

**2nd Quarter &
Half Year Accounts
Period Ended**

**December 31st
2022**

(REVIEWED)



Asim Textile Mills Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS:

CHIEF EXECUTIVE:
DIRECTORS:

MR. ZAHID ANWAR
MR. IMRAN ZAHID
MR. ZEESHAN ZAHID
MS. NOORULAIN ZAHID
MR. ANWAR UL HAQ
MR. ZULQARNAIN
MR. ALI RAZA ZAFAR

AUDIT COMMITTEE:

CHAIRMAN:
MEMBER:
MEMBER:

MR. ZULQARNAIN
MR. ZEESHAN ZAHID
MR. ALI RAZA ZAFAR

HUMAN RESOURCES & REMUNERATION COMMITTEE:

CHAIRMAN:
MEMBER:
MEMBER:

MR. ALI RAZA ZAFAR
MR. ZEESHAN ZAHID
MR. ANWAR UL HAQ

COMPANY SECRETARY:

MR. AJMAL SHABAB

CHIEF FINANCIAL OFFICER:

MR. ABRAR MOHSIN

AUDITORS:

M/S KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

BANKS:

MEEZAN BANK
JS BANK LIMITED
UNITED BANK LIMITED
NATIONAL BANK OF PAKISTAN
AL BARAKA BANK (PAKISTAN) LIMITED

LEGAL ADVISOR:

MR. ZIA-UL-HAQ (ADVOCATE)

REGISTERED OFFICE:

JK HOUSE, 32-W, SUSAN ROAD,
MADINA TOWN, FAISALABAD

SHARE REGISTRAR OFFICE:

HAMEED MAJEED ASSOCIATES (PVT) LTD
1ST FLOOR, H.M HOUSE, 7-BANK SQUARE
LAHORE.

MILLS:

32-KM, SHEIKHUPURA ROAD, FAISALABAD

WEB SITE:

www.asimtextile.com

ASIM TEXTILE MILLS LIMITED

CHAIRMAN' S REVIEW

I am presenting the financial results of the company.

The business operations completely stopped due to the decline in yarn demand both locally and globally, along with the upward trend in yarn prices and the increase in material and fuel costs, that resulted in lower sales than during the same period the previous year. Despite having an optimistic outlook, the company was unable to predict this severe slump in the local and global markets.

I appreciate the efforts made by board of directors for the development of business in such situation

The management remains committed to maintain focus on sustaining the financial performance of your company. I thank our shareholders, customers and staff for their support and trust in the company.

In the end, I would like to thank the Board of Directors for their valuable contribution and guidance throughout the period.

February 27, 2023

Faisalabad.

For and on behalf of the Board



MR. ANWAR UL HAQ

Chairman BOD

عاصم ٹیکسٹائل ملز لمیٹڈ

چیئر مین کا جائزہ

میں کمپنی کے مالیاتی نتائج پیش کر رہا ہوں۔

مقامی اور عالمی سطح پر دھاگے کی مانگ میں کمی کے ساتھ ساتھ دھاگے کی قیمت میں کمی اور میٹیریل اور ایندھن کی لاگت میں اضافے کی وجہ سے کاروباری سرگرمیاں مکمل طور پر رک گئیں۔ جس کے نتیجے میں اس سال پچھلے سال کی نسبت فروخت کم ہوئی۔ ایک پرامید نقطہ نظر کے باوجود کمپنی مقامی اور عالمی منڈی میں اس وسیع مندی کے بارے میں اندازہ لگانے سے قاصر رہی۔

میں بورڈ آف ڈائریکٹرز کی جانب سے کاروبار کو ترقی دینے اور عالمی کساد بازاری سے پیدا ہونے والے مسائل کو حل کرنے کے لئے کی جانے والی جاری کوششوں کی قدر کرتا ہوں

انتظامیہ اس سلسلے میں پرعزم ہے کہ آپ کی کمپنی کی مالی کارکردگی کو برقرار رکھنے کے معاملے پر خصوصی توجہ مرکوز رکھے گی۔ ہم اپنے حصص یافتگان، کسٹمرز اور سٹاف کے شکرگزار ہیں جنکی مدد اور اعتماد کمپنی کو حاصل رہا۔

آخر میں، میں بورڈ آف ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہتا ہوں جن کی طرف سے پورے سال کے دوران قیمتی شراکت اور راہنمائی فراہم کی جاتی رہی۔

بورڈ کی طرف سے



محمد انوار الحق

27 فروری 2023

فیصل آباد۔

چیئر مین، بورڈ آف ڈائریکٹرز

ASIM TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE MEMBERS

Your directors are pleased to present 2nd quarter and half yearly un-audited accounts for the period ended December 31, 2022.

