)
Effect of movements in exchange rates on cash held		(32,828,926)	(37,577,174)
Cash and cash equivalents at the end of the period		(1,120,320,266)	(4,610,017,286)

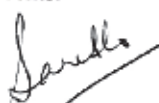
The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

Revis

Premium Textile Mills Limited

Notes to the Condensed Interim Financial Statements

For the half year and quarter ended December 31, 2023 (unaudited)

1. STATUS AND NATURE OF BUSINESS

1.1 Premium Textile Mills Limited ('the Company') was incorporated in Pakistan on March 03, 1987 as a public listed company under the Companies Ordinance, 1984 (now repealed with the enactment of Companies Act, 2017 on may 30,2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn and socks of different varieties.

1.2 The address(s) of the company's registered office and the mill are as under:

- The Registered office of the Company is located at 1st floor , Haji Adam Chambers ,Altaf Hussain Road, New Challi, Karachi.
- The Company's manufacturing unit is located at plot 58,60,61 & 76,77,78 Main Super Highway , Nooriabad , District Dadu (Sindh), Pakistan.

2. BASIS OF PREPARATION OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS

2.1 Statement of compliance with the applicable accounting and reporting standards

These Condensed Interim financial statements (here-in-after referred to as the "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:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' , issued by the international accounting standards Board (IASB) as notified under the companies Act , 2017.
- Provisions of, and directives issued under, the Companies Act, 2017.

Where the provisions of, and directives issued under, the Companies Act, 2017 differ from the requirements of IAS-34 , the provisions of ,and directives issued under, the Companies Act, 2017 have been followed.

These interim financial statements do not include all the information and disclosure as required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2023.

2.2 Basis of measurement

In these interim financial statements, all items have been measured at their historical cost, except for plant and machinery and electrical instruments and installations which are carried at revalued amounts less accumulated depreciation and impairment loss thereon if any.

2.3 Functional and presentation currency

Items included in these interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Judgments and sources of estimation uncertainty

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended June 30, 2023.

2.5 Significant accounting policies

The significant accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2023.

3. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
		Rupees	
Operating fixed assets	3.1	13,244,976,915	11,204,624,718
Capital work in progress	3.2	1,371,639,643	965,581,767
		<u>14,616,616,558</u>	<u>12,170,206,485</u>

