



of Companies

HALF YEARLY
ACCOUNTS 2023-2024
(UN - AUDITED)

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED



Vision

A company providing quality textile products by maintaining an excellent level of ethical & professional standards.



Mission Statement

To become the leader of textile products globally and to achieve the epitome level of success.

Directors' Review

On behalf of the board of directors of Faisal Spinning Mills Limited, I am pleased to present the unaudited condensed interim financial statements for the half year ended December 31, 2023.

Significant Financial Performance for the Half Year Ended December 31, 2023;

Loss after tax for the half year ended December 31, 2023 is (PKR 340.440) million as compared to profit after tax amounting to PKR 792.808 million in the corresponding period ended December 31, 2022.

Loss per share is (PKR 34.04) for half year ended December 31, 2023 (December 31 2022: PKR 79.28).

Break-up value of the share as on December 31, 2023 is PKR 1,336.32 (June 30, 2023: PKR 1,381.82).

The current ratio as on December 31, 2023 is 1.70 (June 30, 2023: 1.53).

Outlook of Textile Sector

The dire state of the economy posing major threats for the survival of the textile industry, which makes up 60 percent of Pakistan's exports. On the economic front, Pakistan managed to consolidate its foreign exchange reserves with the approval in mid-July of a \$3 billion loan from the International Monetary Fund and additional assistance from China, Saudi Arabia and the United Arab Emirates. However, that isn't a solution rather, it merely makes the problem worse since it's accumulating more debt burden. The country is still struggling to overcome its low export revenue causing an adverse effect on trade balance, current account and foreign exchange reserves of the country.

Like elsewhere in the world, Pakistan's industrial manufacturing sector has been negatively impacted by the slowdown in global consumption and increase in energy prices due conflicts in Ukraine and Middle East.

The economic environment is not conducive for the textile sector to boost export revenue in the prevailing economic scenario. Contrary, the profitability of textile sector plunges owing to with due to high energy prices coupled with high borrowing cost of 22 percent which is anticipated to remain high during the current year until inflationary pressure lessens. Further, with the elimination of energy subsidies that resulted in an exorbitant increase in the energy prices there has been a negative impact on the competitiveness of textile industries. Besides, the textile sector is also facing an acute liquidity crunch due to delay in refunds rendering it immensely difficult to honor their export commitments.

The elevated energy costs and shortage of gas will continue to remain a challenge to the textile industry as the energy tariffs are significantly higher than regional peers. The energy retains a share of approximately 40 percent in the actual conversion cost in basic textile such as spinning and weaving hence, the policy maker should devise subsidized energy tariffs. Besides, the government should provide incentive schemes, tax credits and subsidized financing for renewable energy initiatives taken by industries to adopt affordable, reliable and sustainable energy options and maintain market competitiveness.

The company has taken alternative energy initiatives like solar and wind for its manufacturing units in Punjab and Sindh for reducing its energy cost and carbon footprints. Recently, the board has approved a capital expenditure of PKR 1,500.00 million for the installation of 4.80 MW wind power project in the spinning unit located in Sindh.

Acknowledgment

The Board highly appreciates the contribution of employees, bankers, corporate regulators, stakeholders and other government authorities for their continuous support.

On behalf of the Board



Bilal Sharif
(Chief Executive Officer)
Dated: 27th February, 2024



Mohammad Salim
(Director)

Independent auditor's review report to the members of Faisal Spinning Mills Limited

Report on the Review of the Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Faisal Spinning Mills Limited** as at December 31, 2023 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this 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 condensed interim statement of comprehensive income for the quarter ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standards 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 procedure. A review is substantially less in scope than 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on review resulting in this independent auditor's report is **Zahid Hussain Zahid**, FCA.

Karachi.