Due to ongoing global recession less demand of yarn and continuous increase in prices of raw materials and fuel prices the management decided to temporarily shut down its business operation. However routine maintenance work is underway for better quality. The Company suffered net loss of Rs. (10.404) million as compared to net profit of Rs. 39 million of corresponding period of last year.

There has been no change in the position of on going court cases with the bank, as reported in the director's report of the financial statements for the year ended 30.06.2022.

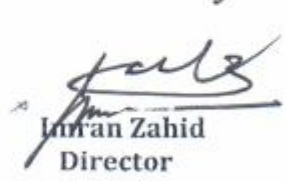
Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

The management would like to place on record its appreciation for the continuous support of its shareholders, customers and employees and expect to receive same cooperation in future.



Zahid Anwar
Chief Executive Officer

February 27, 2023
Faisalabad.



Imran Zahid
Director

ڈائریکٹرز رپورٹ برائے حصص یافتگان

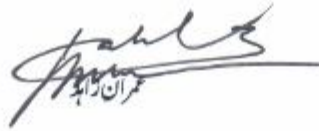
آپ کے بورڈ آف ڈائریکٹرز کو دوسری سہ ماہی اور 31 دسمبر 2022 کو ختم ہونے والے ششماہی سال کے کمپنی کے غیر آڈٹ تخلیق شدہ مالیاتی اسٹیٹمنٹ پیش کرتے ہوئے نہایت مسرت محسوس ہو رہی ہے۔

یکسٹنٹل انڈسٹری میں عالمی مسلسل کساد بازاری کی موجودہ صورتحال کی وجہ سے انتظامیہ نے اپنے کاروباری آپریشن کو عارضی طور پر بند کرنے کا فیصلہ کیا ہے۔ مقامی اور عالمی مارکیٹ میں دھماکے کی قیمت میں کمی کاروبار اور میٹریل اور ایندھن کی قیمتوں میں اضافہ بھاری نقصان کا باعث بن سکتا ہے۔ شٹ ڈاؤن کے دوران اس کی پیداواری کارکردگی کو بہتر بنانے کے لئے طویل عرصے سے مرمت اور دیکھ بھال کا کام جاری ہے۔ کمپنی کو پچھلے سال کی 39 ملین منافع کی نسبت اس سال 10.404 ملین روپے کا نقصان ہوا ہے۔

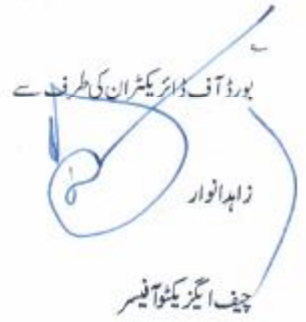
30 جون 2022 کو ختم ہونے والے سال کی ڈائریکٹرز رپورٹ برائے حصص یافتگان میں جو مفدمات اور دیگر امور رپورٹ کئے گئے ان میں کوئی تبدیلی نہیں ہوئی ہے۔

ریٹینڈ پارٹیز کے ساتھ لین دین آرم لینتھ بنیادوں پر کیا گیا اور قیمتوں کا تعین کمپنیز ڈاٹ ان کنٹرولڈ پرائس میٹھڈ کی بنیاد پر کیا گیا۔

ہم عاصم یکسٹنٹل ملز لمیٹڈ کی انتظامیہ اپنے ڈیر ہولڈرز، صارفین اور ملازمین کی مسلسل حمایت کا شکریہ ادا کرنا چاہتے ہیں اور مستقبل میں بھی اسی طرح کے تعاون کی توقع رکھتے ہیں


عمران زاہد انوار

ڈائریکٹر


بورڈ آف ڈائریکٹران کی طرف سے
زاہد انوار
چیف ایگزیکٹو آفیسر

27 فروری 2023

فیصل آباد

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF ASIM TEXTILE MILLS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

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

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

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 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 interim financial statements are not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.




