

SUNRAYS TEXTILE MILLS LIMITED



HALF YEARLY STATEMENT
(UN-AUDITED)

FOR THE HALF YEAR
ENDED DECEMBER 31, 2021

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COMPANY PROFILE
BOARD OF DIRECTORS

- | | | |
|-----|----------------------|-----------------|
| 1. | Mian Imran Ahmed | Chairman |
| 2. | Mr. Kashif Riaz | Chief Executive |
| 3. | Mr. Naveed Ahmed | |
| 4. | Mian Shahzad Ahmed | |
| 5. | Mrs. Fadia Kashif | |
| 6. | Mr. Irfan Ahmed | |
| 7. | Mr. Shahwaiz Ahmed | |
| 8. | Mr. Shafqat Masood | |
| 9. | Mr. Faisal Hanif | |
| 10. | Ms. Azra Yaqub Vawda | |
| 11. | Mr. Farooq Hassan | |

AUDIT COMMITTEE

- | | | |
|----|--------------------|------------|
| 1. | Mr. Faisal Hanif | (Chairman) |
| 2. | Mr. Shahwaiz Ahmed | (Member) |
| 3. | Mrs. Fadia Kashif | (Member) |

HUMAN RESOURCES AND REMUNERATION COMMITTEE

- | | | |
|----|-------------------|------------|
| 1. | Mr. Faisal Hanif | (Chairman) |
| 2. | Mr. Irfan Ahmed | (Member) |
| 3. | Mrs. Fadia Kashif | (Member) |

CHIEF FINANCIAL OFFICER

Mr. Shabbir Kausar

CHIEF INTERNAL AUDITOR

Mr. Imran Iftikhar

COMPANY SECRETARY

Mr. Ahmed Faheem Niazi

LEGAL ADVISOR

Mr. Yousuf Naseem
Advocates & Solicitors

REGISTERED OFFICE

5th floor, Office # 508, Beaumont Plaza,
Beaumont Road, Civil Lines Quarters, Karachi

SYMBOL OF THE COMPANY

SUTM

WEBSITE

<http://www.Indus-group.com>

REGISTRAR & SHARE TRANSFER OFFICE

JWAFFS REGISTRAR SERVICES (PVT) LTD
407 -408, Al – Ameera Center,
Shahrah-e-Iraq, Saddar Karachi.

Tel. 35662023 – 24
Fax. 35221192

FACTORY LOCATION

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

BANKERS

MCB Bank Limited
Allied Bank Limited
Soneri Bank Limited
United Bank Limited
Meezan Bank Limited
Habib Bank Limited
Bank Alfalah Limited

AUDITORS

Yousuf Adil
Chartered Accountants

DIRECTOR'S REVIEW

The Directors of the Company have pleasure in submitting their Report together with the un-audited financial statements of the Company for the half year ended December 31, 2021 duly reviewed by external auditors. During the period under review your Company has earned pre-tax profit Rs. 1,026.317 (M).

FINANCIAL HIGHLIGHTS

	Half Year Ended December 31.(Rs.In Millions)	
	2021	2020
Sales – Net	4,820.446	3588.782
Gross Profit	1,275.842	364.997
Other Income	9.594	77.398
Profit Before Taxation	1,026.317	275.378
Taxation	(53.682)	(42.807)
Profit After Taxation	972.635	232.571

REVIEW OF OPERATIONS

By the Grace of ALMIGHTY ALLAH, Company's performance is outstanding with development in sales and profitability. Company's turnover increased by 34.32% during the six months under review over the last corresponding period. Gross profit margin increased by 250 %. Net profit after tax increased by Rs. 740 (M) mainly due to increase in yarn prices and on the other side efficient management of raw material procurement and financial resources.

EARNING PER SHARE

The earnings per share for the half year ended December 31, 2021 is Rs.46.99 as compared to Rs.11.24 for the previous corresponding period.

FUTURE PROSPECTS

Conditions for Pakistan's spinning are very favorable and it is working at full capacity . Covid-19 has turned out to be a blessing in disguise for the textile industry as global buyers are increasingly turning towards *Pakistan* by cutting orders to regional players, resulting in 100% utilization of available production capacity. However, it is difficult to predict future but apparent situation looks favorable.

DIVIDEND

The Board of Directors in their meeting held on 16th February 2022, have declared first interim cash dividend @ 50% i.e Rs. 05/- per share for the year ended 30th June 2022.