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3.1 Operating fixed assets

	Rupees										
	Freehold land	Building and godown on free hold land	Plant and machinery	Office, tools, fire fighting and laboratory equipment	Furniture and fixtures	Computer and allied equipment	Vehicles	Electrical instruments and installations	Arms and ammunition	Total	
As at June 30, 2022											
Cost	29,668,476	1,383,136,047	8,161,825,235	24,364,912	31,852,701	20,100,966	360,250,019	1,284,226,559	37,150	11,295,462,065	
Accumulated depreciation	-	(587,088,303)	(2,181,168,040)	(11,568,395)	(12,787,465)	(6,532,945)	(106,202,456)	(404,659,847)	(35,644)	(3,310,043,095)	
Net book value	29,668,476	796,047,744	5,980,657,195	12,796,517	19,065,236	13,568,021	254,047,563	879,566,712	1,506	7,985,418,970	
Movement during the Period ended December 31, 2022											
Opening net book value	29,668,476	796,047,744	5,980,657,195	12,796,517	19,065,236	13,568,021	254,047,563	879,566,712	1,506	7,985,418,970	
Additions	1,251,700	59,267,205	56,880,704	3,792,534	17,440,305	6,830,834	50,623,503	22,473,540	-	218,360,325	
Transfer from CWIP	-	188,125,409	1,582,969,267	556,400	-	-	-	443,381,520	-	2,215,032,596	
Disposals:											
- Cost	-	-	(20,600,760)	-	-	-	(7,763,885)	(1,301,291)	-	(29,665,936)	
- Accumulated depreciation	-	-	16,374,779	-	-	-	4,863,611	1,006,627	-	22,245,017	
Depreciation for the period	-	(44,170,330)	(327,454,326)	(827,875)	(1,243,745)	(1,932,181)	(27,294,800)	(53,882,966)	(76)	(7,420,919)	
Closing net book value	30,920,176	999,270,028	7,288,626,859	16,317,576	35,261,796	18,466,674	274,475,992	1,291,244,142	1,430	9,954,584,673	
As at December 31, 2022											
Cost	30,920,176	1,630,528,661	9,780,874,446	28,713,846	49,293,006	26,931,800	403,109,637	1,748,780,328	37,150	13,699,189,050	
Accumulated depreciation	-	(631,258,633)	(2,492,247,587)	(13,396,270)	(14,031,210)	(8,465,126)	(128,633,645)	(457,536,186)	(35,720)	(3,744,604,377)	
Net book value	30,920,176	999,270,028	7,288,626,859	16,317,576	35,261,796	18,466,674	274,475,992	1,291,244,142	1,430	9,954,584,673	
As at June 30, 2023											
Gross carrying amount	30,920,176	2,180,789,653	10,789,147,869	43,595,012	52,112,197	30,631,400	423,582,694	1,920,800,769	37,150	15,471,616,920	
Accumulated depreciation	-	(689,572,765)	(2,846,375,257)	(13,192,102)	(15,676,543)	(11,276,527)	(156,143,707)	(534,719,506)	(35,795)	(4,266,992,202)	
Net book value	30,920,176	1,491,216,888	7,942,772,612	30,402,910	36,435,654	19,354,873	267,438,987	1,386,081,263	1,355	11,204,624,718	
Movement during the Period ended December 31, 2023											
Opening net book value	30,920,176	1,491,216,888	7,942,772,612	30,402,910	36,435,654	19,354,873	267,438,987	1,386,081,263	1,355	11,204,624,718	
Additions	142,564	2,770,962	2,869,921	18,507,721	10,137,124	5,120,766	55,365,553	29,352,862	-	124,267,473	
Transfer from CWIP	-	302,511,951	2,247,338,692	-	-	-	-	17,306,309	-	2,567,156,952	
Disposals:											
- Gross carrying amount	-	-	(98,837,455)	-	-	-	(1,878,469)	-	-	(100,715,924)	
- Accumulated depreciation	-	-	55,227,414	-	-	-	1,245,818	-	-	56,473,232	
Depreciation for the period	-	(85,106,294)	(413,457,958)	(2,157,858)	(2,161,277)	(3,565,305)	(632,651)	(71,150,962)	(68)	(44,242,692)	
Closing net book value	31,062,740	1,771,393,507	9,735,913,226	46,752,773	44,411,501	20,910,334	292,942,075	1,361,589,472	1,287	13,244,976,915	
As at December 31, 2023											
Gross carrying amount	31,062,740	2,486,072,566	12,940,519,027	62,102,733	62,249,321	35,752,166	477,069,778	1,967,459,940	37,150	18,062,325,421	
Accumulated depreciation	-	(774,679,059)	(3,204,605,801)	(15,349,960)	(17,837,820)	(14,841,832)	(184,127,703)	(605,870,468)	(35,863)	(4,817,348,506)	
Net book value	31,062,740	1,771,393,507	9,735,913,226	46,752,773	44,411,501	20,910,334	292,942,075	1,361,589,472	1,287	13,244,976,915	
Annual rates of depreciation	-	10%	10%	10%	10%	30%	20%	10%	10%	10%	

3.1.1 The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the period.

Particular Of Assets	Gross carrying amount	Accumulated Depreciation	Book Value	Sales Proceeds	Gain/(Loss) on Disposal	Particulars Of Purchaser	Relation with Buyer	Mode Of Disposal
Rupees								
Cone Winder	54,662,607	(22,946,296)	31,716,311	34,000,000	2,283,689	Nadeem Textile Mills Limited	None	Negotiation
Cone Winder	14,671,138	(10,983,690)	3,687,448	3,800,000	112,552	Mr. Muhammad Waseem	None	Negotiation
Ring spinning frame	9,470,466	(7,113,802)	2,356,664	4,000,000	1,643,336	Faisal Naveed Mills Private limited	None	Negotiation
Ring spinning frame	4,458,545	(2,505,878)	1,952,667	1,540,000	(412,667)	FLA Ring spinning Mills Private Limited	None	Negotiation
Ring spinning frame	6,598,945	(4,936,568)	1,662,377	2,300,000	637,623	Faisal Naveed Mills Private limited	None	Negotiation
Ring spinning frame	5,911,862	(4,424,567)	1,487,295	700,000	(787,295)	Mr. Saad Abdullah Traders	None	Negotiation
Ring spinning frame	3,063,892	(2,316,613)	747,279	1,950,000	1,202,721	Unique Spinning Mills Private Limited	None	Negotiation
Honda City	1,821,769	(1,212,330)	609,439	2,700,000	2,090,561	Mr. Safir Ahmed	None	Negotiation
31-Dec-23	100,659,224	(56,439,744)	44,219,480	50,990,000	6,770,520			
31-Dec-22	26,390,899	(19,985,472)	6,405,427	6,725,000	319,573			

