



COLONY
TEXTILE MILLS

L I M I T E D

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
DECEMBER 31, 2023
(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 | |
| Syed Aftab Hussain Naqvi | |
| Mr. Muhammad Shahzad Jamil | |
| Mr. Abdul Hakeem Khan Qasuria | |
| Mrs. Amna Anwar | |

Board Committees

Audit Committee

| | |
|-------------------------------|------------|
| Syed Aftab Hussain Naqvi | (Chairman) |
| Mr. Abdul Hakeem Khan Qasuria | |
| Mrs. Amna Anwar | |

HR & Remuneration Committee

| | |
|----------------------------|---------------|
| Mrs. Amna Anwar | (Chairperson) |
| Syed Aftab Hussain Naqvi | |
| Mr. Muhammad Shahzad Jamil | |

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

Ilyas Saeed & 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

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

BankIslami 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 Makramah Limited
The Bank of Punjab
United Bank Limited

Production Facilities

Weaving Unit: 4-K.M. Raiwind Manga Road, Raiwind, District Kasur
Spinning Unit: Sher Shah Road, Ismailabad Multan.

DIRECTORS' REVIEW

The directors of the company are pleased to present here the interim financial statements for the half year ended December 31, 2023 duly reviewed by statutory auditors.

The turnover of the company for the first half year has increased from Rs.9,861 million to Rs. 10,258 million, compared with corresponding period of the last year. The gross profit for the period is Rs 147 million (2022: gross loss Rs 386 million) and the net loss for six months is Rs.1,004 million (2022: Rs. 990 million). Loss per share for the period is Rs.2.02 as compared with loss per share of Rs.1.99 of the same period of last year.

Imprudent economic policies combined with recent global events have made Pakistan's economy particularly fragile, characterized by high balance of payments and fiscal deficits, a weakening and volatile currency, rising inflation and interest rates, a high external debt and uncompetitive energy pricing. Without meaningful policies and reforms that boosts economic competitiveness, direct investment towards productive sectors that promote industries and sustained efforts to end the regulatory quagmire, Pakistan's economic revival will continue to falter.

Textile sector suffered the most due to the current volatile situation. The extremely high interest rates, ever increasing raw material and input prices, uncertain currency rates clubbed with back breaking energy prices completely crushed the textile sector. While the global demand was sluggish due to recession local consumption suffered badly due to unprecedented inflation. The whole nation was running pillar to post trying to arrange for their bread and better and electricity bills; buying a piece of cloth was obviously not a priority.

After the election and formation of new government in the country, we are very hopeful that the current economic situation will be the top priority of the new government.

Although the challenges are very high but we are committed to perform in the best possible manner and add value to our stake holders to meet the long term goals of the company.

During the month of December, the company disposed of its wholly owned subsidiary StitchRite (Private) Limited at a profit for better control and management of the company's affairs.

We would like to place on record our deep appreciation for the cooperation of banks, efforts of our executive 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
February 29, 2024

**Independent Auditor's Review Report
To the members of Colony Textile Mills Limited
Report on Review of Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Colony Textile Mills Limited ("the company")** as at 31 December 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 to the condensed interim financial statements for the six-month period ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this 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 condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with 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 **Bushra Sana**.