ACKNOWLEDGEMENT

The Directors acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust they have shown in our products and the bankers for continued support to the Company. We are also grateful to our shareholders for their confidence in our management.

Karachi

Dated: February 16, 2022

FOR AND ON BEHALF OF THE BOARD

l l ashi of

Kashif Riaz
CHIEF EXECUTIVE OFFICER

سن ریز ٹیکسٹائل مل لمیٹڈ

ڈائریکٹرز رپورٹ، ششماہی ۳۱ دسمبر ۲۰۲۱

بورڈ آف ڈائریکٹرز اپنی رپورٹ اور اس کے ساتھ ششماہی ۳۱ دسمبر ۲۰۲۱ کے مالیاتی گوشوارے (غیر آڈٹ شدہ) اور بیرونی آڈیٹرز کے جائزہ لی ہوئی رپورٹ بخوشی پیش کرتے ہیں۔ زیر مدت جس کا جائزہ لیا جا رہا ہے آپ کی کمپنی نے 102.63 کروڑ روپے قبل از ٹیکس منافع کمایا ہے۔

مالی اور آپریٹنگ نتائج:

ششماہی ۳۱ دسمبر 000 روپے		
تفصیل	2020	2021
فروختی	3,588.782	4,820.446
خام منافع	364.997	1,275.842
دیگر آمدن	77.398	9.594
قبل از ٹیکس منافع	275.378	1,026.317
ٹیکس	(42.807)	(53.82)
بعد از ٹیکس منافع	232.571	972.635

آپریٹنگ پوزیشن: کمپنی کی کارکردگی فروخت اور منافع میں اضافے کے ساتھ شاندار رہی۔ کمپنی کی فروختی میں پچھلی اسی مدت کے مقابلہ میں 34.32 فیصد اضافہ ہوا ہے۔ خام منافع میں 250 فیصد کا اضافہ ہوا ہے۔ ٹیکس کے بعد خالص منافع میں 74 کروڑ روپے کا اضافہ ہوا۔ یہ منافع بنیادی طور پر دھانے کی قیمتوں میں اضافہ اور دوسری طرف خام مال کی خریداری اور مالی وسائل کے موثر انتظام کی وجہ سے ممکن ہوا۔

فی حصص آمدن؛

فی حصص آمدن ششماہی ۳۱ دسمبر ۲۰۲۱ ختم ہونے پر 46.99 روپے ہے، جبکہ پچھلی اسی مدت میں یہ 11.24 روپے تھی۔

مستقبل کی صورت حال:

پاکستان کی اسپیننگ کے لیے حالات بہت سازگار ہیں اور یہ پوری صلاحیت سے کام کر رہا ہے۔ Covid-19 پاکستان ٹیکسٹائل انڈسٹری کے لیے ایک نعمت ثابت ہوا کیونکہ عالمی خریدار علاقائی سپلائرز کے آرڈرز میں کٹوتی کر کے تیزی سے پاکستان کا رخ کر رہے ہیں، جس کے نتیجے میں دستیاب پیداواری صلاحیت کا سو فیصد استعمال ہو رہا ہے۔ تاہم مستقبل کا اندازہ لگانا مشکل ہے لیکن اظہار صورت حال سازگار نظر آتی ہے۔

ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے 16 فروری 2022 کو منعقدہ اجلاس میں پہلے 50 فیصد انٹیرم ڈیویڈنڈ کا اعلان کیا ہے جو کہ 30 جون 2022 کو ختم ہونے والے سال کے لیے 5 روپے فی شیئر بنتا ہے۔

اظہار تشکر:-

ادارے کے ڈائریکٹرز تمام ملازمین کی کوششوں کا اعتراف کرتے ہیں۔ ہم اپنے ان تمام گاہکوں کا شکریہ ادا کرتے ہیں جنہوں نے ہماری مصنوعات پر اعتماد کیا اور وہ تمام پیئرز جنہوں نے مسلسل کے ساتھ ہماری معاونت کی۔ ہم اپنے تمام حصہ داروں کے شکر گزار ہیں جنہوں نے انتظامیہ پر اپنے اعتماد کا اظہار کیا۔ بورڈ آف ڈائریکٹرز کی جانب سے۔

— Asad Ali

کاشف ریاض

چیف ایگزیکٹو آفیسر

16 فروری 2022

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Sunrays Textile Mills Limited

Report on the Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Sunrays Textile Mills Limited** (the Company) as at December 31, 2021 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 financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 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 and the related notes for the three-month period ended December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2021.

