

Half Yearly Accounts
for the Period Ended
December 31, 2022

D S INDUSTRIES LIMITED



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Company Information

Board of Directors	Mr. Ali Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Hassan Ibrahim Ahmed Mr. Suleman Ahmed Mrs. Rukhsana Khalid Mr. M. Naeem Ilyas Mr. Haider Ali	Chief Executive
Audit Committee	Mr. M. Naeem Ilyas Mrs. Rukhsana Khalid Mr. Haider Ali	Chairman
Chief Financial Officer	Mr. M. Naeem Akhtar	
Company Secretary	Mr. Salman Farooq	
Auditors	M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	Bank Al-Habib Limited Silk Bank Limited Meezan Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited Plot No 32-C, Jami Commercial, Street 2, D.H.A Phase VII, Karachi - 75500	
Website	www.dsil.com.pk	

DIRECTORS' REPORT

On behalf of the Board of Directors of D S Industries Limited, we feel immense pleasure to present the un-audited financial statements of the Company for the half year ended December 31, 2022.

Financial Results of the Company

During the period under review, the Company has recorded a net sales of Rs. 7.45 million and a gross profit of Rs. 3.13 million as compared with a net sales of Rs. 14.47 million and gross loss of Rs. 8.99 million in the corresponding period of the last year. Net profit after tax recorded at Rs. 2.69 million as compared to a net loss after tax of Rs. 22.86 million in the corresponding period of the last year. The earning per share for the period ended December 31, 2022, recorded at Rs. 0.03 as compared to a loss per share of Rs. 0.27 for the same period of last year.

With regard to the assumption of going concern and the recognition of the deferred tax asset, the auditor's view in the audit report is qualified. In terms of profitability, the management is optimistic that things will work out for the Company's favour.

Future Outlook

The businesses are experiencing instability and uncertainty due to unfavourable economic conditions like growing inflation, aggressive monetary tightening and high energy costs. If the inflation rate is not brought under control, it could cause the country's economic growth to slow down and have a significant negative impact on economic activity. Additionally, now is the moment for policymakers to adopt a long-term perspective so that businesses may plan for the future. Pakistan's economy is also faces mounting pressures on account of the global situation. Going forward, the economic outlook is expected to be shaped largely by the revival of the IMF Program, restoration of political stability, and support from friendly countries along with the continued implementation of reforms aimed at stabilizing the economy to restore fiscal and external buffers.

Acknowledgement

The Board is thankful to its valued shareholders for their confidence in the Company, its customers, the Securities & Exchange Commission of Pakistan and to the management of Pakistan Stock Exchange Limited for their valuable support, assistance and guidance. The Board also appreciates the employees of the Company for their dedication and hard work.

For & on behalf of the Board



Hassan Ibrahim Ahmed
Director



Ali Pervez Ahmed
Chief Executive

Lahore
February 27, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of D.S. INDUSTRIES LIMITED
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of D.S. INDUSTRIES LIMITED [the Company] as at 31 December 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 'interim financial statements'). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three-month period ended 31 December 2022 of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we are required to review only cumulative figures for the six-month period ended on that date.

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 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.

Basis for Qualified Conclusion

The Company has recognized deferred tax asset amounting to Rs. 90.507 million on unused tax losses. The Company has history of losses and taxable profits are not expected to be available in future against which these unused tax losses could be utilized. Had the deferred tax asset not been recognized, deferred tax asset as at 31 December 2022 would have been lower by Rs. 90.507 million. The financial statements do not disclose this fact.

Qualified Conclusion

Our review indicated that, because of the matters discussed in Basis for Qualified Conclusion paragraph, 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.