Dated: 27-February-2024

UDIN: RR202310043td6aUKDLT



MUSHTAQ & CO.
Chartered Accountants

Faisal Spinning Mills Limited

Condensed Interim Statement of Financial Position As at December 31, 2023

	Note	December 31, 2023	June 30, 2023		Note	December 31, 2023	June 30, 2023
		Un-Audited Rupees	Audited Rupees	ASSETS		Un-Audited Rupees	Audited Rupees
<u>EQUITY AND LIABILITIES</u>				<u>NON CURRENT ASSETS</u>			
<u>SHARE CAPITAL AND RESERVES</u>				Property, plant and equipment			
Authorized capital					7	9,845,207,591	10,117,690,255
12,000,000 (June 30, 2023: 12,000,000) ordinary shares of PKR 10 each		120,000,000	120,000,000	Long term investment		1,531,179,938	1,762,526,599
Issued, subscribed and paid up capital		100,000,000	100,000,000	Long term deposits		36,424,217	31,189,580
Reserves		10,000,000,000	10,000,000,000			11,412,811,746	11,911,406,434
Unappropriated profits		2,190,066,830	2,645,507,664				
Loan from directors and sponsors	4	1,072,718,600	1,072,718,600				
		13,362,785,430	13,818,226,264				
<u>NON CURRENT LIABILITIES</u>				<u>CURRENT ASSETS</u>			
Long term financing - secured		3,655,489,880	4,019,675,982	Stores, spare parts and loose tools		918,525,122	741,495,000
Long term payables	5	1,091,749,547	1,069,733,571	Stock in trade		11,606,324,190	15,327,363,107
Employees retirement benefits		441,943,598	395,311,495	Trade debts		3,067,507,965	3,693,493,152
Deferred taxation		418,683,878	418,683,878	Loans and advances		208,749,525	183,321,157
Deferred government grant		90,244,901	103,090,128	Trade deposits and prepayments		669,026,717	431,245,292
		5,698,111,804	6,006,495,054	Other receivables		65,827,830	96,401,357
<u>CURRENT LIABILITIES</u>				Income tax refundable		378,633,035	408,225,866
Trade and other payables		4,557,106,744	3,450,544,451	Sales tax refundable		1,226,340,246	1,324,147,128
Unclaimed Dividend		19,468,185	18,325,851	Cash and bank balances		376,185,013	579,854,395
Accrued markup / interest		289,154,319	416,282,045			18,517,119,643	22,785,546,454
Short term borrowings - secured		5,236,888,687	10,260,976,667				
Current portion of non current liabilities		766,416,220	726,102,556				
		10,869,034,155	14,872,231,570				
<u>CONTINGENCIES AND COMMITMENTS</u>							
	6	-	-				
TOTAL EQUITY AND LIABILITIES		29,929,931,389	34,696,952,888	TOTAL ASSETS		29,929,931,389	34,696,952,888

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive


Director
Faisal Spinning Mills Ltd


Chief Financial Officer

Faisal Spinning Mills Limited

Condensed Interim Statement of Profit or Loss (Un-Audited) For the Half Year Ended December 31, 2023

Note	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees	Rupees	Rupees	Rupees
Sales- net	23,039,519,865	15,806,652,064	10,654,579,694	7,982,114,826
Cost of goods sold	(20,905,722,069)	(13,856,828,051)	(9,876,348,769)	(6,938,865,694)
Gross profit	2,133,797,796	1,949,824,013	778,230,925	1,043,249,132
Distribution cost	(850,344,698)	(709,922,224)	(412,652,786)	(352,779,581)
Administrative expenses	(233,746,670)	(183,530,629)	(122,339,429)	(92,228,664)
	(1,084,091,368)	(893,452,853)	(534,992,215)	(445,008,245)
Other income	51,965,445	302,417,988	23,726,044	110,954,060
	1,101,671,873	1,358,789,148	266,964,754	709,194,947
Other operating expenses	(8,138,735)	(71,832,294)	11,836,405	(36,320,029)
Finance cost	(919,436,907)	(300,995,981)	(392,320,613)	(179,358,659)
	(927,575,642)	(372,828,275)	(380,484,208)	(215,678,688)
Operating Profit/(Loss)	174,096,231	985,960,873	(113,519,454)	493,516,259
Share of (loss) / profit of associated undertaking	(211,725,521)	96,433,393	(159,707,681)	36,019,816
(Loss) / Profit before taxation	(37,629,290)	1,082,394,266	(273,227,135)	529,536,075
Provision for taxation	8 (302,811,544)	(289,586,600)	(140,533,246)	(141,785,033)
(Loss) / Profit after taxation	(340,440,834)	792,807,666	(413,760,381)	387,751,042
(Loss) / Earning per share - basic and diluted	(34.04)	79.28	(41.38)	38.77

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer

Faisal Spinning Mills Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited) For the Half Year Ended December 31, 2023

Note	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees	Rupees	Rupees	Rupees
(Loss)/Profit for the period after taxation	(340,440,834)	792,807,666	(413,760,381)	387,751,042
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss)/Income for the period	<u>(340,440,834)</u>	<u>792,807,666</u>	<u>(413,760,381)</u>	<u>387,751,042</u>

The annexed notes form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

Faisal Spinning Mills Limited

Condensed Interim Statement of Changes in Equity (Un-Audited) For the Half Year Ended December 31, 2023