**Dated: 29 February 2024
Lahore
UDIN No.: RR202310278HJAndzPBt**



**Ilyas Saeed & Co.
Chartered Accountants**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2023

| EQUITY AND LIABILITIES | Note | 31-Dec-23 (Rupees in '000') | 30-Jun-23 (Rupees in '000') |
|---|------|--------------------------------|--------------------------------|
| Share Capital and Reserves | | | |
| Authorized share capital | | | |
| 530,000,000 (30 June 2023: 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 | | 1,704,548 | 2,708,963 |
| Surplus on remeasurement of investments | | 870 | 694 |
| | | 9,986,202 | 10,990,441 |
| Non Current Liabilities | | | |
| Long term financing | 7 | 6,331,536 | 6,607,342 |
| Deferred liabilities | | 4,462,771 | 3,822,520 |
| | | 10,794,307 | 10,429,862 |
| Current Liabilities | | | |
| Trade and other payables | | 3,843,593 | 3,922,124 |
| Short term borrowings | 8 | 2,491,232 | 2,881,132 |
| Accrued mark-up | | 378,867 | 207,489 |
| Unclaimed dividend | | 94 | 94 |
| Current portion of long term liabilities | | 1,299,352 | 1,005,992 |
| Provision for taxation | | 195,841 | 330,754 |
| | | 8,208,980 | 8,347,585 |
| Contingencies and commitments | 9 | - | - |
| | | 28,989,489 | 29,767,887 |
| ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 10 | 18,937,298 | 19,077,186 |
| Right of use assets | 11 | 79,709 | 81,753 |
| Investment property | | 942,570 | 942,570 |
| Long term investments | 12 | 224,218 | 182,164 |
| Investment in subsidiary | | - | 160,000 |
| Long term deposits | | 51,132 | 51,132 |
| | | 20,234,927 | 20,494,804 |
| Current Assets | | | |
| Stores, spare parts and loose tools | | 384,567 | 386,796 |
| Stock in trade | 13 | 3,493,960 | 4,460,113 |
| Trade debts | | 1,013,587 | 1,017,013 |
| Loans and advances | | 1,109,653 | 975,921 |
| Trade deposits and short term prepayments | | 125,942 | 89,076 |
| Other financial assets | 14 | 20 | 14 |
| Tax refunds due from the government | | 2,553,192 | 2,253,234 |
| Cash and bank balances | | 73,642 | 90,916 |
| | | 8,754,562 | 9,273,083 |
| | | 28,989,489 | 29,767,887 |

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



Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

| | Note | Half year ended | | Quarter ended | |
|--|------|--------------------|-------------------|-------------------|-------------------|
| | | 31-Dec | | 31-Dec | |
| | | 2023 | 2022 | 2023 | 2022 |
| | | (Rupees in '000') | (Rupees in '000') | (Rupees in '000') | (Rupees in '000') |
| Sales - net | 15 | 10,258,344 | 9,861,450 | 3,906,534 | 4,552,038 |
| Cost of sales | 16 | (10,110,903) | (10,247,095) | (3,921,593) | (4,966,813) |
| Gross Profit/(Loss) | | 147,441 | (385,645) | (15,059) | (414,775) |
| Operating expenses: | | | | | |
| Distribution cost | | (117,639) | (153,184) | (55,844) | (93,664) |
| Administrative expenses | | (267,176) | (275,699) | (108,681) | (156,743) |
| | | (384,815) | (428,883) | (164,525) | (250,407) |
| Operating (Loss)/Profit | | (237,374) | (814,528) | (179,584) | (665,182) |
| Finance cost | 17 | (763,855) | (440,381) | (353,087) | (218,038) |
| Other Operating Charges | | - | (1) | - | (1) |
| | | (763,855) | (440,382) | (353,087) | (218,039) |
| Other income | 18 | 121,645 | 70,492 | 73,085 | 41,958 |
| (Loss)/Profit before taxation | | (879,584) | (1,184,418) | (459,586) | (841,263) |
| Taxation | | (124,831) | 194,422 | (49,189) | 256,254 |
| Net (Loss)/profit for the period | | (1,004,415) | (989,996) | (508,775) | (585,009) |
| (Loss)/Earnings per share - basic and diluted (Rupees) | | (2.02) | (1.99) | (1.02) | (1.17) |

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



Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

| | Half year ended | | Quarter ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | 31-Dec | | 31-Dec | |
| | 2023 | 2022 | 2023 | 2022 |
| Note | (Rupees in '000') | (Rupees in '000') | (Rupees in '000') | (Rupees in '000') |
| (Loss)/Profit for the period | (1,004,415) | (989,996) | (508,775) | (585,009) |
| Other comprehensive income: | | | | |
| Items that may be reclassified to profit or loss statement: | | | | |
| - Net fair value gain / (loss) on investment measured at FVTOCI | 176 | (245) | 176 | (245) |
| Total comprehensive (loss)/income for the period | (1,004,239) | (990,241) | (508,599) | (585,254) |