3.1.2 Freehold land represents 226,624 acres of land situated at Nooriabad, District Dadu (Sindh) on which factory and non factory buildings are constructed. The property is utilized as manufacturing facility for the production of yarn and socks.

3.1.3 The Company measures its plant and machinery and electrical instruments and installations using revaluation model. The latest revaluation of plant and machinery and electrical instruments and installations was carried out by an independent valuer M/s K.G.Traders (Pvt) Ltd on June 27, 2023. As per the aforesaid valuation, the forced sale value of the plant and machinery and electrical instruments and installation amounted to Rs. 6,528 million.

3.1.4 Had there been no revaluation, the net book value of specific classes of property, plant and equipment would have been as follows:

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Rupees	
Plant and machinery	8,670,749,831	6,809,293,524
Electrical instruments and installations	1,207,521,644	1,223,904,602
	<u>9,878,271,475</u>	<u>8,033,198,126</u>

3.2 Capital work in progress

Opening balance as at the beginning of the period / year	965,581,767	2,025,783,540
Additions:		
- Machinery	2,602,024,329	2,173,399,468
- Civil works	148,514,348	658,423,949
- ERP Software under development	7,514,266	5,579,290
- Solar Renewable Energy	215,161,885	13,332,295
	<u>2,973,214,828</u>	<u>2,850,735,002</u>
Transferred to operating fixed assets	(2,567,156,952)	(3,903,224,485)
Transferred to intangible assets	-	(7,712,290)
Closing balance at the end of the period/ year	<u>1,371,639,643</u>	<u>965,581,767</u>

4. INTANGIBLE ASSETS

Computer Softwares	4.1	<u>24,591,870</u>	<u>18,221,220</u>
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4.1 Computer Softwares

Cost

Opening balance	19,082,954	-
Additions during the period / year	7,712,290	19,082,954
Closing balance	<u>26,795,244</u>	<u>19,082,954</u>

Accumulated amortization

Opening balance	(861,734)	-
Charge for the year	(1,341,640)	(861,734)
Closing balance	<u>(2,203,374)</u>	<u>(861,734)</u>
Net book value	<u>24,591,870</u>	<u>18,221,220</u>

Amortisation rate

	<u>5-10%</u>	<u>5-10%</u>
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Review

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		Rupees	
5. STOCK IN TRADE			
Raw material			
- In hand		6,384,636,432	7,093,123,489
- In transit		283,280,490	278,513,200
		<u>6,667,916,922</u>	<u>7,371,636,689</u>
Work in process		114,035,924	124,088,920
Finished goods		1,454,197,160	1,378,620,339
Waste material		9,032,157	10,260,822
		<u>1,463,229,317</u>	<u>1,388,881,161</u>
Packing materials		85,047,782	89,190,768
		<u>8,330,229,945</u>	<u>8,973,797,538</u>
6. TRADE DEBTS - net			
Local debtors - unsecured		3,989,395,803	4,196,985,592
Foreign debtors - secured		587,222,077	437,941,670
		<u>4,576,617,880</u>	<u>4,634,927,262</u>
Less: Provision for expected credit losses		(13,250,637)	(28,311,038)
		<u>4,563,367,243</u>	<u>4,606,616,224</u>
6.1 Movement in provision for expected credit losses			
Opening balance		28,311,038	8,697,165
Add: Charge for the period / year		-	19,613,873
Less: Reversal of provision during the period / year		(15,060,401)	-
		<u>13,250,637</u>	<u>28,311,038</u>
7. TAX REFUNDS DUE FROM GOVERNMENT			
Income tax (payable) / refundable	7.1	-	40,991,930
Sales tax refundable		80,716,211	10,384,197
		<u>80,716,211</u>	<u>51,376,127</u>
7.1 Income tax (payable) / refundable			
Opening balance		40,991,930	70,269,499
Provision for current tax		(169,917,485)	(351,761,259)
Taxes deducted at source		101,371,172	309,908,717
Tax paid during the period / year		-	12,574,973
Closing balance		<u>(27,554,383)</u>	<u>40,991,930</u>
8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
<i>Advances - unsecured</i>			
- Staff		20,706,243	50,573,592
- Suppliers		238,850,139	823,718,447
		<u>259,556,382</u>	<u>874,292,039</u>
<i>Deposits</i>			
- Security deposits		283,560	2,391,099
<i>Prepayments</i>			
- Insurance		50,853,377	2,840,570
<i>Other receivables - unsecured</i>			
- Duty drawback receivable		200,308	200,308
- Claims receivable		1,794,184	5,059,928
- Other receivables		1,017,522	1,159,429
		<u>3,012,014</u>	<u>6,419,665</u>
		<u>313,705,333</u>	<u>885,943,373</u>