Matter of emphasis

We draw attention to Note 9 and 10 to the annexed interim financial information, which state that short term borrowings include Morabaha Finance obtained from Faysal Bank Limited amounting to Rs. 417.590 million on 31st October 1999 in respect of which the Company has filed suit against bank for charging illegal markups against principal of Islamic Banking and against circulars issued by State Bank of Pakistan and in contravention of objective clause of its Memorandum & Article of Association. Faysal Bank Limited has also filed a counter suit which has been adjudicated on 04th June 2015 against the Company as a result of which the Company has to settle the loan along with costs and cost of fund. Profit on these loans amounting to Rs. 194.161 million have already been provided for; however, provision for cost of funds has not been accounted for, having been undeterminable at this stage by the management, being aggrieved the Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A No. 1372/2015 based on infield favorable judgments of Honorable Lahore High Court, Lahore. The learned Division Bench graciously allowed the appeal on 20.02.2020 and impugned judgment and decree dated 04.06.2015 was set aside. Consequently leave to appeal was adjudged to have been granted to the appellant company and the case is directed to be proceeded on that basis after framing issues and recording of evidences. Our opinion is not modified in respect of this matter.

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

DATE: February 27, 2023
FAISALABAD
UDIN: RR202210199oKdITu7t6



Kreston Hyder Bhimji & Co.
KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Un-Audited	Audited
Note	December 31, 2022	June 30, 2022
	----- Rupees -----	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	5 635,031,353	553,467,786
Long term deposits	22,560,795	22,560,795
	<u>657,592,148</u>	<u>576,028,581</u>
CURRENT ASSETS		
Stores and spares	31,320,802	22,479,856
Stock in trade	168,286,020	394,055,837
Trade debts	3,805,482	22,722,482
Advances deposits and prepayments	4,547,644	18,050,486
Short term investments	6 22,180,310	21,907,894
Accrued income	893,677	1,025,107
Tax refunds due from government	58,946,549	68,602,690
Cash and bank balances	223,245,107	120,999,235
	<u>513,225,591</u>	<u>669,843,587</u>
TOTAL ASSETS	<u><u>1,170,817,739</u></u>	<u><u>1,245,872,168</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
17,500,000 ordinary shares of Rs.10 each	<u>175,000,000</u>	<u>175,000,000</u>
Issued, subscribed and paid up capital	151,770,000	151,770,000
Unappropriated profit/ accumulated (losses)	4,003,656	9,340,832
Surplus on remeasurement of investments	548,915	355,500
Surplus on revaluation of property plant and equipment	7 219,588,569	224,656,302
	<u>375,911,140</u>	<u>386,122,634</u>
NON CURRENT LIABILITIES		
Deferred liabilities	8 97,945,978	98,228,626
CURRENT LIABILITIES		
Trade and other payables	68,488,798	122,962,004
Contract liabilities	16,719,694	26,806,775
Accrued mark-up	194,161,422	194,161,422
Short term borrowings	9 417,590,707	417,590,707
	<u>696,960,621</u>	<u>761,520,908</u>
CONTINGENCIES AND COMMITMENTS	10 -	-
TOTAL EQUITY AND LIABILITIES	<u><u>1,170,817,739</u></u>	<u><u>1,245,872,168</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

Note	Half year Ended		Quarter Ended		
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	
----- Rupees -----					
Sales - net	11	314,567,635	1,124,924,325	29,653,900	658,713,160
Cost of sales	12	(316,300,268)	(1,059,390,500)	(57,840,588)	(634,570,543)
Gross (loss)/profit		(1,732,633)	65,533,825	(28,186,688)	24,142,617
Operating expenses					
Distribution cost		(419,064)	(592,307)	(61,364)	(288,482)
Administrative expenses		(19,358,573)	(17,665,052)	(9,693,656)	(8,668,541)
Other operating expenses		(1,650,979)	(4,036,686)	(95,818)	(1,242,562)
		(21,428,616)	(22,294,045)	(9,850,838)	(10,199,585)
(Loss)/profit from operations		(23,161,249)	43,239,780	(38,037,526)	13,943,032
Finance cost		(125,529)	(348,423)	(116,860)	(100,341)
Other income		16,452,315	9,226,919	12,032,372	3,401,330
(Loss)/profit before taxation		(6,834,463)	52,118,276	(26,122,014)	17,244,021
Taxation		(3,570,446)	(13,115,851)	9,735,748	(963,293)
(Loss)/profit for the period		(10,404,909)	39,002,425	(16,386,266)	16,280,728
Earnings per share - Basic and diluted		(0.69)	2.57	(1.08)	1.07

