

Performance at a Glance

The companies of textile sector are divided into three categories; first, companies working in spinning, weaving and finishing, which constitutes approximately 85 percent of the sector in terms of number of companies. Second, companies involved in the production of wool, silk, polyester, artificial fiber and synthetics items etc., which have 11 percent share in the sector. Third, the companies engaged in made-up textile articles, having 4 percent share in the sector.

Overall balance sheet size of textile sector increased by 32.12 percent during 2022, reaching Rs 1,664.51 billion. Shareholders' equity increased by 38.08 percent during the period under review, reaching Rs 689.57 billion whereas total liabilities increased by 28.21 percent, reaching Rs 974.94 billion. The sales jumped up by 50.65 percent in this period, while the profit after tax and before tax recorded a YoY growth of 59.22 percent and 65.45 percent respectively.

Sector's Summary (billion Rs) Table 1.1

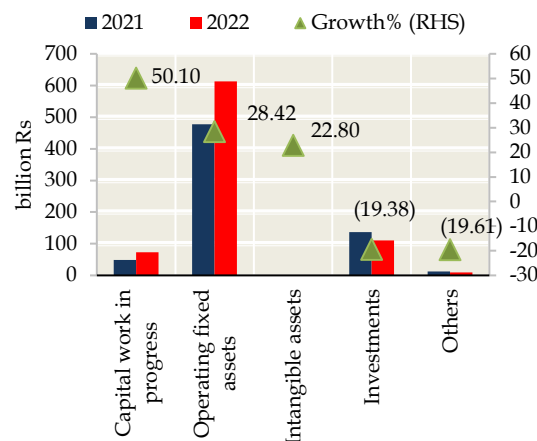
Items	2022	2021	Growth (%)
Assets	1,664.51	1,259.81	32.12
Non-Current	806.79	675.37	19.46
Current	857.72	584.45	46.76
Liabilities	974.94	760.41	28.21
Non-Current	312.65	263.90	18.47
Current	662.29	496.50	33.39
Equity	689.57	499.41	38.08
<i>of which</i>			0
Paid up capital	77.65	75.10	3.40
Reserves	482.57	325.52	48.25
Sales	1,665.96	1,105.83	50.65
Gross Profit	296.62	171.77	72.68
Profit after tax	148.72	93.40	59.22
ROA (%)	10.20	7.83	-
ROE (%)	24.74	20.21	-

Assets

The non-current assets of the sector stood at Rs 806.79 billion in 2022 as compared to Rs 675.37 billion in 2021, reflecting a growth of 19.46 percent during 2022. The operating fixed assets

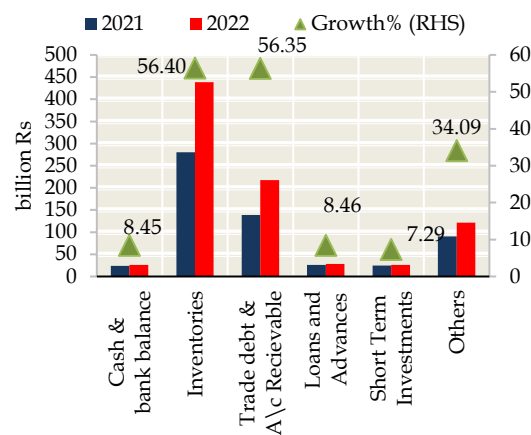
(after deducting accumulated depreciation) grew by 28.42 percent during 2022. The capital work in progress increased by Rs 24.43 billion, whereas long-term investments decreased by Rs 26.47 billion during 2022.