Emphasis of Matter

We draw attention to note 2.2 to these interim financial statements which indicate that the Company's revenue has been facing a declining trend for the past few years resulting in substantial losses. As at 31 December 2022, the Company has accumulated losses of Rs. 566.936 million. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in the normal course of business. These interim financial statements has, however, been prepared on going concern basis for reasons explained in note 2.2. Our conclusion is not qualified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is ALI RAZA JAFFERY. The engagement partner on the review resulting in this independent auditor's review report is ALI RAZA JAFFERY.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Date: FEBRUARY 27, 2023

Place: LAHORE

UDIN: RR202210704UsfyGAc0N

D.S. INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

<i>Note</i>	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital	1,000,000,000	1,000,000,000
Issued share capital	836,856,310	836,856,310
Discount on issue of shares	(82,899,709)	(82,899,709)
Revaluation reserve	17,340,002	17,340,002
Accumulated losses	(566,935,537)	(569,622,963)
TOTAL EQUITY	204,361,066	201,673,640
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	6	-
Deferred interest	7	-
Employees retirement benefits	361,194	592,891
	361,194	592,891
CURRENT LIABILITIES		
Trade and other payables	63,764,141	79,913,374
Unclaimed dividend	337,563	337,563
Short term borrowings	55,012,557	73,317,989
Provision for taxation	790,141	199,260
	119,904,402	153,768,186
TOTAL LIABILITIES	120,265,596	154,361,077
CONTINGENCIES AND COMMITMENTS	8	
TOTAL EQUITY AND LIABILITIES	324,626,662	356,034,717

The annexed notes from 1 to 18 form an integral part of these interim financial statements.



DIRECTOR



CHIEF FINANCIAL OFFICER



Chief Executive

D.S. INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	<i>Note</i>	31-Dec-22	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
		[Un-audited]	[Audited]
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	21,513,388	21,793,292
Long term investments	10	68,614,171	69,784,205
Deferred taxation		93,101,083	93,101,083
Long term deposits		4,485,239	4,485,239
		187,713,881	189,163,819
CURRENT ASSETS			
Stores and spares		231,141	361,346
Stock in trade		7,962,661	2,867,199
Trade receivables		392,266	-
Advances and other receivables		31,736,004	31,092,279
Advance income tax/income tax refundable		3,060,259	2,168,920
Bank balances		93,530,450	130,381,154
		136,912,781	166,870,898
TOTAL ASSETS		324,626,662	356,034,717

The annexed notes from 1 to 18 form an integral part of these interim financial statements.



DIRECTOR



CHIEF FINANCIAL OFFICER



Chief Executive

D.S. INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

Note	Six-month period ended		Three-month period ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	Rupees	Rupees	Rupees	Rupees
Revenue from contracts with customers - net	7,452,615	14,472,187	6,716,008	2,360,446
Cost of sales	(4,321,718)	(23,471,642)	(3,545,879)	(6,796,281)
Gross profit/(loss)	3,130,897	(8,999,455)	3,170,129	(4,435,835)
Selling and distribution expenses	(1,291,222)	(1,538,897)	(1,230,704)	(226,537)
Administrative expenses	(4,109,947)	(3,553,429)	(2,156,731)	(1,814,274)
Other expenses	-	(7,619,019)	-	(7,510,228)
	(5,401,169)	(12,711,345)	(3,387,435)	(9,551,039)
Other income	6,925,437	1,385,939	3,617,899	1,385,939
Operating profit/(loss)	4,655,165	(20,324,861)	3,400,593	(12,600,935)
Finance cost	(7,274)	(6,130,627)	(4,525)	(3,025,836)
Notional interest	-	792,341	-	792,341
Share of loss of associates	(1,170,324)	(4,651,869)	(958,334)	(2,343,698)
Profit/(loss) before taxation	3,477,567	(30,315,016)	2,437,734	(17,178,128)
Provision for taxation	(790,141)	7,459,635	(577,331)	7,611,032
Profit/(loss) after taxation	2,687,426	(22,855,381)	1,860,403	(9,567,096)
Earnings/(loss) per share - basic and diluted	0.03	(0.27)	0.02	(0.11)

The annexed notes from 1 to 18 form an integral part of these interim financial statements.