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



Chief Financial Officer



Director



Chief Executive Officer

**CONDENSED INTERIM STATEMENT OF
CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

| | 31-Dec-23 (Rupees in '000') | 31-Dec-22 (Rupees in '000') |
|---|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) for the period before taxation | (879,584) | (1,184,418) |
| Adjustments for: | | |
| Provision for staff retirement benefits | 129,000 | 114,000 |
| Depreciation on operating assets | 446,651 | 438,374 |
| Finance cost | 763,855 | 440,381 |
| (Profit) / loss from investment in IL | (41,878) | (6,504) |
| (Profit) / loss on remeasurement of investments | (6) | 1 |
| (Gain) on disposal of property, plant and equipment | (905) | (7,894) |
| | 1,296,717 | 978,358 |
| Operating cash flows before working capital changes | 417,133 | (206,060) |
| Changes in working capital: | | |
| (Increase) / decrease in current assets: | | |
| Stores, spare parts and loose tools | 2,229 | 100,150 |
| Stock in trade | 966,153 | 795,125 |
| Trade debts | 3,426 | 482,734 |
| Loans, advances, deposits and other receivables | (665,380) | (561,852) |
| Increase / (decrease) in current liabilities: | | |
| Trade and other payables | (78,531) | 297,528 |
| | 227,897 | 1,113,685 |
| Cash generated from operating activities | 645,030 | 907,625 |
| Finance cost paid | (53,400) | (182,176) |
| Staff retirement benefits paid | (27,826) | (37,708) |
| Income tax paid | (64,918) | (100,635) |
| | (146,144) | (320,519) |
| Net cash generated from operating activities | 498,886 | 587,106 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (306,314) | (292,117) |
| Investment in subsidiary | 160,000 | (30,000) |
| Proceeds from disposal of property, plant and equipment | 2,500 | 136,178 |
| Net cash used in investing activities | (143,814) | (185,939) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finances repaid | 20,761 | (203,469) |
| Lease finance - net | (3,208) | (6,579) |
| Short term borrowings - net | (389,900) | (188,507) |
| Net cash used in financing activities | (372,346) | (398,555) |
| Net (decrease) / increase in cash and cash equivalents | (17,274) | 2,613 |
| Cash and cash equivalents at beginning of the period | 90,916 | 21,053 |
| Cash and cash equivalents at end of the period | 73,642 | 23,666 |

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



Chief Financial Officer



Director



Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

| | 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 2022 | 4,980,100 | 3,156,388 | 19,594 | 120,000 | 4,702 | 1,869,384 | 1,040 | 10,151,208 |
| Total comprehensive income: | | | | | | | | |
| Profit for the half year ended 31 December 2022 | - | - | - | - | - | (989,996) | - | (989,996) |
| Other comprehensive income: | | | | | | | | |
| - Net Fair value gain/(loss) on investment measured at FVTOCI | - | - | - | - | - | - | (245) | (245) |
| Total comprehensive income for the period | - | - | - | - | - | (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 |
| Profit for the half year ended 30 June 2023 | - | - | - | - | - | 1,814,373 | - | 1,814,373 |
| Other comprehensive income: | | | | | | | | |
| - Remeasurement of defined benefit obligation | - | - | - | - | - | 15,202 | - | 15,202 |
| - Net fair value gain/(loss) on investment measured at FVTOCI | - | - | - | - | - | - | (101) | (101) |
| Total comprehensive income for the period | - | - | - | - | - | 1,829,575 | (101) | 1,829,474 |
| Balance as at 30 June 2023 | 4,980,100 | 3,156,388 | 19,594 | 120,000 | 4,702 | 2,708,963 | 694 | 10,990,441 |
| Total comprehensive income: | | | | | | | | |
| Profit for the half year ended 31 December 2023 | - | - | - | - | - | (1,004,415) | - | (1,004,415) |
| Other comprehensive income: | | | | | | | | |
| - Net fair value gain on investment measured at FVTOCI | - | - | - | - | - | - | 176 | 176 |
| Total comprehensive income for the period | - | - | - | - | - | (1,004,415) | 176 | (1,004,239) |
| Balance as at 31 December 2023 | 4,980,100 | 3,156,388 | 19,594 | 120,000 | 4,702 | 1,704,548 | 870 | 9,986,202 |

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



Chief Financial Officer



Director



Chief Executive Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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, Ferozepur Road, Lahore. | Head Office |
| 4km Raiwind Manga Road, Raiwind, District Kasur. | Weaving unit |
| Sher Shah Road Ismailabad, Multan. | Spinning unit |

- 1.02** During the half year ended, a wholly-owned subsidiary company, Stitchrite (Private) Limited was fully disposed off.