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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



Chartered Accountants

Multan

Date: February 24, 2022

UDIN # : RR2021100888NBmIX0ox

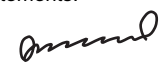
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,711,719,791	1,661,109,666
Investment properties		2,342,055	2,342,055
Long term deposits		6,991,200	6,991,200
		1,721,053,046	1,670,442,921
Current assets			
Stores and spares		91,785,464	104,108,416
Stock in trade	4	3,499,179,447	1,649,540,605
Trade debts		723,281,797	1,186,277,053
Loans and advances		113,154,978	144,399,921
Trade deposits and short term prepayments		3,239,226	3,239,226
Short term investments		622,617,218	835,013,940
Sales tax refundable		364,294,667	119,270,292
Income tax refundable		49,916,942	107,472,573
Other receivables		27,210,668	26,719,292
Cash and bank balances		27,593,058	120,759,269
		5,522,273,465	4,296,800,587
Total assets		7,243,326,511	5,967,243,508
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital		207,000,000	207,000,000
Share premium		3,600,000	3,600,000
Surplus on revaluation of property, plant and equipment		261,431,483	269,214,931
General reserves		612,000,000	612,000,000
Unappropriated profit		4,296,342,778	3,315,924,412
		5,380,374,261	4,407,739,343
Non-current liabilities			
Long term financing		827,054,837	854,634,313
Deferred liabilities		89,686,844	156,936,701
		916,741,681	1,011,571,014
Current liabilities			
Trade and other payables		511,880,559	261,784,169
Accrued markup		12,271,978	10,266,875
Short term borrowings		178,587,260	29,537,798
Current portion of long term financing		166,509,044	133,102,824
Current portion of deferred government grant		1,172,147	2,696,056
Unclaimed / unpaid dividend		22,107,514	22,183,456
Provision for taxation		53,682,067	88,361,973
		946,210,569	547,933,151
Contingencies and commitments	5		
Total equity and liabilities		7,243,326,511	5,967,243,508

The annexed notes from 1 to 13 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer

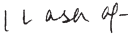

Mian Imran Ahmed
Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
For The Six Month Period Ended December 31, 2021

		...Six month period ended...	...Three month period ended...		
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Note		----- Rupees -----			
Revenue from contract					
with customers - net	6	4,820,446,238	3,588,782,221	2,296,138,988	1,965,882,789
Cost of goods sold	7	(3,544,604,588)	(3,223,785,685)	(1,707,481,355)	(1,707,404,200)
Gross profit		1,275,841,650	364,996,536	588,657,633	258,478,589
Distribution cost		(80,224,265)	(45,263,051)	(38,324,338)	(25,533,584)
Administrative expenses		(92,145,677)	(78,477,233)	(43,754,808)	(40,902,856)
Other expenses		(54,016,683)	(14,493,564)	(15,586,865)	(10,655,824)
Finance cost		(32,732,136)	(28,783,018)	(18,763,584)	(15,912,797)
Other income		9,594,096	77,398,037	473,420	36,987,116
		(249,524,665)	(89,618,829)	(115,956,175)	(56,017,945)
Profit before taxation		1,026,316,985	275,377,707	472,701,458	202,460,644
Taxation	8	(53,682,067)	(42,806,921)	(32,152,693)	(10,522,921)
Profit after tax		972,634,918	232,570,786	440,548,765	191,937,723
			Restated		Restated
Earnings per share - basic and diluted		46.99	11.24	21.28	9.27

The annexed notes from 1 to 13 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer

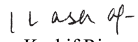

Mian Imran Ahmed
Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For The Six Month Period Ended December 31, 2021

	...Six month period endedThree month period ended ...	
	December 31,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
	----- Rupees -----			
Profit for the period	972,634,918	232,570,786	440,548,765	191,937,723
Other comprehensive income				
Total comprehensive income for the period	972,634,918	232,570,786	440,548,765	191,937,723

The annexed notes from 1 to 13 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For The Six Month Period Ended December 31, 2021