DIRECTOR



CHIEF FINANCIAL OFFICER



Chief Executive

D.S. INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	Six-month period ended		Three-month period ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Other comprehensive income	-	-	-	-
Profit/(loss) after taxation	2,687,426	(22,855,381)	1,860,403	(9,567,096)
Total comprehensive income/(loss)	2,687,426	(22,855,381)	1,860,403	(9,567,096)

The annexed notes from 1 to 18 form an integral part of these interim financial statements.



DIRECTOR



CHIEF FINANCIAL OFFICER



Chief Executive

D.S. INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	Six-month period ended	
	31-Dec-22	31-Dec-21
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	3,477,567	(30,315,016)
Adjustments for non-cash and other items		
Depreciation	279,904	5,913,482
Notional interest	-	(792,341)
Loss on disposal of property, plant and equipment	-	6,126,814
Reversal of impairment of long term investment	(290)	(1,975)
Share of loss of associates	1,170,324	4,651,869
Finance cost	7,274	6,130,627
	1,457,212	22,028,476
Cash generated from/(used in) operations before working capital changes	4,934,779	(8,286,540)
Changes in working capital		
Stores and spares	130,205	517,518
Stock in trade	(5,095,462)	6,127,890
Trade receivables	(392,266)	-
Advances and other receivables	(643,725)	1,590,852
Long term payable	-	(2,835,990)
Trade and other payables	(16,149,233)	(3,065,256)
	(22,150,481)	2,335,014
Cash used in operations	(17,215,702)	(5,951,526)
Payments for:		
Finance cost	(7,274)	(153,126)
Income tax	(1,090,599)	(113,041)
Employees retirement benefits	(231,697)	(1,682,448)
Net cash used in operating activities	(18,545,272)	(7,900,141)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	4,169,500
Net cash generated from investing activities	-	4,169,500
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finances	-	(2,100,000)
Net (decrease)/increase in short term borrowings	(18,305,432)	6,512,872
Net cash (used in)/generated from financing activities	(18,305,432)	4,412,872
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(36,850,704)	682,231
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	130,381,154	801,807
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	93,530,450	1,484,038

The annexed notes from 1 to 18 form an integral part of these interim financial statements.



DIRECTOR



CHIEF FINANCIAL OFFICER



Chief Executive

D.S. INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH ENDED DECEMBER 31, 2022

	Share capital		Capital reserves			Total equity
	Issued share capital	Discount on issue of shares	Revaluation reserve	Accumulated losses	Rupees	
	Rupees	Rupees	Rupees	Rupees		
As at 30 June 2021 - [Audited]	836,856,310	(82,899,709)	228,435,379	(809,147,793)	173,244,187	
Comprehensive income						
Loss after taxation	-	-	-	(22,855,381)	(22,855,381)	
Other comprehensive income	-	-	-	-	-	
Total comprehensive loss	-	-	-	(22,855,381)	(22,855,381)	
Other transactions						
Revaluation surplus realised on disposal	-	-	-	-	-	
Incremental depreciation	-	-	(3,268,189)	3,268,189	-	
	-	-	(3,268,189)	3,268,189	-	
Transaction with owners	-	-	-	-	-	
As at 31 December 2021 - [Un-audited]	836,856,310	(82,899,709)	225,167,190	(828,734,985)	150,388,806	
As at 01 January 2022 - [Un-audited]	836,856,310	(82,899,709)	225,167,190	(828,734,985)	150,388,806	
Comprehensive income						
Profit after taxation	-	-	-	51,457,278	51,457,278	
Other comprehensive loss	-	-	-	(172,444)	(172,444)	
Total comprehensive income	-	-	-	51,284,834	51,284,834	
Other transactions						
Revaluation surplus realised on disposal	-	-	(205,103,697)	205,103,697	-	
Incremental depreciation	-	-	(2,723,491)	2,723,491	-	
	-	-	(207,827,188)	207,827,188	-	
Transaction with owners	-	-	-	-	-	
As at 30 June 2022 - [Audited]	836,856,310	(82,899,709)	17,340,002	(569,622,963)	201,673,640	
As at 01 July 2022 - [Audited]	836,856,310	(82,899,709)	17,340,002	(569,622,963)	201,673,640	
Comprehensive income						
Profit after taxation	-	-	-	2,687,426	2,687,426	
Other comprehensive income	-	-	-	-	-	
Total comprehensive income	-	-	-	2,687,426	2,687,426	
Other transactions	-	-	-	-	-	
Transaction with owners	-	-	-	-	-	
As at 31 December 2022 - [Un-audited]	836,856,310	(82,899,709)	17,340,002	(566,935,537)	204,361,066	