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half year Ended		Quarter Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
(Loss)/profit for the period	(10,404,909)	39,002,425	(16,386,266)	16,280,728
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Unrealized income on changes in fair value of investments	272,416	452,080	261,111	13,267
Related effect of deferred tax liability	(79,001)	(131,103)	69,482	(22,886)
	193,415	320,977	330,593	(9,619)
Total comprehensive (loss)/income for the period	(10,211,494)	39,323,402	(16,055,673)	16,271,109

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

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CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED

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

	Share capital	Unappropriated profit/ Accumulated losses	Surplus on remeasurement of investments	Surplus on revaluation of property, plant and equipment	Total
	----- Rupees -----				
Balance as at July 01, 2021	151,770,000	(33,839,180)	1,691,756	234,990,049	354,612,625
Profit for the period	-	39,002,425	-	-	39,002,425
Other comprehensive income	-	-	320,977	-	320,977
Total comprehensive income for the period	-	39,002,425	320,977	-	39,323,402
Incremental depreciation on revalued property, plant and equipment	-	7,278,524	-	(7,278,524)	-
Related effect of deferred tax liability	-	(2,110,772)	-	2,110,772	-
	-	5,167,752	-	(5,167,752)	-
Balance as at December 31, 2021	<u>151,770,000</u>	<u>10,330,997</u>	<u>2,012,733</u>	<u>229,822,297</u>	<u>393,936,027</u>
Balance as at July 01, 2022	151,770,000	9,340,832	355,500	224,656,302	386,122,634
Loss for the period	-	(10,404,909)	-	-	(10,404,909)
Other comprehensive income	-	-	193,415	-	193,415
Total comprehensive loss for the period	-	(10,404,909)	193,415	-	(10,211,494)
Incremental depreciation on revalued property, plant and equipment	-	6,839,574	-	(6,839,574)	-
Related effect of deferred tax liability	-	(1,983,476)	-	1,983,476	-
	-	4,856,098	-	(4,856,098)	-
Surplus realized on disposal of property, plant and equipment	-	298,078	-	(298,078)	-
Related effect of deferred tax liability	-	(86,443)	-	86,443	-
	-	211,635	-	(211,635)	-
Balance as at December 31, 2022	<u>151,770,000</u>	<u>4,003,656</u>	<u>548,915</u>	<u>219,588,569</u>	<u>375,911,140</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

KH


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	December 31, 2022	December 31, 2021
Note	----- Rupees -----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(6,834,463)	52,118,276
Adjustments for non cash and other items		
Depreciation	14,202,919	12,514,401
Profit on deposit accounts	(6,854,381)	(8,539,901)
Profit on short term investments	(8,228,769)	-
Profit on disposal of property, plant and equipment	(1,022,899)	(7,919)
Workers welfare fund	-	1,228,938
Workers profit participation fund	-	2,807,748
Balances written back	-	(399,003)
Profit on deposit with SNGPL	(316,010)	(280,096)
Finance cost	125,529	348,423
Cash (used in)/generated from before working capital changes	(8,928,074)	59,790,867
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	(8,840,946)	(1,024,974)
Stock in trade	225,769,817	(312,196,585)
Trade debts	18,917,000	40,290,575
Advances deposits and prepayments	13,502,842	(18,296,785)
Tax refunds due from Government	11,279,498	(54,634,190)
Increase in current liabilities		
Trade and other payables	(52,078,493)	63,542,786
Contract liabilities	(10,087,081)	11,898,205
Cash generated from/(used in) operations	198,462,637	(270,420,968)
Finance cost paid	(18,692)	(121,260)
Income tax paid	(5,555,452)	(15,638,968)
Workers profit participation fund paid	(2,501,550)	(5,303,410)
Net cash generated from/(used in) operating activities	181,458,869	(231,693,739)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(97,160,254)	(125,450)
Long term deposits	-	(7,140,250)
Proceeds from disposal of property, plant and equipment	2,416,667	40,000
Profit on deposit accounts received	7,301,821	8,539,901
Profit on short term investments received	8,228,769	-
Net cash (used in)/generated from operating activities	(79,212,997)	1,314,201
Net increase/(decrease) in cash and cash equivalents	(a+b) 102,245,872	(230,379,538)
Cash and cash equivalents at the beginning of the period	120,999,235	413,808,044
Cash and cash equivalents at the end of the period	223,245,107	183,428,506