	Share Capital	Capital Reserves	Revenue Reserves		Loans from Directors & Sponsors	Grand Total
			General Reserves	Unappropriated Profit		
Rupees						
Balance as at July 01, 2022	100,000,000	24,150,000	9,975,850,000	1,431,590,875	937,781,000	12,469,371,875
Comprehensive income						
Profit after taxation	-	-	-	792,807,666	-	792,807,666
Other comprehensive income	-	-	-	792,807,666	-	792,807,666
Final dividend @PKR 21.45 per share for the year ended June 30, 2022	-	-	-	(214,500,000)	-	(214,500,000)
Loans proceeds from directors & sponsors	-	-	-	-	134,937,600	134,937,600
Balance as at December 31, 2022	100,000,000	24,150,000	9,975,850,000	2,009,898,541	1,072,718,600	13,182,617,141
Balance as at July 01, 2023	100,000,000	24,150,000	9,975,850,000	2,645,507,664	1,072,718,600	13,818,226,264
Comprehensive income	-	-	-	-	-	-
(loss) after taxation	-	-	-	(340,440,834)	-	(340,440,834)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(340,440,834)	-	(340,440,834)
Final dividend @PKR 11.50 per share for the year ended June 30, 2023	-	-	-	(115,000,000)	-	(115,000,000)
Balance as at December 31, 2023	100,000,000	24,150,000	9,975,850,000	2,190,066,830	1,072,718,600	13,362,785,430

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer

Faisal Spinning Mills Limited

Condensed Interim Statement of Cash Flows (Un-Audited)

For the Half Year Ended December 31, 2023

	December 31, 2023	December 31, 2022
	Rupees	Rupees
Cash flows from operating activities		
(Loss) / Profit before taxation	(37,629,290)	1,082,394,266
Adjustments for:		
Depreciation of property, plant and equipment	461,700,000	458,400,000
Share of profit of associated undertaking	211,725,521	(96,433,393)
Changes in fair value of short term investments	-	(10,915,926)
Doubtful debts recovered	(1,870,769)	(42,687,149)
Provision for employee benefits	64,200,000	47,974,999
Gain on disposal of property, plant and equipment	(2,722,812)	(860,181)
Finance cost	919,436,907	300,995,981
	<u>1,652,468,847</u>	<u>656,474,331</u>
Operating cash flows before working capital changes	1,614,839,557	1,738,868,597
Changes in working capital		
Stores, spares and loose tools	(177,030,122)	(205,809,327)
Stock in trade	3,721,038,917	(4,488,071,748)
Trade debts	627,855,956	165,298,964
Loans and advances	(25,428,368)	(63,567,549)
Short term investment	-	(3,950,000,000)
Trade deposits	(237,781,425)	(129,548,151)
Other receivable	30,573,527	(35,702,903)
Sales tax refund	97,806,882	(155,628,272)
Trade and other payables	1,106,562,293	(48,220,780)
Long term payables	22,015,976	122,329,650
	<u>5,165,613,636</u>	<u>(8,788,920,116)</u>
Cash generated from / (used in) operations	6,780,453,193	(7,050,051,519)
Finance cost paid	(1,046,564,633)	(265,943,280)
Employee benefit costs paid	(17,567,897)	(15,804,250)
Income taxes payments - net	(273,218,713)	(244,012,164)
Long-term deposits	(5,234,637)	(3,257,265)
	<u>(1,342,585,880)</u>	<u>(529,016,959)</u>
Net cash generated from / (used in) operating activities	5,437,867,313	(7,579,068,478)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	8,700,000	23,753,000
Addition in property plant and equipment	(195,194,524)	(397,160,266)
Dividend Received	19,621,140	39,242,280
	<u>(166,873,384)</u>	<u>(334,164,986)</u>
Cash flows from financing activities		
Proceeds from long term finance	-	49,319,400
Proceeds of loans from directors and sponsors	-	134,937,600
Repayment of long term financing	(336,717,665)	(274,764,911)
(Decrease) / Increase in short term borrowings	(5,024,087,980)	4,459,943,488
Dividends paid	(113,857,666)	(212,328,074)
	<u>(5,474,663,311)</u>	<u>4,157,107,503</u>
Net cash (used in) / generated from financing activities	(5,474,663,311)	4,157,107,503
Net (decrease) / increase in cash and cash equivalents	(203,669,382)	(3,756,125,961)
Cash and cash equivalent at the beginning of period	579,854,395	4,442,516,331
Cash and cash equivalent at the end of period	376,185,013	686,390,370

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer

1 REPORTING ENTITY

Faisal Spinning Mills Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Repealed Companies Ordinance, 1984, now Companies Act, 2017 and is listed on Pakistan Stock Exchange Limited. The Company is primarily a spinning, weaving, dyeing, stitching unit engaged in the manufacture and sale of yarn and woven fabric, dyed and stitched fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at Nooriabad District Dadu in the Province of Sindh and District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2023.