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	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Rupees	
9. CASH AND BANK BALANCES		
Cash in hand	3,991,846	951,522
Cash with banks - current accounts	<u>880,169,936</u>	<u>711,246,335</u>
	<u>884,161,782</u>	<u>712,197,857</u>
10. SURPLUS ON REVALUATION OF PLANT AND ELECTRICAL INSTRUMENTS		
Opening balance	1,295,655,749	1,246,126,234
Revaluation increase during the period / year	-	182,257,158
Realized on disposal of assets	(12,254,462)	(9,006,597)
Incremental depreciation charged during the period / year	<u>(64,170,064)</u>	<u>(123,721,046)</u>
	<u>1,219,231,223</u>	<u>1,295,655,749</u>
11. LONG TERM FINANCING - secured		
Bank Al-Habib Limited		
- Long Term Finance Facility (LTFF)	1,421,550,741	1,517,777,818
- Long Term Finance Facility (TF)	2,369,032,558	929,519,327
- Temporary Economic Refinance Facility (TERF)	1,517,549,561	1,592,198,789
- Financing Scheme for Renewable Energy	229,458,097	152,166,846
Bank Al-Falah Limited		
- Long Term Finance Facility (LTFF)	521,694,548	575,703,047
- Temporary Economic Refinance Facility (TERF)	267,263,990	252,955,078
Habib Bank Limited		
- Long Term Finance Facility (LTFF)	392,205,386	422,584,461
Meezan Bank Limited		
- Long Term Finance Facility (LTFF)	383,852,481	413,175,361
- Islamic Temporary Economic Refinance Facility (ITERF)	186,507,580	175,599,449
Habib Metropolitan Bank Limited		
- Term Finance	579,474,700	107,059,500
- Long Term Finance Facility (LTFF)	229,356,000	229,356,000
Askari Bank Limited		
- Term Finance	263,692,852	263,692,852
- Long Term Finance Facility (LTFF)	8,400,000	8,400,000
	<u>8,370,038,494</u>	<u>6,640,188,528</u>
Current maturity shown under current liabilities	735,126,254	736,781,079
Non-current maturity shown under non-current liabilities	<u>7,634,912,240</u>	<u>5,903,407,449</u>
	<u>8,370,038,494</u>	<u>6,640,188,528</u>
12. DEFERRED LIABILITIES		
Deferred taxation on export debtors	45,805,690	42,554,925
Staff retirement benefits-defined benefits plan (gratuity)	12.1 349,765,281	305,476,927
Provision Gas Infrastructure Development Cess	12.2 253,240,050	277,029,873
Deferred income - Government grant	12.3 724,618,644	695,595,167
	<u>1,373,429,665</u>	<u>1,320,656,892</u>
12.1 Staff retirement benefits-defined benefits plan (gratuity)		

The Company operates an unfunded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2023, using the Projected Unit Credit Method.