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1. COMPANY AND ITS OPERATIONS

Asim Textile Mills Limited (the Company) was incorporated in Pakistan on 29 July, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Company are quoted at Karachi, Islamabad and Lahore Stock Exchange (now Pakistan Stock Exchange), with effect from January 11, 2016. The Mill is situated at 32 - KM, Main Shekhupura Road, Tehsil Jaranwala, District, Faisalabad in the province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017. These condensed interim financial statements do not include all the information as required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should therefore be read in conjunction with the financial statements for the year ended June 30, 2022.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual financial statements of the Company for the year ended June 30, 2022.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual audited financial statements of the Company for the year ended June 30, 2022.

YHB

Un-Audited	Audited
December 31, 2022	June 30, 2022
----- Rupees -----	

622,891,099	553,467,786
12,140,254	-
635,031,353	553,467,786

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress - civil works

5.1 Operating fixed assets

DESCRIPTION	December 31, 2022						W. D. V	
	COST / REVALUED AMOUNT			ACCUMULATED DEPRECIATION				
	As at July 1, 2022	Addition	(Deletion)	As at December 31, 2022	For the year	Adjustment		As at December 31, 2022
----- Rupees -----								
Owned								
Freehold land	63,754,000	-	-	63,754,000	-	-	63,754,000	-
Building on freehold land	184,989,839	-	-	184,989,839	2,802,325	-	75,699,166	5
Plant and machinery	712,424,655	85,020,000	(4,483,927)	792,960,728	9,258,980	(3,090,159)	377,613,644	5
Electric installations	56,159,000	-	-	56,159,000	1,490,263	-	27,843,995	10
Factory equipment	355,750	-	-	355,750	764	-	341,234	10
Office equipment	2,618,122	-	-	2,618,122	25,407	-	2,135,392	10
Furniture and fixture	659,633	-	-	659,633	6,048	-	544,731	10
Vehicles	29,046,171	-	-	29,046,171	619,132	-	23,473,982	20
Total	1,050,007,170	85,020,000	(4,483,927)	1,130,543,243	14,202,919	(3,090,159)	507,652,144	622,891,099

KAB

June 30, 2022

DESCRIPTION	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				W. D. V	Rate %
	As at July 1, 2021	Additions	(Deletion)	As at June 30, 2022	As at July 1, 2021	For the year	Adjustment	As at June 30, 2022		
----- Rupees-----										
Owned										
Freehold land	63,754,000	-	-	63,754,000	-	-	-	63,754,000	-	-
Building on freehold land	184,989,839	-	-	184,989,839	66,997,209	5,899,632	-	72,896,841	112,092,998	5
Plant and machinery	640,365,812	72,058,843	-	712,424,655	356,960,785	14,484,038	-	371,444,823	340,979,832	5
Electric installations	56,159,000	-	-	56,159,000	23,042,035	3,311,697	-	26,353,732	29,805,268	10
Factory equipment	355,750	-	-	355,750	338,772	1,698	-	340,470	15,280	10
Office equipment	2,618,122	-	-	2,618,122	2,053,525	56,460	-	2,109,985	508,137	10
Furniture and fixture	659,633	-	-	659,633	525,244	13,439	-	538,683	120,950	10
Vehicles	30,876,791	125,450	(1,956,070)	29,046,171	23,071,134	1,561,955	(1,778,239)	22,854,850	6,191,321	20
Total	979,778,947	72,184,293	(1,956,070)	1,050,007,170	472,988,704	25,328,919	(1,778,239)	496,539,384	553,467,786	

Un-Audited		Audited	
December 31, 2022	2022	June 30, 2022	2022
----- Rupees -----			
13,552,332	13,552,332	23,697,065	23,697,065
650,587	650,587	1,631,854	1,631,854
14,202,919	14,202,919	25,328,919	25,328,919

5.1.1 Depreciation charged for the period /year has been allocated as under:

Cost of sales
Administrative expenses



		Un-Audited December 31, 2022	Audited June 30, 2022
	Note	----- Rupees -----	
6. SHORT TERM INVESTMENTS			
Fair value through other comprehensive income (FVTOCI)			
NAFA Islamic active allocation plan	6.1	15,966,112	15,572,143
JS Investment (JS Islamic Fund)	6.2	6,214,198	6,335,751
		<u>22,180,310</u>	<u>21,907,894</u>
6.1	These have been valued by using published net asset value (NAV) as at 31 st December, 2022. The number of units held by the Company are 130,128.5322 units (June 30, 2022: 130,128.5322 units).		
6.2	These have been valued by using published net asset value (NAV) as at 31 st December, 2022. The number of units held by the Company are 75,032.5785 units (June 30, 2022: 75,032.5785 units).		