The annexed notes from 1 to 18 form an integral part of these interim financial statements.



DIRECTOR



CHIEF FINANCIAL OFFICER



Chief Executive

D.S. INDUSTRIES LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)****FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022****1 LEGAL STATUS AND OPERATIONS**

D.S. Industries Limited [the Company] was incorporated in Pakistan as a Private Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into a Public Limited Company. The Company is listed on Pakistan Stock Exchange Limited. The Company is a spinning unit engaged in the manufacture and sale of yarn. The registered office of the Company is situated at 20-K, Gulberg II, Lahore. The manufacturing facility is located at 11 KM, Sheikhpura Faisalabad Road, Sheikhpura, in the Province of Punjab.

2 BASIS OF PREPARATION

These interim financial statements are un-audited and have been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2022.

These interim financial statements have been subjected to limited scope review by the auditors of the company, as required under section 237 of the Companies Act, 2017. The comparative condensed interim statement of financial position as at 30 June 2022 and the related notes to the interim financial statements are based on audited financial statements. The comparative 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 related notes to the condensed interim financial statements for the six month period ended 31 December 2021 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2022 and 31

2.1 Statement of compliance

These 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 comprises of:

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards [IFAS] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- 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.

2.2 Going concern assumption

The Company's revenue has been facing a declining trend for the past few years resulting in substantial losses. The Company as at 31 December 2022, has accumulated losses of Rs. 566.936 million. The Company has liquidated substantially all property, plant and equipment. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been

- (a) The Company has continued financial support of its related parties in the form of interest free loans. Upto 31 December 2022 related parties provided financial support amounting to Rs. 55.01 million in the form of interest free
- (b) The Company has remodeled its textile product portfolio switching from loss making yarn to profitable ready to wear
- (c) The Company has successfully repaid/settled its debt finance liabilities.
- (d) Current assets of the Company, as at 31 December 2022, exceed its current liabilities as at that date.

The management is confident that through above factors, the Company will turnaround into a profitable company, subject to impact, if any, of uncontrollable circumstances including power crises and market conditions.

2.3 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost
Land	Revalued amount
Employee retirement benefits	Present value

2.4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements 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. Subsequently, 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.

2.5 Functional currency

These interim financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified

2.6 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 27 February 2023.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE PERIOD.

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

3.2 Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

3.3 Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

3.4 Annual Improvements to IFRS Standards 2018–2020

The annual improvements have made amendments to the following standards:

- **IFRS 1 - First Time Adoption of International Financial Reporting Standards** - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- **IFRS 9 - Financial Instruments** - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- **IFRS 16 - Leases** - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that
- **IAS 41 - Agriculture** - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality)	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)	01 January 2023
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 - Leases)	01 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1 - Presentation of Financial Statements)	01 January 2024

Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan [‘SECP’]:

IFRS 1 - First Time Adoption of International Financial Reporting Standards
IFRS 17 - Insurance contracts

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company’s financial

5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The 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 audited financial statements of the Company for the

	Note	31-Dec-22	30-Jun-22
		Rupees	Rupees
		[Un-audited]	[Audited]
6 LONG TERM FINANCES			
These represent long term finances utilized under interest arrangements from banking companies			
Term Finances [‘TF’]			
TF - I	6.1	-	-
Current maturity presented under current liabilities		-	-
		-	-