2. BASIS OF PREPARATION

2.01 Statement of Compliance

- (a) 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 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;
- 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 condensed interim financial statements comprise the condensed interim statement of financial position of 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 together with notes forming part thereof.
- (c) These 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 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, 2023. Comparative condensed interim statement of financial position has been extracted from annual financial statements for the year ended June 30, 2023, whereas comparatives for condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes for the half year ended December 31, 2022 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 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 2023.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this 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 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 2023.

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 2023.

5. PRESENTATION AND FUNCTIONAL CURRENCY

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

| 6. DIRECTORS' LOAN | Note | 31-Dec-23 | 30-Jun-23 |
|--------------------|------|---------------------------------|------------------------------|
| | | (Rupees in '000') Un-audited | (Rupees in '000') 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 | Note | 31-Dec-23 | 30-Jun-23 |
|---|------|---------------------------------|------------------------------|
| | | (Rupees in '000') Un-audited | (Rupees in '000') Audited |
| From banking companies - Secured | | 7,630,888 | 7,610,127 |
| Less: Current portion shown under current liabilities | | <u>1,299,352</u> | <u>1,002,785</u> |
| | | <u>6,331,536</u> | <u>6,607,342</u> |

8. SHORT TERM BORROWINGS - SECURED

Short term finances availed from various banking companies / other financial institutions under mark-up arrangements aggregate to Rs. 2,491 million (30 June 2023: Rs. 2,881 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 2023.

| 10. PROPERTY, PLANT AND EQUIPMENT | Note | 31-Dec-23 | 30-Jun-23 |
|-----------------------------------|-------|---------------------------------|------------------------------|
| | | (Rupees in '000') Un-audited | (Rupees in '000') Audited |
| Operating assets - owned | 10.01 | 18,832,311 | 18,972,956 |
| Capital work in progress | 10.02 | <u>104,987</u> | <u>104,230</u> |
| | | <u>18,937,298</u> | <u>19,077,186</u> |

10.01 Operating assets - owned

| | | |
|---|-------------------|-------------------|
| Opening book value | 18,972,956 | 18,779,629 |
| Additions during the period / year: | | |
| Building on freehold land | 6,818 | 47,033 |
| Plant, machinery and equipment | 287,057 | 615,130 |
| Factory tools and equipment | 410 | 1,181 |
| Furniture and fixtures | 1,291 | 2,246 |
| Office and hospital equipment | 8,940 | 8,181 |
| Vehicles | 139 | 5,110 |
| | 304,655 | 678,882 |
| Transfer from capital work in progress during the period / year | 902 | 526,475 |
| Book value of assets disposed off during the period / year | (1,595) | (128,285) |
| Depreciation charge for the period / year | <u>(444,607)</u> | <u>(883,745)</u> |
| Closing book value | <u>18,832,311</u> | <u>18,972,956</u> |

| | Note | 31-Dec-23 (Rupees in '000') Un-audited | 30-Jun-23 (Rupees in '000') Audited |
|--|-------|--|---|
| 10.02 Capital work-in-progress | | | |
| Balance at the beginning | | 104,230 | 589,050 |
| Addition during the period / year | | 1,659 | 41,655 |
| | | <u>105,889</u> | <u>630,705</u> |
| Less; Transfer to operating assets | | | |
| - Building on freehold land | | 902 | 458,155 |
| - Plant, machinery and equipment | | - | 68,320 |
| | | <u>104,987</u> | <u>104,230</u> |
| Breakup of the closing balance of capital work-in-progress | | | |
| The details are as under: | | | |
| Plant and machinery | | 35,129 | 33,525 |
| Civil work | | 69,858 | 70,704 |
| | | <u>104,987</u> | <u>104,230</u> |
| 11. RIGHT-OF-USE ASSETS | | | |
| Opening net book value (NBV) | | 81,753 | 86,056 |
| Depreciation charge for the period / year | | (2,044) | (4,303) |
| Closing net book value (NBV) | | <u>79,709</u> | <u>81,753</u> |
| 12. LONG TERM INVESTMENTS | | | |
| At fair value through statement of profit or loss designated on initial recognition | | | |
| - Investment in Imperial Limited | | 222,875 | 180,996 |
| At fair value through other comprehensive income | | 1,343 | 1,168 |
| | | <u>224,218</u> | <u>182,164</u> |
| 13. STOCK IN TRADE | | | |
| Textile | | | |
| Raw material | | 172,152 | 876,329 |
| Work in process | | 412,954 | 435,503 |
| Finished goods | | 2,743,854 | 2,983,281 |
| | | <u>3,328,960</u> | <u>4,295,113</u> |
| Real Estate Business | | | |
| Land held for development and resale | | 165,000 | 165,000 |
| | | <u>3,493,960</u> | <u>4,460,113</u> |
| 14. OTHER FINANCIAL ASSETS | | | |
| Other financial assets | 14.01 | 20 | 14 |
| 14.01 These include shares of listed companies classified at fair value through statement of profit or loss. | | | |