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Judgments, estimates and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

All accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2023.

4 LOAN FROM DIRECTORS AND SPONSORS

Directors and sponsors entered into a contract with the Company to provide funds to the Company. As per the contract, the loans are unsecured, interest free and repayable at the discretion of the Company. The loans are presented under equity as per Technical Release-32 of The Institute of Chartered Accountants of Pakistan.

	<i>Note</i>	December 31, 2023	June 30, 2023
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
5 LONG TERM PAYABLES			
Infra structure development cess payable - ETO		624,432,885	602,416,909
Infra structure fee payable - Gas		<u>467,316,662</u>	<u>467,316,662</u>
		<u>1,091,749,547</u>	<u>1,069,733,571</u>
6 CONTINGENCIES AND COMMITMENTS			
There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2023 except following:			
6.1 Contingencies			
6.1.1 Bills Discounted		<u>5,924,780,972</u>	<u>6,549,622,870</u>
6.1.2 Share of contingencies of its associated company, Blessed Textiles Limited:			
Bills discounted		<u>365,511,399</u>	382,520,529
		<u>365,511,399</u>	<u>382,520,529</u>
6.2 Commitments			
6.2.1 Letter of credit (for store, raw material and machinery)		<u>3,713,944,876</u>	<u>705,867,442</u>
6.2.2 Share of commitments of its associated company Blessed Textiles Limited:			
Letter of credit (for store, raw material and machinery)		<u>1,134,860,768</u>	85,332,588
		<u>1,134,860,768</u>	<u>85,332,588</u>
6.2.3 Commitments under ijarah contracts			
The aggregate amount of ijarah payments for ijarah financing and the period in which these payments will become due are as follows:			
- payments not later than one year		29,176,716	13,710,843
- payments later than one year		<u>95,409,381</u>	<u>40,030,459</u>
		<u>124,586,097</u>	<u>53,741,302</u>
6.2.4 Share of commitments under Ijarah contracts of its associated company Blessed Textiles Limited:			
- payments not later than one year		6,119,233	3,243,984
- payments later than one year		<u>19,387,960</u>	<u>9,421,409</u>
		<u>25,507,193</u>	<u>12,665,393</u>

	Note	December 31, 2023	June 30, 2023
		Rupees (Un-Audited)	Rupees (Audited)
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	9,437,074,966	9,832,038,951
Capital work in progress		408,132,625	285,651,304
		<u>9,845,207,591</u>	<u>10,117,690,255</u>
7.1 Operating fixed assets			
Net book value at the beginning of the period/year		9,832,038,951	9,891,076,393
Additions during the period/year			
Freehold land		-	3,492,370
Factory buildings lease hold		-	169,873,881
Non Factory buildings free hold		-	114,973,852
Plant and machinery		22,858,132	453,737,530
Electric installation		-	25,519,561
Factory equipment		-	6,572,925
Furniture and fixture		-	8,257,162
Equipment and other assets		13,660,365	20,626,650
Vehicles		36,194,706	75,912,855
		72,713,203	878,966,786
Net book value of assets disposed during the period/year		(5,977,188)	(24,225,325)
Depreciation for the period/year		(461,700,000)	(913,778,903)
Net book value at the end of the period/year		<u>9,437,074,966</u>	<u>9,832,038,951</u>

8 PROVISION FOR TAXATION

- 8.1** No provision for deferred tax has been made as the impact of the same is considered immaterial and provision for current tax has been made in accordance with the requirements of Income Tax Ordinance, 2001.

9 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction.

Names and details of transactions and balances with related parties are as under:

Name	Nature of relationship	Shareholding in the Company
Bhanero Textile Mills Limited	Associated companies	N/A
Blessed Textiles Limited	Associated companies	N/A
Bhanero Energy Limited	Associated companies	N/A
Admiral (Private) Limited	Associated companies	12.83
Mohammad Salim	Director	0.29
Khurram Salim	Director	2.00
Mohammad Shaheen	Director	0.33
Mohammad Amin	Director	4.61
Hamza Shakeel	Director	4.77
Bilal Sharif	Director	3.64
Yasmeen Begum	Directorship of close family relative	2.39
Farrukh Salim	Directorship of close family relative	1.37
Yousaf Salim	Directorship of close family relative	3.13
Saqib Salim	Directorship of close family relative	1.99
Amna Khurram	Directorship of close family relative	1.10
Sadaf Farrukh	Directorship of close family relative	N/A
Saba Yousaf	Directorship of close family relative	0.98
Saba Saqib	Directorship of close family relative	2.12
Muhammad Umer	Directorship of close family relative	0.97
Samia Bilal	Directorship of close family relative	5.34
Abdullah Bilal	Directorship of close family relative	3.37
Ali Bilal	Directorship of close family relative	3.37
Azan Bilal	Directorship of close family relative	3.37
Seema Shaheen	Directorship of close family relative	3.35
Mohammad Qasim	Directorship of close family relative	3.95
Fatima Amin	Directorship of close family relative	4.51
Mohammad Shakeel	Directorship of close family relative	0.48
Nazli Shakeel	Directorship of close family relative	4.29
Adil Shakeel	Directorship of close family relative	4.77
Faisal Shakeel	Directorship of close family relative	4.77
Yahya Farrukh	Directorship of close family relative	2.74
Sumbul Qasim	Directorship of close family relative	2.35
Anjum Sharif	Directorship of close family relative	N/A

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees	Rupees	Rupees	Rupees
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
9.1 Transactions with related parties				
Nature of transaction				
Purchases	2,778,971,917	4,014,306,135	1,244,807,778	2,461,368,308
Sales	56,080,375	13,134,362	37,083,198	7,460,535
Services received	309,000	154,500	154,500	77,250
Purchase of electricity	320,715	1,504,497	-	250,738
Dividend received	19,621,140	39,242,280	19,621,140	39,242,280
Loans received from directors and sponsors	-	134,937,600	-	134,937,600
Remuneration to key management personnel	4,800,000	4,800,000	2,400,000	2,400,000
Balance with related party	20,000	20,000	20,000	20,000

10 SEGMENT REPORTING

The Company has three reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufacture and sale of yarn
Weaving	Manufacture and sale of woven fabric
Finishing / Home Textile	Manufacture and sale of dyed and stitched fabric

Information about operating segments as at December 31, 2023 is as follows:

	Half Year Ended December 31, 2023				
	Spinning	Weaving	Finishing / Home Textile	Total	
	Rupees	Rupees	Rupees	Rupees	
Revenue from external customers	8,877,852,652	6,468,395,260	7,693,271,953	23,039,519,865	
Inter-segment transfers	-	114,168,243	4,534,052	114,168,243	
Segment results	(114,042,819)	478,522,555	737,192,137	1,101,671,873	
Other operating expenses				(8,138,735)	
Finance cost				(919,436,907)	
Share of loss of associated undertaking				(211,725,521)	
				<u>(37,629,290)</u>	
	Half Year Ended December 31, 2022				
	Spinning	Weaving	Finishing / Home Textile	Total	
	Rupees	Rupees	Rupees	Rupees	
Revenue from external customers	4,610,723,390	5,652,958,919	5,542,969,755	15,806,652,064	
Inter-segment transfers	245,729,969	-	-	245,729,969	
Segment results	551,793,196	421,254,492	385,741,460	1,358,789,148	
Other operating expenses				(71,832,294)	
Finance cost				(300,995,981)	
Share of profit of associated undertaking				96,433,393	
				<u>1,082,394,266</u>	
	As at December 31, 2023				
	Spinning	Weaving	Finishing / Home Textile	Un-allocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	8,851,325,017	6,250,527,606	13,505,134,486	1,322,944,280	29,929,931,389
	As at June 30, 2023				
	Spinning	Weaving	Finishing / Home Textile	Un-allocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Segment assets	12,734,594,728	5,523,724,337	12,487,153,223	3,951,480,600	34,696,952,888
	As at December 31, 2023				
	Spinning	Weaving	Finishing / Home Textile	Un-allocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Segment liabilities	2,694,339,975	2,659,012,236	10,170,676,985	1,043,116,763	16,567,145,959
	As at June 30, 2023				
	Spinning	Weaving	Finishing / Home Textile	Un-allocated	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Segment liabilities	7,365,994,845	2,577,231,774	9,896,073,367	1,039,426,638	20,878,726,624

11 EVENTS AFTER THE REPORTING PERIOD

11.1 There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial report.

12 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on February 27, 2024.

14 GENERAL

14.1 There are no other significant activities since June 30, 2023 affecting the interim financial information.

14.2 Figures have been rounded off to the nearest Rupee.



Chief Executive



Director



Chief Financial Officer