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		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	Rupees	
12.1.1 Movement in defined benefit obligation			
Opening defined benefit obligation		305,476,927	122,168,372
Current service cost		78,560,311	71,344,164
Past Service Cost		-	51,922,208
Interest cost		-	14,430,446
Benefits paid		(34,271,957)	(26,518,698)
Remeasurement		-	72,130,435
Closing defined benefit obligation		<u>349,765,281</u>	<u>305,476,927</u>
12.2 Provision for Gas Infrastructure Development Cess			
Opening balance		277,029,873	237,488,178
Effect of unwinding of the provision recognized during the period / year		22,175,167	39,541,695
Closing balance		<u>299,205,040</u>	<u>277,029,873</u>
Current maturity shown under current liabilities		45,964,990	-
Non-current maturity shown under non-current liabilities		253,240,050	277,029,873
		<u>299,205,040</u>	<u>277,029,873</u>
12.3 Deferred income - Government grant			
Opening balance		845,012,319	795,985,987
Add: Grant recognized in respect of loan proceeds received during the period / year		129,408,437	196,490,730
Less: Amortization for the period / year		(83,347,234)	(147,464,398)
		891,073,522	845,012,319
Less: Current maturity shown under current liabilities		166,454,878	149,417,152
Closing balance		<u>724,618,644</u>	<u>695,595,167</u>
13. TRADE AND OTHER PAYABLES			
Creditors		1,226,730,570	1,240,032,623
Accrued liabilities		468,075,188	341,904,477
Retention money payable		5,591,935	6,891,267
Workers' Profits Participation Fund	13.1	40,493	74,440,542
Workers Welfare Fund	13.2	60,863,147	50,208,861
Provision for gas rate difference		211,244,518	249,230,298
Provision for Sindh Infrastructure Cess		79,000,000	79,000,000
Advance from customers		57,633,908	29,142,988
Withholding tax payable		15,048,638	22,131,099
Other payable		18,114,347	10,942,733
		<u>2,142,342,744</u>	<u>2,103,924,888</u>
13.1 Workers' Profit Participation Fund			
Opening balance		74,440,542	247,556,906
Add:			
- Charge for the period / year		40,493	74,883,636
- Interest accrued		9,232,229	101,735,715
		9,272,722	176,619,351
Less: Payment made during the period / year		(83,672,771)	(349,735,715)
		<u>40,493</u>	<u>74,440,542</u>
13.2 Workers' Welfare Fund			
Opening balance		50,208,861	115,824,703
Add: Contribution for the period / year		10,654,286	28,455,782
Less: Payment during the period / year		-	(94,071,624)
		<u>60,863,147</u>	<u>50,208,861</u>

Review

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Rupees	
14. ACCRUED MARKUP		
Markup accrued on:		
- Long term financing	212,705,863	89,267,115
- Short term borrowings	<u>415,991,898</u>	<u>416,452,021</u>
	<u>628,697,761</u>	<u>505,719,136</u>
15. SHORT TERM BORROWINGS - secured		
Bank Al-Habib Limited		
- Running finance	1,406,798,367	5,459,952,918
- Istisna finance (Hypo)	2,500,000,000	136,000,000
- FE 25 Dollar Loan	106,981,997	-
- Export refinance facility	<u>514,179,000</u>	<u>2,788,000</u>
	<u>4,527,959,364</u>	<u>5,598,740,918</u>
Meezan Bank Limited		
- Running finance	467,492,405	129,985,125
- Istisna finance (Pledge)	498,077,100	299,718,225
- Istisna finance (Hypo)	1,179,252,585	399,556,986
- Export refinance facility	<u>81,791,364</u>	<u>59,124,054</u>
	<u>2,226,613,454</u>	<u>888,384,390</u>
MCB Islamic Bank Limited		
- Financing Musharka	100,000,000	100,000,000
- Financing Murabaha	<u>139,656,105</u>	<u>-</u>
	<u>239,656,105</u>	<u>100,000,000</u>
Bank Al-Falah Limited		
- Running finance	5,191,276	93,334,656
- Finance Against Imported Merchandise	-	735,396,981
- Export refinance facility	<u>-</u>	<u>100,000,000</u>
	<u>5,191,276</u>	<u>928,731,637</u>
Habib Bank Limited		
- Running finance	125,000,000	123,298,296
- Finance Against Imported Merchandise	<u>492,444,000</u>	<u>-</u>
	<u>617,444,000</u>	<u>123,298,296</u>
Habib Metro Bank Limited		
- Finance Against Imported Merchandise	-	497,728,000
- Export refinance facility	<u>200,000,000</u>	<u>-</u>
	<u>200,000,000</u>	<u>497,728,000</u>
	<u>7,816,864,199</u>	<u>8,136,883,241</u>

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There has been no change in the status of contingencies as disclosed in annual financial statements of the Company for the year ended June 30, 2023.