| 31 Dec 2023 | 30 June 2023 | Quoted - at fair value | 31-Dec-23 (Rupees in '000') Un-audited | 30-Jun-23 (Rupees in '000') Audited |
|------------------------------|--------------|---|--|---|
| <i>No. of Shares / Bonds</i> | | | | |
| 89 | 89 | Oil and Gas Development Company Limited | 10 | 7 |
| 250 | 250 | Maple Leaf Cement Factory Limited | 10 | 7 |
| <u>339</u> | <u>339</u> | | <u>20</u> | <u>14</u> |

| Note | Half year ended | | Quarter ended | |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 31-Dec-23 (Rupees in '000') | 31-Dec-22 (Rupees in '000') | 31-Dec-23 (Rupees in '000') | 31-Dec-22 (Rupees in '000') |
| 15. SALES - NET | | | | |
| Local | 9,560,174 | 8,975,111 | 3,651,451 | 4,310,032 |
| Export | 759,341 | 947,751 | 276,842 | 270,968 |
| | <u>10,319,516</u> | <u>9,922,862</u> | <u>3,928,294</u> | <u>4,581,000</u> |
| Commission | (61,172) | (61,413) | (21,760) | (28,963) |
| | <u>10,258,344</u> | <u>9,861,450</u> | <u>3,906,534</u> | <u>4,552,038</u> |
| 16. COST OF SALES | | | | |
| Raw material consumed | 5,049,051 | 5,920,702 | 1,330,625 | 2,758,826 |
| Stores consumed | 504,550 | 718,767 | 230,199 | 411,541 |
| Staff salaries, wages and benefits | 908,714 | 1,079,436 | 472,387 | 534,232 |
| Power and fuel | 2,858,055 | 1,918,292 | 1,478,216 | 963,569 |
| Insurance | 37,110 | 25,422 | 18,547 | 16,622 |
| Depreciation | 438,415 | 431,085 | 220,335 | 215,681 |
| Other factory overheads | 53,032 | 41,301 | 28,737 | 29,962 |
| | <u>9,848,927</u> | <u>10,135,005</u> | <u>3,779,046</u> | <u>4,930,433</u> |
| Work in process: | | | | |
| Opening | 435,503 | 392,980 | 398,501 | 377,830 |
| Closing | (412,954) | (349,890) | (412,954) | (349,890) |
| | <u>22,549</u> | <u>43,090</u> | <u>(14,453)</u> | <u>27,940</u> |
| Cost of goods manufactured | <u>9,871,476</u> | <u>10,178,095</u> | <u>3,764,593</u> | <u>4,958,373</u> |
| Finished goods: | | | | |
| Opening stock | 2,983,281 | 2,475,640 | 2,900,854 | 2,415,080 |
| Closing stock | (2,743,854) | (2,406,640) | (2,743,854) | (2,406,640) |
| | <u>239,427</u> | <u>69,000</u> | <u>157,000</u> | <u>8,440</u> |
| Real estate | | | | |
| Opening | 165,000 | 165,000 | 165,000 | 165,000 |
| Closing | (165,000) | (165,000) | (165,000) | (165,000) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cost of sales | <u>10,110,903</u> | <u>10,247,095</u> | <u>3,921,593</u> | <u>4,966,813</u> |
| 17. FINANCE COST | | | | |
| Accrued during the period | 763,855 | 440,381 | 353,087 | 218,038 |
| | <u>763,855</u> | <u>440,381</u> | <u>353,087</u> | <u>218,038</u> |

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-23 (Rupees in '000') | 31-Dec-22 (Rupees in '000') | 31-Dec-23 (Rupees in '000') | 31-Dec-22 (Rupees in '000') |
| Provident Fund Trust: | | | | |
| - Contribution to Provident Fund Trust | 16,397 | 15,868 | 8,048 | 7,832 |

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 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 2023.