6.1 TF - I was obtained from Silk Bank Limited on conversion of short term borrowings amounting to Rs 109.976 million. The finance was secured by charge over present and future current assets and operating fixed assets of the Company and personal guarantees of the Company’s Directors. The finance carried interest at the rate of Silkbank’s cost of Funds (8.24%) payable in twelve equal monthly installments, after the full settlement of principal, with the first installment due in July 2025. The principle was originally repayable in sixty stepped-up monthly installments with the first installment due in July 2020. However, during the year ended 30 June 2022, the outstanding liability was settled completely pursuant to

6.2 The movement during the period/year is as follows:

	31-Dec-22	30-Jun-22
	Rupees	<i>Rupees</i>
	[Un-audited]	[Audited]
As at beginning of the period/year	-	105,475,762
Repaid during the period/year	-	(2,000,000)
Settled during the period/year	-	(103,475,762)
As at end of the period/year	-	-

7 DEFERRED INTEREST

This represents accrued interest on short term borrowings and TF - I. As per restructuring arrangement, this accrued interest was originally payable in twelve equal monthly installments after full settlement of principal amount of TF - I with the first installment due in July 2025. Deferred interest was carried at amortised cost which was determined using a discount rate of 8.24%. However, during the year ended 30 June 2022, liability amounting to Rs. 14.125 million was waived by the lender following the settlement pursuant to agreement for sale of land and building to a third party.

7.1 The movement during the period/year is as follows:

	Note	31-Dec-22	30-Jun-22
		Rupees	<i>Rupees</i>
		[Un-audited]	[Audited]
As at beginning of the period/year		-	23,114,560
Transferred from accrued interest		-	11,085,919
Repaid during the period/year		-	(950,969)
Settled during the period/year		-	(19,124,238)
Waived off during the period/year		-	(14,125,272)
Unamortized notional interest	7.1	-	-
As at end of the period/year		-	-

7.1 Unamortized notional interest

As at beginning of the period/year	-	6,723,068
Recognized during the period/year	-	-
Amortization for the period/year	-	(6,723,068)
As at end of the period/year	-	-

8 CONTINGENCIES AND COMMITMENTS

There is no significant change in status of contingencies or commitments since 30 June 2022.

	Note	31-Dec-22	30-Jun-22
		Rupees	<i>Rupees</i>
		[Un-audited]	[Audited]

9 PROPERTY, PLANT AND EQUIPMENT

Net book value at the beginning of the period/year	21,793,292	331,969,244
Disposals during the period/year	-	(299,561,874)
Depreciation for the period/year	(279,904)	(10,614,078)
As at end of the period/year	21,513,388	21,793,292

10 LONG TERM INVESTMENTS

These represent investments in ordinary shares of related parties. The details are as follows:

	Note	31-Dec-22	30-Jun-22
		Rupees	Rupees
		[Un-audited]	[Audited]
Pervez Ahmed Consultancy Services Limited - Quoted			
61,550 (30-Jun-22: 61,550) ordinary shares of Rs. 10 each	10.1	-	-
Relationship: <i>associate</i>			
Ownership Interest: <i>0.03% (30-Jun-22: 0.03%)</i>			
Market value: <i>Rs. 1.63 (30-Jun-22: Rs. 0.86) per share</i>			
Pervez Ahmed Capital (Private) Limited - Unquoted			
7,727,000 (30-Jun-22: 7,727,000) ordinary shares of Rs. 10 each	10.2	68,614,171	69,784,205
Relationship: <i>associate</i>			
Ownership Interest: <i>44.88% (30-Jun-22: 44.88%)</i>			
		68,614,171	69,784,205

- 10.1** Pervez Ahmed Consultancy Services Limited [PACSL] was incorporated in Pakistan on 08 June 2005 as a Single Member Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was later converted to Public Limited Company and listed on Pakistan Stock Exchanges Limited. The Company was primarily a brokerage house engaged in the shares brokerage and trading, consultancy services and underwriting. However, the Company has amended its memorandum of association to change its principal activity to act as consultants and advisors to individual, corporations, financial institutions, Government bodies and departments, Companies, corporations and other entities. The registered office of the Company is situated at 20-K Gulberg II, Lahore.