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Rupees	
16.2 Commitments		
Commitments in respect of capital expenditure	<u>212,666,176</u>	<u>1,725,828,700</u>
Letter of credit to Sui Southern Gas Company Limited	<u>130,160,700</u>	<u>130,160,700</u>
Letters of guarantee against:		
- Provision of Sindh infrastructure development cess.	<u>79,000,000</u>	<u>79,000,000</u>
- Contingent liability of Sindh infrastructure development cess	<u>512,706,476</u>	<u>453,844,015</u>
- Electric connection	<u>8,700,000</u>	<u>8,700,000</u>
Letters of credit issued in respect of purchase of raw materials	<u>1,922,020,049</u>	<u>717,025,300</u>

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	Note	Half year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		Rupees			
17. SALES - net					
Local sales-net		534,446,181	285,601,364	274,565,043	151,876,026
Export sales - indirect - net		9,314,505,227	8,234,597,611	4,765,930,230	3,910,811,679
Export sales - direct -net		3,398,793,123	2,058,804,424	1,409,751,285	695,377,424
Raw Material and wastage sales- net		15,754,077	59,412,373	10,128,069	54,047,241
		<u>13,263,498,608</u>	<u>10,638,415,772</u>	<u>6,460,374,627</u>	<u>4,812,112,370</u>
Commission and brokerage		(130,494,406)	(146,153,843)	(80,719,454)	(84,395,103)
Discount and claims		(424,610)	(1,185,926)	(254,659)	(762,792)
		<u>(130,919,016)</u>	<u>(147,339,769)</u>	<u>(80,974,113)</u>	<u>(85,157,895)</u>
		<u>13,132,579,592</u>	<u>10,491,076,003</u>	<u>6,379,400,514</u>	<u>4,726,954,475</u>
18. COST OF SALES					
Raw materials consumed	18.1	8,237,823,370	7,837,096,097	4,279,962,038	3,819,839,981
Stores and spares consumed		369,213,658	280,969,296	193,013,448	188,482,569
Packing materials consumed		297,566,657	130,456,031	164,097,740	54,012,195
Conversion costs	18.2	2,546,188,016	1,490,321,956	1,352,356,710	813,127,787
		<u>11,450,791,701</u>	<u>9,738,843,380</u>	<u>5,989,429,936</u>	<u>4,875,462,532</u>
Work in process:					
- Opening stock		124,088,920	140,141,739	119,114,975	198,041,248
- Closing stock		(114,035,924)	(244,828,028)	(114,035,924)	(244,828,028)
		<u>10,052,996</u>	<u>(104,686,289)</u>	<u>5,079,051</u>	<u>(46,786,780)</u>
Cost of goods manufactured		<u>11,460,844,697</u>	<u>9,634,157,091</u>	<u>5,994,508,987</u>	<u>4,828,675,752</u>
Cost of goods purchased for sale		7,151,357	8,556,826	3,934,584	8,556,826
Yarn Dyeing / Rewinding		-	72,013	-	72,013
Opening stock of finished goods and waste material		1,388,881,161	221,836,370	1,145,678,915	934,336,758
Cost of goods available for sale		<u>12,856,877,215</u>	<u>9,864,622,300</u>	<u>7,144,122,486</u>	<u>5,771,641,349</u>
Closing stock of finished goods and waste		(1,463,229,317)	(1,568,725,008)	(1,463,229,317)	(1,568,725,008)
Intercompany transfers		(285,310,791)	-	(285,310,791)	-
Cost of goods sold		<u>11,108,337,107</u>	<u>8,295,897,292</u>	<u>5,395,582,378</u>	<u>4,202,916,341</u>
18.1 Raw materials consumed					
Opening stock - in hand		7,093,123,489	4,473,661,596	5,085,671,988	7,317,580,750
Purchases					
-From external parties		7,251,176,879	10,069,225,016	5,297,550,275	3,208,049,746
-Intercompany Purchases		285,310,791	-	285,310,791	-
		<u>7,536,487,670</u>	<u>10,069,225,016</u>	<u>5,582,861,066</u>	<u>3,208,049,746</u>
		<u>14,629,611,159</u>	<u>14,542,886,612</u>	<u>10,668,533,054</u>	<u>10,525,630,496</u>
Sale of raw materials		(7,151,357)	(8,556,826)	(3,934,584)	(8,556,826)
Closing stock - in hand		(6,384,636,432)	(6,697,233,689)	(6,384,636,432)	(6,697,233,689)
		<u>8,237,823,370</u>	<u>7,837,096,097</u>	<u>4,279,962,038</u>	<u>3,819,839,981</u>
18.2 Conversion costs					
Salaries, wages and other benefits		745,107,958	596,532,705	358,412,600	349,900,536
Fuel and power		1,074,133,040	407,536,374	608,067,546	197,358,576
Depreciation		579,358,526	413,617,854	293,183,431	228,735,218
Amortisation		572,570	-	352,131	-
Insurance		41,102,397	30,532,307	20,753,969	15,739,778
Vehicle running and maintenance		28,074,113	19,574,583	14,701,887	9,621,943
Repairs and maintenance		21,793,110	6,802,612	14,011,204	4,060,970
Water charges		19,530,025	5,941,053	10,962,000	2,951,250
Other manufacturing expenses		36,516,277	9,784,468	31,911,942	4,759,516
		<u>2,546,188,016</u>	<u>1,490,321,956</u>	<u>1,352,356,710</u>	<u>813,127,787</u>