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 2023.

The carrying value of all financial assets and liabilities reflected in the 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, 2023: 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-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |

----- Rupees in '000' -----

Sales:

| | | | | | | |
|-------------------------|-------------|-------------|-------------|-------------|--------------|--------------|
| Total sales | 9,116,920 | 7,935,154 | 1,239,825 | 2,039,687 | 10,356,745 | 9,974,841 |
| Inter segment | (98,401) | (113,391) | - | - | (98,401) | (113,391) |
| External sales | 9,018,519 | 7,821,763 | 1,239,825 | 2,039,687 | 10,258,344 | 9,861,450 |
| Cost of sales | (8,916,542) | (8,078,257) | (1,194,361) | (2,168,838) | (10,110,903) | (10,247,095) |
| Gross profit | 101,977 | (256,494) | 45,464 | (129,151) | 147,441 | (385,645) |
| Distribution cost | (82,486) | (103,911) | (35,152) | (49,274) | (117,639) | (153,185) |
| Administrative expenses | (171,396) | (175,419) | (95,780) | (100,280) | (267,176) | (275,699) |
| | (253,882) | (279,330) | (130,933) | (149,553) | (384,815) | (428,884) |
| | (151,905) | (535,824) | (85,469) | (278,704) | (237,374) | (814,529) |
| Finance cost | (458,313) | (264,229) | (305,542) | (176,152) | (763,855) | (440,381) |
| | (610,218) | (800,053) | (391,011) | (454,857) | (1,001,229) | (1,254,910) |

Unallocated income and expenses:

| | | |
|--|-------------|-------------|
| Other income | 121,645 | 70,492 |
| Other operating charges | - | (1) |
| (Loss) / profit before tax | (879,584) | (1,184,418) |
| Taxation | (124,831) | 194,422 |
| (Loss) / profit for the period | (1,004,415) | (989,996) |
| Other comprehensive income: | | |
| (Loss) / profit on remeasurement of investments | 176 | (245) |
| Total comprehensive (Loss) / Profit for the period | (1,004,239) | (990,241) |

| Quarter ended | | | | | |
|---------------|-----------|-----------|-----------|---------------|-----------|
| Spinning | | Weaving | | Total Company | |
| 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |

----- Rupees in '000' -----

Sales:

| | | | | | | |
|-------------------------|-------------|-------------|-----------|-----------|-------------|-------------|
| Total sales | 3,451,780 | 3,814,383 | 498,742 | 770,299 | 3,950,522 | 4,584,682 |
| Inter segment | (43,988) | (32,645) | - | - | (43,988) | (32,645) |
| External sales | 3,407,792 | 3,781,738 | 498,742 | 770,299 | 3,906,534 | 4,552,037 |
| Cost of sales | (3,408,056) | (4,042,060) | (513,537) | (924,753) | (3,921,593) | (4,966,813) |
| Gross profit | (264) | (260,322) | (14,795) | (154,454) | (15,059) | (414,776) |
| Distribution cost | (45,409) | (68,199) | (10,434) | (25,466) | (55,844) | (93,664) |
| Administrative expenses | (76,299) | (104,046) | (32,382) | (52,697) | (108,681) | (156,743) |
| | (121,708) | (172,245) | (42,817) | (78,162) | (164,525) | (250,407) |
| | (121,972) | (432,567) | (57,612) | (232,616) | (179,584) | (665,183) |
| Finance cost | (211,852) | (130,823) | (141,235) | (87,215) | (353,087) | (218,038) |
| | (333,824) | (563,390) | (198,847) | (319,832) | (532,671) | (883,221) |

Unallocated income and expenses:

| | | | |
|---|--|-----------|-----------|
| Other income | | 73,085 | 41,958 |
| Other operating charges | | - | (1) |
| (Loss) / profit before tax | | (459,586) | (841,263) |
| Taxation | | (49,189) | 256,254 |
| (Loss) / profit for the period | | (508,775) | (585,009) |
| Other comprehensive income: | | | |
| Profit / (loss) on remeasurement of investments | | 176 | (245) |
| Total comprehensive loss for the period | | (508,599) | (585,254) |