7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening balance		224,656,302	234,990,049
Less: Incremental depreciation on revalued property, plant and equipment for the period/year		(6,839,574)	(14,554,573)
Add: Related effect of deferred tax liability		1,983,476	4,220,826
		(4,856,098)	(10,333,747)
Less: Surplus realized on disposal of property, plant and equipment		(298,078)	-
Add: Related effect of deferred tax liability		86,443	-
		(211,635)	-
Closing balance		<u>219,588,569</u>	<u>224,656,302</u>

First revaluation of company's building on freehold land and plant & machinery was carried out as on September 30, 1995 by an independent valuer M/s Iqbal A. Nanjee & Co. Lahore on the basis of depreciated replacement values.

Second revaluation of company's freehold land, building on freehold land and plant and machinery has been carried out on September 30, 2000 by an independent valuer Inspectorates Corporation International (Pvt) Limited, Lahore and the same has been verified by SBP's approved auditors on the basis of depreciated replacement values.

Third revaluation of company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2012 by an independent valuer M/s Nizamy Associates, Faisalabad on the basis of depreciated replacement values.

Fourth revaluation of company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on September 30, 2015 by an independent valuer M/s Amir Evaluators & Consultants, Peshawar on the basis of depreciated replacement values.

Fifth revaluation of company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2020 by an independent valuer M/s S.A Associates, Lahore on the basis of depreciated replacement values.

The fair valuation of the revalued assets are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets. The fair value are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs.

		Un-Audited December 31, 2022	Audited June 30, 2022
	Note	----- Rupees -----	
8. DEFERRED TAXATION			
Opening balance		98,228,626	113,298,671
Adjusted during the period		(282,648)	(15,070,045)
Closing balance	8.1	<u>97,945,978</u>	<u>98,228,626</u>
8.1	This comprise of following:		
Deferred tax liability:			
Taxable temporary differences relating to operating assets		32,973,103	31,264,832
Taxable temporary differences relating to short term investment		224,205	145,204
Taxable temporary differences relating to surplus on revaluation of property, plant and equipment		81,472,674	83,542,594
Deferred tax assets:			
Deductible temporary differences relating to minimum tax		(16,724,004)	(16,724,004)
		<u>97,945,978</u>	<u>98,228,626</u>

9. SHORT TERM BORROWINGS

From banking company

Secured

	Un-Audited December 31, 2022	Audited June 30, 2022
Morabaha I	340,901,898	340,901,898
Morabaha II	74,145,100	74,145,100

Unsecured

Interest free bank overdraft	2,543,709	2,543,709
	<u>417,590,707</u>	<u>417,590,707</u>

9.1 Morabaha I represents secured finance by converting various morabaha finances into long term finance at interest rate of 13% per annum, whereas, the Morabaha II represents an interest free morabaha finance by converting various unpaid markups. These loans are secured against first charge of Rs. 505 million on fixed assets and personal guarantees of directors and Chief Executive of the Company.

9.1.1 The Company is not repaying the morabaha finances as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The bank has also filed a counter suit praying for a decree to be passed in its favor for a sum of Rs. 454.502 million against the defendants jointly and severally, with cost of funds at the rate of 20% or as certified by State Bank of Pakistan from date of default and 20% liquidated damages plus service charges and all costs, charges, expenses payable or to be incurred by the plaintiff bank till the final payment / realization of the afore-mentioned amount. The facts and status of the litigations are further explained in note 10.1.1.

9.2 The Company has obtained interest free bank overdraft facility from Faysal Bank Limited but ceased the repayment of the overdraft due to litigation in courts. The facts of the litigation are explained in note 10.1.1.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 The Company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited (FBL) claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FBL for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking and circulars issued by the State Bank of Pakistan in addition to contravention of the objective clause of its Memorandum & Articles of Association. The amount claimed for the first two counts is Rs. 141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the Court to determine.