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19. FINANCE COSTS	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2022	December 31, 2022
	Rupees			
Markup and interest charges on:				
- Long term finances	492,864,293	186,019,666	311,088,010	143,248,505
- Short term borrowings	894,970,477	548,818,989	442,351,226	335,626,767
- Workers' Profit Participation Fund	9,232,229	101,735,715	9,232,229	101,735,715
Unwinding of Gas Infrastructure Cess Provision	22,175,167	19,010,008	11,301,003	19,010,008
Mark up on letter of credits	126,460,444	64,957,127	62,309,201	45,091,866
Bank charges on export receipts	5,820,960	15,134,885	506,305	1,066,441
Bank charges	21,980,092	22,724,763	8,891,459	18,207,488
	<u>1,573,503,662</u>	<u>958,401,153</u>	<u>845,679,433</u>	<u>663,986,790</u>
20. OTHER INCOME / (EXPENSES) - net				
Exchange gain/ (loss) on export receivables:				
- Realized	(18,800,869)	90,997,694	(14,488,972)	7519156
- Unrealized	(3,951,089)	(5,694,619)	(3,937,638)	(5,694,619)
	<u>(22,751,958)</u>	<u>85,303,075</u>	<u>(18,426,610)</u>	<u>1,824,537</u>
Unrealized exchange (Loss) on bank balance	(32,828,926)	(37,577,174)	(31,751,054)	(37,577,174)
Realized exchange gain on import of fixed assets and raw material	777,444	101,107,635	777,444	26,400,943
Amortization of deferred government grant	83,347,234	84,267,395	38,089,215	84,267,395
Reversal of provision for expected credit losses	15,060,401	-	15,060,401	-
Gain on disposal of operating fixed assets	6,804,008	477,902	1,543,463	(1,434,135)
Others	2,995,082	44,280	1,511,432	44,280
	<u>53,403,285</u>	<u>233,623,113</u>	<u>6,804,291</u>	<u>73,525,846</u>

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the condensed interim statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	Rupees	
Cash and bank balances	884,161,782	930,590,167
Short term borrowings - running finance	(2,004,482,048)	(5,540,607,453)
	<u>(1,120,320,266)</u>	<u>(4,610,017,286)</u>