Non-Current Assets Figure 1.1



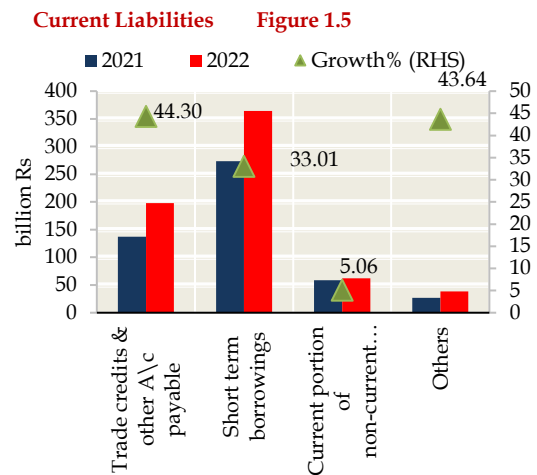
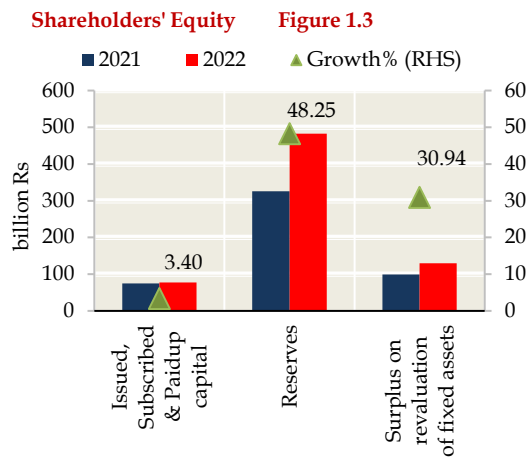
The current assets grew by 46.76 percent during 2022. The inventories (which have 51.10 percent share in current assets) increased to Rs 438.27 billion during 2022. The trade debt (which contains 25.34 percent share of current assets) grew by 56.35 percent during 2022, reaching Rs 217.39 billion.

Current Assets Figure 1.2

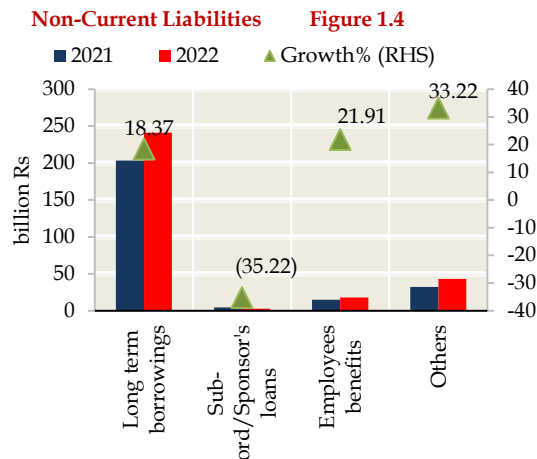


Shareholders' Equity and Liabilities

The shareholders' equity increased to Rs 689.57 billion during 2022 from Rs 499.41 billion in 2021. Total reserves grew by 48.25 percent during 2022.



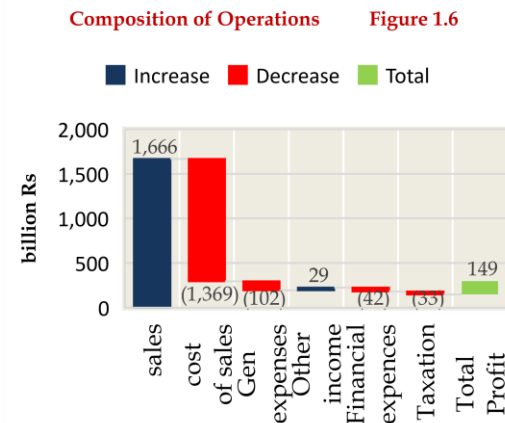
The non-current liabilities recorded a growth of 18.47 percent during current year, reaching Rs 312.65 billion. The long-term borrowing increased by Rs 37.41 billion (18.37 percent) during 2022.



The current liabilities increased from Rs 496.50 billion to Rs 662.29 billion during 2022, recording a growth of 33.39 percent. The trade credits & other accounts payable (comprises of 29.89 percent share of total current liabilities) increased by Rs 60.78 billion during 2022. The short-term borrowings increased from Rs 273.65 billion in 2021 to Rs 363.98 billion in 2022.

Operating Efficiency & Ratio Analysis

The sales of textile sector increased by 50.65 percent YoY, reaching Rs 1,665.96 billion during 2022. The share of export sales in overall sales remained higher than local sales. In terms of amount, export sales showed a YoY increase of Rs 341.19 billion in 2022 (56.07 percent YoY growth). The gross profit of the sector increased to Rs 296.62 billion during 2022 witnessing a YoY growth of 72.68 percent.



The profit before taxation increased to Rs 181.67 billion, witnessing a YoY growth of 65.45 percent. The profit after tax increased to Rs 148.72 billion, recording a YoY growth of 59.22 percent.

Key Performance indicators of the sector witnessed an improvement during 2022 in terms of profitability and efficiency. Precisely, ROA increased from 7.83 percent in 2021 to 10.20 percent in 2022,

whereas ROE improved from 20.21 percent in 2021 to 24.74 percent in 2022. Further, basic earnings per share improved from Rs 12.18 in 2021 to Rs 18.73 in 2022.