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share Premium	Surplus on revaluation of fixed assets	General reserve	Unappropriated profits	
----- Rupees -----						
Balance as at June 30, 2020 - Audited	69,000,000	3,600,000	289,188,794	750,000,000	2,264,945,574	3,376,734,368
Profit for the six month period ended December 31, 2020	-	-	-	-	232,570,786	232,570,786
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2020	-	-	-	-	232,570,786	232,570,786
Transactions with shareholders:						
1st interim dividend for the year ended December 31, 2020 @ Rs. 20 per share	-	-	-	-	(138,000,000)	(138,000,000)
Transferred to unappropriated profits on account of incremental depreciation on surplus on revaluation of property, plant and equipment	-	-	(9,536,777)	-	9,536,777	-
Balance as at December 31, 2020 - Unaudited	69,000,000	3,600,000	279,652,017	750,000,000	2,369,053,137	3,471,305,154
Balance as at June 30, 2021 - Audited	207,000,000	3,600,000	269,214,931	612,000,000	3,315,924,412	4,407,739,343
Profit for the six month period ended December 31, 2021	-	-	-	-	972,634,918	972,634,918
Transactions with shareholders:						
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	-	(7,783,448)	-	7,783,448	-
Balance as at December 31, 2021 - Unaudited	207,000,000	3,600,000	261,431,483	612,000,000	4,296,342,778	5,380,374,261

The annexed selected notes from 1 to 13 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer

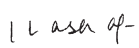

Mian Inran Ahmed
Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS STATEMENT (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021

	----- Six month period ended ----- December 31, 2021 Rupees	December 31, 2020 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,026,316,985	275,377,707
Adjustments for:		
Depreciation on property, plant and equipment	77,922,493	83,906,861
Provision for staff retirement benefits - gratuity	8,130,000	9,860,400
Realized loss / (gain) on disposal of short term investments	13,231,076	(38,791,493)
Unrealized gain on re-measurement of short term investments	(9,305,765)	(10,560,840)
Gain on disposal of property, plant and equipment	(185,564)	-
Finance cost	32,732,136	28,783,018
	<u>122,524,376</u>	<u>73,197,946</u>
Operating cash flows before movements in working capital	1,148,841,361	348,575,653
Changes in working capital (Increase) / decrease in current assets		
Stores and spares	12,322,952	3,758,096
Stock in trade	(1,849,638,842)	(67,749,696)
Trade debts	462,995,256	(97,172,219)
Loans and advances	31,244,943	57,505,639
Sales tax refundable	(245,024,375)	26,169,768
Income tax refundable	57,555,631	-
Other receivables	(491,376)	22,232,975
Increase in current liability		
Trade and other payables	179,631,480	46,116,790
	<u>(1,351,404,331)</u>	<u>(9,138,647)</u>
Cash (used in) / generated from operations	(202,562,970)	339,437,006
Finance cost paid	(30,727,038)	(40,715,320)
Staff retirement benefits - gratuity paid	(4,710,509)	(7,662,654)
Income Taxes paid - net	(88,361,971)	(64,773,558)
Net cash (used in) / generated from operating activities	(326,362,488)	226,285,474
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property plant and equipment	(52,343,815)	(13,796,539)
Additions to capital work in progress	(78,484,991)	-
Proceeds from disposal of property, plant and equipment	2,481,752	-
Payments for purchase of short term investments	(1,688,246,645)	(2,735,191,577)
Proceeds from disposal of short term investments	1,896,718,059	2,528,689,027
Net cash generated from / (used in) investing activities	80,124,360	(220,299,089)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing - net	4,098,397	62,873,044
Short term borrowings - net	149,049,462	66,678,766
Dividend paid	(75,942)	(136,483,146)
Net cash generated from / (used in) financing activities	153,071,917	(6,931,336)
Net decrease in cash and cash equivalents (A+B+C)	(93,166,211)	(944,951)
Cash and cash equivalents at beginning of the period	120,759,269	32,624,872
Cash and cash equivalents at end of the period	27,593,058	31,679,921

The annexed selected notes from 1 to 13 form an integral part of these interim financial statements.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman

NOTES TO THE INTERIM FINANCIAL STATEMENT (UNAUDITED)

For The Six Month Period Ended December 31, 2021

1. LEGAL STATUS AND OPERATIONS

1.1 Sunrays Textile Mills Limited "the Company" was incorporated in Pakistan on August 27, 1987 as a public limited company under the repealed Companies Ordinance, 1984 (Now Companies Act 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The registered office of the Company is situated at Office no. 508, 5th floor, Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi. The area of the mill is 114 kanals and 10 marlas, and is located at Khanpur Shumali khewat no. 359, District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.

1.2 These interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These interim financial statements are un-audited but subject to limited scope review by auditors and are being submitted to the shareholders as required under Section 237 of the Act.