22. OPERATING SEGMENT RESULTS (UNAUDITED)

	Spinning				Socks				Total			
	Half Year ended		Quarter ended		Half Year ended		Quarter ended		Half Year ended		Quarter ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Sales - net	11,965,257,277	10,475,914,798	5,741,663,079	4,711,793,270	1,167,222,315	15,161,205	637,737,436	15,161,205	13,132,579,592	10,491,076,003	6,379,400,514	4,726,954,475
Cost of sales	(10,316,660,873)	(8,225,143,146)	(4,926,062,906)	(4,132,162,195)	(791,676,234)	(70,754,146)	(469,519,472)	(70,754,146)	(11,108,337,107)	(8,295,897,292)	(5,395,582,378)	(4,202,916,341)
Gross profit	1,648,596,404	2,250,771,652	815,600,173	579,631,075	375,546,081	(55,592,941)	168,217,963	(55,592,941)	2,024,242,485	2,195,178,711	983,818,136	524,038,134
Administrative expenses	(200,909,587)	(117,910,690)	(106,825,944)	(68,930,114)	(88,180,416)	(18,913,602)	(46,970,400)	(18,913,602)	(289,090,083)	(216,852,077)	(153,796,344)	(135,592,271)
Distribution costs	(168,037,890)	(192,928,044)	(83,262,517)	(95,023,781)	(46,204,347)	(6,222,918)	(30,618,971)	(6,222,918)	(214,242,237)	(133,442,640)	(113,881,488)	(67,179,733)
Operating Results	1,279,748,927	1,939,932,918	625,511,712	415,677,180	241,161,318	(80,729,461)	90,628,592	(80,729,461)	1,520,910,245	1,844,883,994	716,140,304	321,466,130

	Spinning		Socks		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
Segment Assets	25,964,763,842	25,227,376,061	3,432,604,290	2,791,852,452	29,397,368,132	28,019,228,513
Unallocated Assets						
Segment Liabilities	17,250,013,980	18,601,055,907	3,331,814,613	265,504,906	20,581,828,593	18,866,560,813
Unallocated Liabilities						

22.1 Note: Inter unit current account balances of respective businesses have been eliminated from the total.

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22.2 Depreciation and amortisation:

Spinning				Socks				Total			
Half Year ended		Quarter ended		Half Year ended		Quarter ended		Half Year ended		Quarter ended	
31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
492,578,212	344,554,217	209,324,841	217,610,753	115,592,964	112,423,735	38,145,678	33,727,121	608,171,176	456,977,952	247,470,519	251,337,874

22.3 Reconciliations:

The presentation here does not include the reconciliations required by paragraph 28 of IFRS 8, as all segments of the company are considered reportable segments.

22.4 Other information:

- Revenue earned from one major customer, of more than 10% of total sales amounted to Rs. 2,834 million (2022 : Rs. Zero).
- As at December 31, 2023 and June 30, 2023 , all non-current assets of the Company were located in Pakistan.

23. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Presently, the only items in the interim financial statements that are carried at fair value are plant and machinery and electrical installations. The Company engages an independent external valuer to carry out a fresh revaluation of these operating fixed assets to ensure that their carrying amounts in financial statements do not differ materially from that which would be determined using fair value at the end of the reporting period. Such valuation usually involves the use of observable and unobservable inputs; however, the weightage of observable inputs used is considered as significant. Accordingly, the Company classifies the aforesaid classes of operating fixed assets within Level 2 of the fair value

The management considers that the carrying amount of all financial assets and liabilities recognised in the financial statements approximate their fair value.

24. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel of the Company and directors and their close family members. Transactions entered into and balances held, with related parties during the period / year, are as follows:

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Transactions during the period:	Rupees			
Pinnacle Fibre (Pvt) Ltd. (Associate by virtue of common directorship)				
Purchase of goods during the period	418,758,612	258,878,282	187,550,252	75,575,344

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	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	————— Rupees —————	
Balances outstanding at year end:		
Pinnacle Fibre (Pvt) Ltd.		
Trade receivable	-	-
Trade Payables	644,080	50,754,403

25. GENERAL

25.1 Non - adjusting event after the balance sheet date

The Board of Directors in their meeting held 21st February 2024 , approved an interim cash dividend of Rs. Nil /- per share . These interim financial statements do not reflect this appropriation.

25.2 Date of authorization for issue of the condensed interim financial statements

These interim financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on 21st February 2024.

25.3 Level of rounding

In these interim financial statements, figures have been rounded off to the nearest rupee.

Review



Chief Executive



Director



Chief Financial Officer

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