Reconciliation of reportable segment assets and liabilities

| Spinning | | Weaving | | Total Company | |
|-----------|-----------|-----------|-----------|---------------|-----------|
| 31-Dec-23 | 30-Jun-23 | 31-Dec-23 | 30-Jun-23 | 31-Dec-23 | 30-Jun-23 |

----- Rupees in '000' -----

Total assets for reportable

| | | | | | | |
|----------|------------|------------|-----------|-----------|------------|------------|
| segments | 10,459,354 | 10,537,416 | 8,557,653 | 8,621,522 | 19,017,007 | 19,158,938 |
|----------|------------|------------|-----------|-----------|------------|------------|

Unallocated assets:

| | | | | | | |
|---|--|--|--|--|-------------------|-------------------|
| Investment property | | | | | 942,570 | 942,570 |
| Long term investments | | | | | 224,218 | 182,164 |
| Investment in Subsidiary | | | | | - | 160,000 |
| Cash and bank balances | | | | | 73,642 | 90,916 |
| Other corporate assets | | | | | 8,732,052 | 9,233,299 |
| Total assets as per statement of financial position | | | | | <u>28,989,489</u> | <u>29,767,887</u> |

Unallocated liabilities:

| | | | | | | |
|--|--|--|--|--|-------------------|-------------------|
| Directors' subordinanted loan | | | | | 120,000 | 120,000 |
| Provision for taxation | | | | | 195,841 | 330,754 |
| Other corporate liabilities | | | | | 28,673,648 | 29,317,133 |
| Total liabilities as per statement of financial position | | | | | <u>28,989,489</u> | <u>29,767,887</u> |

22. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 29 February 2024 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 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

ڈائریکٹران کی جائزہ رپورٹ

کمپنیز ایکٹ 2017 اور دیگر متعلقہ قوانین کے مالی حسابات برائے ششماہی ختمہ 31 دسمبر 2023 بمعہ بیرونی محاسب کی جائزہ شدہ رپورٹ پیش خدمت ہیں۔

آپ کی کمپنی کا فروختگی حجم اس سال مبلغ 10,258 ملین روپے ہے جو کہ پچھلے سال کے حجم مبلغ 9,861 ملین روپے کی نسبت زیادہ ہے۔ خام منافع مبلغ 147 ملین روپے ہے جو کہ پچھلے سال کے اسی عرصہ میں 386 ملین روپے نقصان تھا۔ کمپنی کو اس عرصہ میں مبلغ 1,004 ملین روپے نقصان کا سامنا رہا جبکہ یہ نقصان پچھلے سال اسی عرصہ میں مبلغ 990 ملین روپے تھا۔ اس عرصہ میں نقصان فی حصہ مبلغ 2.02 روپے ہے جو کہ پچھلے سال اس عرصہ میں مبلغ 1.99 روپے فی حصہ تھا۔


بدتر معاشی پالیسیوں اور عالمی اثرات نے پاکستان کی معیشت کو بری طرح متاثر کیا ہے۔ ادائیگیوں کے توازن میں عدم استحکام، بلند شرح سود اور توانائی کی بڑھتی ہوئی قیمتوں نے معاشی و صنعتی ترقی کو بری طرح متاثر کیا ہے جسکی وجہ سے منافع بخش اداروں میں بھی پیش قدمی میں رکاوٹ ہے۔ انتخابات اور نئی حکومت کے قیام کے بعد ہم پر امید ہیں کہ معاشی صورتحال کی بہتری حکومت کی ترجیحات میں شامل ہوگی۔


اگرچہ حالات بہت سخت ہیں مگر ہم اپنے متعلقین کی فلاح اور بہتر صلاحیت بروئے کار لانے کے لئے سرکردہ ہیں۔

کمپنی نے اچھے اور بہتر کاروباری معاملات کی خاطر پچھلے سال کے آخر میں کمپنی نے اپنی ملکیتی کمپنی سٹچ رائٹ پرائیویٹ لمیٹڈ کو منافع پرفروخت کر دیا ہے۔

ہم اپنے بینکوں اور ملازمین کی طرف سے کمپنی کی بہتری کی کوششوں کا تبادلے سے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


عبدالحکیم خان
ڈائریکٹر


فرید معیث شیخ
چیف ایگزیکٹو آفیسر

29 فروری 2024

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COLONY
TEXTILE MILLS
LIMITED

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