2.2 These condensed interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2021. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2021 whereas comparative condensed statement profit or loss and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows has been extracted from un-audited condensed interim financial statements for the six month period ended December 31, 2020.

2.3 SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS.

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2021. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2021, which do not have any impact on the Company's financial reporting and therefore, have not been detailed in this condensed interim financial information.

		(Unaudited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
3. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating assets	3.1	1,633,234,800	1,661,109,666
Capital work-in progress		78,484,991	-
		1,711,719,791	1,661,109,666
3.1 Operating assets			
Opening book value		1,661,109,666	1,782,277,855
Additions during the period / year - cost			
Freehold land		-	974,438
Plant and machinery		32,297,815	43,184,159
Office equipment		-	175,000
Vehicles		20,046,000	5,122,648
Revaluation Adjustments		-	-
		52,343,815	49,456,245
Disposals during the period / year - cost			
Plant and Machinery		(20,613,027)	(18,199,009)
Vehicles		(1,122,500)	(1,000,900)
Depreciation relating to disposals during the period / year		19,439,339	17,130,368
Net book value of disposed asset		(2,296,188)	(2,069,541)
Depreciation charge for the period / year		(77,922,493)	(168,554,893)
Closing carrying value		1,633,234,800	1,661,109,666
3.2 Capital Work in Progress			
Purchases during the period / year		78,484,991	-
4. STOCK IN TRADE			
Raw material		2,651,068,796	1,235,098,282
Raw material in-transit		444,294,867	249,398,825
Work in process		57,885,814	40,247,255
Finished goods		265,618,598	33,632,473
Waste		80,311,372	91,163,770
		3,499,179,447	1,649,540,605
5. CONTINGENCIES AND COMMITMENTS			
5.1 Contingencies			
There is no significant change in status of contingent liabilities since the annual financial statements as at June 30, 2021.			
		(Unaudited) December 31, 2021 Rupees	(Audited) June 30, 2021 Rupees
5.2 Commitments	Note		
Bank guarantees	5.2.1	187,481,302	164,921,302
Foreign bills purchased		508,893,704	587,060,000
In land bill purchased		25,059,528	98,672,017
Letters of credit	5.2.2	1,636,051,109	432,634,355

			(Unaudited) December 31, 2021	(Audited) June 30, 2021
5.2.1 Bank guarantees				
<i>In favor of</i>	<i>Bank</i>	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
Sui Northern Gas Pipelines Limited	MCB Bank Limited		57,061,261	57,061,261
Ministry of textile	MCB Bank Limited		599,574	599,574
Excise and taxation	Soneri Bank Limited		23,985,915	23,985,915
Excise and taxation	United Bank Limited		105,560,000	83,000,000
Import Licence Fee	Habib Bank Limited		274,552	274,552
			187,481,302	164,921,302
5.2.2 Letters of credit				
- Stores & spares			23,602,048	-
- Raw material			1,485,797,398	351,482,855
- Plant and machinery			126,651,663	81,151,500
			1,636,051,109	432,634,355
----- Six month period ended -----			---Three month period ended ---	
December 31,			December 31,	
2021			2021	
2020			2020	
Rupees.....			Rupees.....	
6. REVENUE FROM CONTRACT WITH CUSTOMERS - NET				
Exports				
Yarn	4,330,173,990	2,937,224,240	1,975,599,100	1,962,718,824
Local				
Yarn	546,241,455	861,362,645	342,380,551	104,207,464
Doubling	6,330,956	3,166,329	4,232,100	2,570,082
Waste	198,145,749	129,814,693	104,266,779	64,908,527
Less:	750,718,160	994,343,667	450,879,430	171,686,073
Sales tax on local sales	(234,051,002)	(325,842,045)	(117,139,455)	(159,678,362)
Commission	(26,394,910)	(16,943,641)	(13,200,087)	(8,843,746)
	4,820,446,238	3,588,782,221	2,296,138,988	1,965,882,789
----- Six month period ended -----			---Three month period ended ---	
December 31,			December 31,	
2021			2021	
2020			2020	
Rupees.....			Rupees.....	
7. COST OF GOODS SOLD				
Raw material consumed	3,126,586,465	2,323,653,899	1,635,948,507	1,207,666,234
Power and fuel	222,359,761	206,802,289	124,230,931	112,824,169
Salaries, wages and benefits	141,307,030	131,586,920	62,148,726	68,791,729
Packing material consumed	53,922,606	40,405,689	26,660,714	21,128,070
Stores and spares consumed	47,675,245	38,623,782	24,580,032	23,975,508
Repair and maintenance	1,647,310	2,297,998	810,427	938,387
Insurance	3,800,000	3,300,000	2,000,000	1,500,000
Depreciation	71,108,780	77,868,573	35,773,120	39,122,892
Others	1,007,177	374,856	593,897	200,296
	3,669,414,374	2,824,914,006	1,912,746,354	1,476,147,285
Work in process				
Opening stock	40,247,255	35,073,406	48,333,833	36,086,813
Closing stock	(57,885,814)	(41,399,328)	(57,885,814)	(41,399,328)
	(17,638,559)	(6,325,922)	(9,551,981)	(5,312,515)
Cost of goods manufactured	3,651,775,815	2,818,588,084	1,903,194,373	1,470,834,770
Finished goods				
Opening stock	124,796,243	129,549,303	78,891,952	96,830,132
Purchase of finished goods	113,962,500	419,788,800	71,325,000	283,879,800
Closing stock	(345,929,970)	(144,140,502)	(345,929,970)	(144,140,502)
	(107,171,227)	405,197,601	(195,713,018)	236,569,430
	3,544,604,588	3,223,785,685	1,707,481,355	1,707,404,200