The investment has been accounted for by using equity method. Particulars of investment are as follows:

	31-Dec-22	30-Jun-22
	Rupees	Rupees
	[Un-audited]	[Audited]
Percentage of ownership interest	0.03	0.03
	31-Dec-22	30-Jun-22
	Rupees	Rupees
	[Un-audited]	[Audited]
Cost of investment	3,412,243	3,412,243
Share of post acquisition losses	(1,546,508)	(1,546,218)
Share of post acquisition changes in equity	(160,258)	(160,258)
Accumulated impairment	(1,705,477)	(1,705,767)
	-	-

10.1.1 Extracts of financial statements of Pervez Ahmed Consultancy Services Limited

The assets and liabilities of Pervez Ahmed Consultancy Services Limited as at the reporting date and related revenue and profit for the period then ended based on the un-audited financial statements are as follows:

	31-Dec-22	30-Jun-22
	Rupees	Rupees
	[Un-audited]	[Audited]
Non current assets	79,129,143	80,419,343
Current assets	12,892,749	11,023,417
Non current liabilities	-	-
Current liabilities	653,742,501	652,283,070
Loss for the period/year	(880,299)	(8,325,723)
Share of loss	(290)	(2,747)

- 10.2** This represents investment in ordinary shares of Pervez Ahmed Capital (Private) Limited [PACPL], an associate. PACPL is incorporated in Pakistan as a Private Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is to carry on the business of stock brokerage, underwriting and investments. The registered office of the Company is situated at 1-A/565, Block - 3, Gulshan Iqbal, Lahore. The investment has been accounted for by using equity method. Particulars of investment are as follows:

	31-Dec-22	30-Jun-22
Percentage of ownership interest	44.88	44.88
	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
Cost of investment	85,000,000	85,000,000
Share of post acquisition losses	(16,385,829)	(15,215,795)
	68,614,171	69,784,205

10.2.1 Extracts of financial statements of Pervez Ahmed Capital (Private) Limited

The assets and liabilities of Pervez Ahmed Capital (Private) Limited as at the reporting date and related revenue and profit for the period then ended based on the un-audited financial statements are as follows:

	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
Non current assets	15,043,860	17,630,209
Current assets	137,808,353	137,938,874
Non current liabilities	-	-
Current liabilities	1,129	110,929
Loss for the period/year	(2,607,070)	(15,335,950)
Share of loss	(1,170,034)	(6,882,664)

	Six-month period ended		Three-month period ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Un-audited]	[Un-audited]	[Un-audited]

11 COST OF SALES

Raw material consumed	4,514,627	3,490,050	3,477,457	354,739
Stores and spares consumed	677,484	555,913	274,524	57,317
Salaries, wages and benefits	4,431,428	7,046,708	3,150,044	1,726,373
Fuel and power	-	818,242	-	200,931
Repair and maintenance	-	174,588	-	4,700
Travelling & conveyance	-	363,016	-	114,885
Insurance	35,541	-	35,541	-
Rent, rates and taxes	-	605,000	-	-
Depreciation	-	5,554,866	-	2,696,699
Other manufacturing overheads	-	169,454	-	94,737
Manufacturing cost	9,659,080	18,777,837	6,937,566	5,250,381
Work in process				
As at beginning of the period	-	2,255,600	263,000	752,000
As at end of the period	(830,700)	-	(830,700)	-
	(830,700)	2,255,600	(567,700)	752,000
Cost of goods manufactured	8,828,380	21,033,437	6,369,866	6,002,381
Finished goods				
As at beginning of the period	391,625	3,949,280	2,074,300	2,304,975
As at end of the period	(4,898,287)	(1,511,075)	(4,898,287)	(1,511,075)
	(4,506,662)	2,438,205	(2,823,987)	793,900
	4,321,718	23,471,642	3,545,879	6,796,281