The counter suite filed by the Faysal Bank for recovery of Rs. 454.502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the company. The company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard. The learned Division Bench graciously allowed the appeal on 20.02.2020 and impugned judgment and decree dated 04.06.2015 was set aside. Consequently leave to appeal was adjudged to have been granted to the appellant company and the case is directed to be proceeded on that basis after framing issues and recording of evidences. Due to litigations, the Bank is not responding and confirming the balance to the company. Having been undeterminable at this stage, provision for cost of funds has not been accounted for.

10.1.2 By virtue of Finance Act, 2017, Section 5A of the Income Tax Ordinance, 2001 was amended. Through the revised provision, a tax equal to 7.5 percent of accounting profit for the year is required to be levied on every public company, other than a scheduled bank and modaraba, if distribution of cash dividend or bonus shares of at least 40 percent of the accounting profit after tax for the year is not made within six months. The tax rate was revised at 5% of accounting profit for tax year 2018 and 2019. Constitutional petitions have already been filed by some companies before Honorable High Courts challenging the tax and the Honorable Sindh High Courts has held the impugned provisions of Section 5A to be ultra vires of the Constitution, and was accordingly struck down.

The department has issued notice in terms of Section 122(9) for the year ended June 30, 2017 for charge of tax amounting to Rs. 2,995,427/-. The management has challenged the notice on the ground of jurisdiction before Honorable Lahore High Court vide writ petition No.48653 of 2021, who has disposed of by directing the concerned Commissioner to seize the matter to determine the question of jurisdiction before finalization of the assessment proceedings. The matter is lying pending at department end as question of jurisdiction has not been determined by the concerned commissioner. Accordingly provisions amounting to Rs. 2,995,427/- for the year ended June 30, 2017, Rs. 2,937,309/- for the year ended June 30, 2018 and Rs. 4,029,657/- for the year ended June 30, 2019 have not been made in these financial statements as the management expects a favorable outcome in this respect.

KHR

10.1.3 The department while initiating sales tax audits of the Company for the tax years 2012 and 2014, created demands on account of supplies from suspended/blacklisted units aggregated to amount of Rs. 818,182/- . Being aggrieved the Company filed appeals before Commissioner Inland Revenue (Appeals) who upheld the department's stance. The Company filed second appeals before Appellate Tribunal Inland Revenue Lahore on 15-Aug-2012, 25-Jul-2014, and 09-Oct-2014 which are pending for final decision. The management is contesting the case diligently and legal advisor is optimistic that the cases will be decided in the favor of the Company. Therefore, no provision has been made in these accounts.

10.2 Commitments

There are no significant commitments at the reporting date which need to be disclosed in the financial statements.

Note	Half Year Ended		Quarter Ended		
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	
	----- Rupees -----		----- Rupees -----		
11. SALES - NET					
Yarn sales	362,460,506	1,304,439,304	34,695,063	768,017,491	
Waste sales	5,583,632	11,722,174	-	2,676,912	
Gross sales	368,044,138	1,316,161,478	34,695,063	770,694,403	
Less: Sales tax	(53,476,503)	(191,237,153)	(5,041,163)	(111,981,243)	
	314,567,635	1,124,924,325	29,653,900	658,713,160	
12. COST OF SALES					
Raw material consumed	12.1	12,418,226	731,573,983	-	397,087,479
Stores and spares consumed		14,851,369	26,240,083	7,078,446	15,477,853
Packing material consumed		319,740	16,875,911	6,314	8,629,052
Salaries, wages and benefits	12.2	23,653,495	108,341,718	12,186,054	55,905,945
Fuel and power		15,194,423	140,455,671	1,332,634	62,423,795
Fee and subscription		-	43,326	-	43,326
Repairs and maintenance		14,205,203	7,155,092	8,373,708	5,984,362
Postage and telecommunication		23,990	24,209	11,980	16,365
Insurance		1,756,916	2,486,457	530,801	1,671,469
Depreciation		13,552,332	11,691,639	7,143,408	5,845,820
Others		1,054,608	574,509	871,025	248,119
		97,030,302	1,045,462,598	37,534,370	553,333,585
Work in process					
Opening Balance		13,092,725	8,693,422	-	6,295,170
Closing Balance		-	(12,475,339)	-	(12,475,339)
		13,092,725	(3,781,917)	-	(6,180,169)
Cost of goods manufactured		110,123,027	1,041,680,681	37,534,370	547,153,416
Finished goods					
Opening Balance		237,692,241	40,184,593	51,821,218	109,891,901
Closing Balance		(31,515,000)	(22,474,774)	(31,515,000)	(22,474,774)
		206,177,241	17,709,819	20,306,218	87,417,127
		316,300,268	1,059,390,500	57,840,588	634,570,543
12.1 Raw material consumed					
Opening Balance		143,270,871	92,635,054	136,771,020	129,202,426
Purchases		5,918,375	1,057,698,470	-	686,644,594
		149,189,246	1,150,333,524	136,771,020	815,847,020
Closing Balance		(136,771,020)	(418,759,541)	(136,771,020)	(418,759,541)
		12,418,226	731,573,983	-	397,087,479
12.2					
					This includes a sum of Rs. 865,529/- (December 31, 2021: Rs. 2,291,333/-) in respect of provident fund contribution.
13. TRANSACTIONS WITH RELATED PARTIES					
					Related parties include associated companies and undertakings, entities under common directorship, directors, major shareholders, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with these related parties. Detail of transactions with related parties other than those which have been specifically disclosed in related notes are as follows:

KHB

Name	Nature of transaction	Un-audited	Un-audited
		December 31, 2022	December 31, 2021
--- Rupees ---			
Provident Fund Trust	Contributions to the fund	1,094,355	5,048,528
Zeeshan Energy Limited	Payment against purchase of electricity	-	122,000
CEO/Directors/Members	Expenses paid on behalf of related parties	2,477,259	266,772
Key Management Personnel	Salary	3,000,000	3,000,000

14. SHARIAH SCREENING DISCLOSURE

Loans/advances as per Islamic mode

Short term borrowings	417,590,707	417,590,707
-----------------------	-------------	-------------

Shariah compliant bank deposits/bank balances

Bank balances	203,662,360	1,675,303
---------------	-------------	-----------

Profit earned from shariah compliant bank deposits / bank balances	2,080,985	7,565
--	-----------	-------

Revenue earned from a shariah compliant business	314,567,635	1,124,924,325
--	-------------	---------------

Profit/gain/loss or dividend from shariah compliant investments

Profit on short term investments	8,228,769	-
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Unrealized gain on short term investments	272,416	452,080
---	---------	---------

Mark up on Islamic mode of financing	194,161,422	194,161,422
--------------------------------------	-------------	-------------

Profits or interest on any conventional loan or advance

Profit on deposit accounts	4,773,396	8,532,336
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Profit on deposit with SNGPL	316,010	280,096
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Relationship with shariah compliant banks

Name of institutions	Relationship with institutions
Meezan Bank Limited	Bank balance
Al Baraka Bank Pakistan Limited	Bank balance
Faysal Bank Limited	Short term borrowings

Disclosures other than above are not pertinent to the Company.

15. FINANCIAL RISK MANAGEMENT

15.1 Financial Risk Factors

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

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

The Company has managed its currency risks by forward currency contracts.

There have been no changes in the risk management policies during the period since June 30, 2022 except those specifically mentioned. Consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

15.2 Fair value measurements of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed under the IFRSs.

KH

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

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

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

The following table presents the Company's significant financial assets and liabilities measured and recognized at fair value at December 31, 2022 on a recurring basis:

Un-audited				
As at December 31, 2022				
----- Rupees -----				
	Level 1	Level 2	Level 3	Total
Financial assets				
Short term investments	22,180,310	-	-	22,180,310
Total financial liabilities	22,180,310	-	-	22,180,310
Financial liabilities				
	-	-	-	-
Audited				
As at June 30, 2022				
----- Rupees -----				
	Level 1	Level 2	Level 3	Total
Financial assets				
Short term investments	21,907,894	-	-	21,907,894
Total financial liabilities	21,907,894	-	-	21,907,894
Financial liabilities				
	-	-	-	-

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities.

16. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on 27 FEB 2023 by the Board of Directors of the Company.

17. GENERAL

17.1 In order to comply with the requirements of IAS 34, the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of immediately preceding financial year, whereas, the 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 have been compared with the balances of comparable periods of immediately preceding financial year.

17.2 Figure have been rounded off to the nearest rupees unless otherwise stated.



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DIRECTOR


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