The above detail of finished goods does not include stock of ginning unit.

	<i>(Unaudited)</i> December 31, 2021 Rupees	<i>(Audited)</i> December 31, 2020 Rupees
8. TAXATION		
Current	53,682,067	42,806,921

9. RELATED PARTY TRANSACTIONS

9.1 The related parties comprise associated undertakings, directors and key management personnel. The Company in normal course of business carries out transactions with related parties. Transactions with related parties are as follows:

	----- Six month period ended ----- December 31, 2021	2020	---Three month period ended --- December 31, 2021	2020
	Rupees	Rupees	Rupees	Rupees
Transactions with directors and key management personnel				
Remuneration and other benefits of chief executive, directors and executives	43,862,028	38,491,157	21,187,421	21,280,899
Transactions with associated undertakings				
Indus Home Limited				
Sale of goods and services	60,699,933	163,077,474	25,998,362	71,576,732
Due from associates	6,007,712	-	-	-
M.B Industries (Pvt) Limited				
Due to associates	600,000	-	-	-

All transactions with related parties have been carried out on agreed terms and conditions.

10. FAIR VALUE MEASUREMENTS

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy as follows.

- 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. derive from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

10.1 Fair value of property, plant and equipment and other financial assets

The Company has its freehold land, building on freehold land and plant and machinery revalued on June 30, 2019 by M.Y.K Associates (Private) Limited, an independent valuer not connected with the Company. The basis used for the revaluation of these assets were as follows:

Freehold land

Fair market value of the land was assessed through inquiries in the vicinity of land, recent market deals and information obtained through estate agents and property dealers of the area.

Building on freehold land

Fair market value of the building was assessed mainly through new construction value, depreciation cost factors, state of infrastructure, current trends in prices of real estate in the vicinity and information obtained through estate agents, builders and developers.

Plant and machinery

Fair market value of the plant and machinery was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery.

Other Financial Assets

Other financial assets includes investments in quoted equity shares and units in mutual funds. The investment is remeasured at each reporting date at its fair value by using the prevailing market rates.

As at December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Rupees</u>		
Free hold land	-	192,914,491	-
Building on free hold land	-	184,354,172	-
Investment Property	-	2,342,055	-
Plant and machinery	-	1,160,892,611	-
Short term investments	225,940,535	396,676,683	-
Total	225,940,535	1,937,180,012	-

As at June 30, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>Rupees</u>		
Free hold land	-	192,914,491	-
Building on free hold land	-	194,057,023	-
Investment Property	-	2,342,055	-
Plant and machinery	-	1,190,577,905	-
Short term investments	193,989,353	641,024,587	-
Total	193,989,353	2,220,916,061	-

Fair value of all other financial assets and liabilities approximated their carrying value.

There were no transfers between levels of fair value hierarchy during the period.

11. FINANCIAL RISK MANAGEMENT

The company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2021.


12. DATE OF AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements were authorized for issue on February 16, 2022 by the Board of Directors of the Company.

13. FIGURES

Figures have been rounded-off to the nearest rupee except as stated otherwise.


Shabbir Kausar
Chief Financial Officer


Kashif Riaz
Chief Executive Officer


Mian Imran Ahmed
Chairman