	Six-month period ended		Three-month period ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Un-audited]	[Un-audited]	[Un-audited]
12 PROVISION FOR TAXATION				
Current taxation for current year	12.1	790,141	180,902	577,331
Deferred taxation attributable to origination and reversal of temporary differences				
attributable to changes in tax rates				
		-	(7,640,537)	-
		-	-	(7,640,537)
		-	(7,640,537)	-
		-	(7,640,537)	-
		790,141	(7,459,635)	577,331
				(7,611,032)

12.1 Provision for current tax has been made in accordance with the requirements of section 113C of the Income Tax

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise sponsors of the Company, associated companies and undertakings 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 includes the

Transactions with sponsors are limited to provision of interest free loans to the Company and those 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 associates and associated undertakings 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, with the exception of borrowings, which are interest free.

Details of transactions and balances with related parties as at the reporting date are as follows:

		Six-month period ended	
		31-Dec-22	31-Dec-21
		<i>Rupees</i>	<i>Rupees</i>
		[Un-audited]	[Un-audited]
13.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Associated companies and undertakings	Sales	-	1,314,073
	Short term borrowings (repaid)/obtained - net	(15,285,133)	2,069,521
Sponsors	Short term borrowings (repaid)/obtained - net	(2,207,997)	4,443,351
Key management personnel	Short term employee benefits	1,425,000	1,425,000
		31-Dec-22	30-Jun-22
		<i>Rupees</i>	<i>Rupees</i>
		[Un-audited]	[Audited]
13.2 Balances with related parties			
Nature of relationship	Nature of balance		
Associated companies and undertakings	Short term borrowings	37,569,684	52,854,817
Sponsors	Short term borrowings	17,442,873	19,650,870
Key management personnel	Short term employee benefits payable	737,296	-

14 FINANCIAL INSTRUMENTS

The carrying amount of the Company's financial instruments by class and category are as follows.

Half Yearly Accounts December 31, 2022

	31-Dec-22	30-Jun-22
	<i>Rupees</i>	<i>Rupees</i>
	[Un-audited]	[Audited]
14.1 Financial assets		
<i>Financial assets at amortized cost</i>		
Long term deposits	4,485,239	4,485,239
Trade receivables	392,266	-
Advances to employees	1,737,500	1,151,296
Bank balances	93,530,450	130,381,154
	100,145,455	136,017,689
14.2 Financial liabilities		
<i>Financial liabilities at amortized cost</i>		
Trade creditors	13,194,027	20,182,981
Accrued liabilities	2,585,477	7,779,429
Unclaimed dividend	337,563	337,563
Short term borrowings	55,012,557	73,317,989
	71,129,624	101,617,962

15 FAIR VALUE MEASUREMENTS

The Company measures some of its assets at fair value. The fair value hierarchy of financial instruments measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

15.1 Financial instruments measured at fair value

15.1.1 Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

15.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

15.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

15.3 Assets and liabilities other than financial instruments.

15.3.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	31-Dec-22	30-Jun-22
				<i>Rupees</i>	<i>Rupees</i>
				[Un-audited]	[Audited]
Land	-	18,785,000	-	18,785,000	18,785,000

For fair value measurements categorised into Level 2 the following information is relevant:

	Valuation technique	Significant inputs	Sensitivity
Freehold land	Market comparable approach that reflects recent transaction prices for similar properties	Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition would result in a significant increase in fair value of buildings by Rs. 0.939 million (30-

There were no transfers between fair value hierarchies during the year.

15.3.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

16 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

17 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 interim financial statements.

18 GENERAL

18.1 There are no other significant activities since 30 June 2022 affecting the interim financial statements.

18.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.



DIRECTOR



CHIEF FINANCIAL OFFICER



Chief Executive

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