

**ANJUM TXTILE MILLS**

**(PVT.) LTD.**

*Annual Report 2023*

## INDEPENDENT AUDITOR'S REPORT

### To the members of ANJUM TEXTILE MILLS (PVT.) LTD. Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of ANJUM TEXTILE MILLS (PVT.) LTD. (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the Financial Statements and Auditors' Report thereon

Management is responsible for the other information. The other information comprises the information in the directors' report, but does not include the financial statements of the company and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

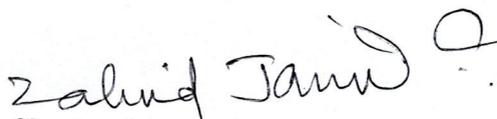
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Amin (FCA).



Chartered Accountants

Place: Faisalabad

Date: September 01, 2023

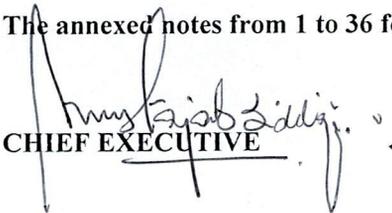
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**ANJUM TEXTILE MILLS (PVT.) LTD.  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023**

	NOTES	2023 RUPEES	2022 RUPEES
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	831,577,311	870,087,990
Right-of-use assets	5	15,976,946	19,971,182
Long term deposits	6	6,241,150	6,241,150
		853,795,407	896,300,322
<b>CURRENT ASSETS</b>			
Stores and spares	7	55,672,814	44,719,427
Stock in trade	8	315,100,303	598,937,984
Trade debts	9	1,243,693	59,050
Loans and advances	10	36,030,395	14,305,407
Deposits and prepayments	11	2,811,626	3,014,497
Tax refunds due from the Government	12	20,355,113	46,385,276
Cash and bank balances	13	94,186,667	37,187,600
		525,400,611	744,609,241
		1,379,196,018	1,640,909,563
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital			
Authorised			
2,000,000 (2022: 2,000,000) Ordinary shares of Rs. 100/- each		200,000,000	200,000,000
Issued, subscribed & paid up	14	200,000,000	200,000,000
Capital reserves			
Surplus on revaluation of operating fixed assets	15	278,848,821	295,741,199
Revenue reserves			
Unappropriated profit		352,172,070	369,628,834
		831,020,891	865,370,033
<b>NON CURRENT LIABILITIES</b>			
Long term financing	16	50,492,224	58,222,221
Lease liabilities	17	1,587,623	6,349,680
Deferred liabilities	18	147,224,353	157,138,424
		199,304,200	221,710,325
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	118,514,209	166,743,436
Mark-up accrued on loans	20	18,612,063	18,282,105
Short term financing	21	194,872,706	345,077,486
Current portion of non current liabilities	22	16,871,949	23,726,178
		348,870,927	553,829,205
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	23	-	-
		1,379,196,018	1,640,909,563

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

**ANJUM TEXTILE MILLS (PVT.) LTD.  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2023**

	NOTE	2023 RUPEES	2022 RUPEES
Sales	24	2,446,715,929	2,340,591,300
Cost of sales	25	<u>2,310,051,388</u>	<u>1,999,250,808</u>
Gross profit		136,664,541	341,340,492
Operating expenses			
Administrative	26	<u>74,085,289</u>	<u>67,525,713</u>
Operating profit		62,579,252	273,814,779
Other income	27	9,396,957	3,198,438
Other charges			
Finance cost	28	89,619,416	70,467,176
Workers' profit participation fund		-	10,327,302
Workers' welfare fund		246,578	3,924,375
		<u>89,865,994</u>	<u>84,718,853</u>
(Loss) / profit before taxation		(17,889,785)	192,294,364
Taxation	29	<u>(16,361,274)</u>	<u>(98,736,526)</u>
Net (loss) / profit for the year		<u><u>(34,251,059)</u></u>	<u><u>93,557,838</u></u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
Mustajab Siddiq  
CHIEF EXECUTIVE

  
DIRECTOR

**ANJUM TEXTILE MILLS (PVT.) LTD.**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	NOTE	2023 RUPEES	2022 RUPEES
Net (loss) / profit for the year		(34,251,059)	93,557,838
Other comprehensive (loss)			
Items that will not be reclassified to profit & loss:			
Remeasurement loss of defined benefit liability-net of tax		(98,083)	(5,377,788)
Total comprehensive (loss) / income for the year		<u>(34,349,142)</u>	<u>88,180,050</u>

**The annexed notes from 1 to 36 form an integral part of these financial statements.**

  
**MUSTAFA SAJID**  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**ANJUM TEXTILE MILLS (PVT.) LTD.  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2023**

PARTICULARS	SHARE CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	TOTAL
		REVALUATION SURPLUS ON OPERATING FIXED ASSETS	UN-APPROPRIATED PROFIT	
<b>Rupees</b>				
<b>Balances as on July 01, 2021</b>	200,000,000	314,339,552	262,850,431	777,189,983
Net profit for the year	-	-	93,557,838	93,557,838
Other comprehensive loss for the year - net of tax	-	-	(5,377,788)	(5,377,788)
Total comprehensive income for the year	-	-	88,180,050	88,180,050
Transfer to unappropriated profit in respect of incremental depreciation for the year - net of tax	-	(18,598,353)	18,598,353	-
	-	(18,598,353)	18,598,353	-
<b>Balances as on June 30, 2022</b>	200,000,000	295,741,199	369,628,834	865,370,033
Net loss for the year	-	-	(34,251,059)	(34,251,059)
Other comprehensive loss for the year - net of tax	-	-	(98,083)	(98,083)
Total comprehensive loss for the year	-	-	(34,349,142)	(34,349,142)
Transfer to unappropriated profit in respect of incremental depreciation for the year - net of tax	-	(16,892,378)	16,892,378	-
	-	(16,892,378)	16,892,378	-
<b>Balances as on June 30, 2023</b>	<b>200,000,000</b>	<b>278,848,821</b>	<b>352,172,070</b>	<b>831,020,891</b>

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

**ANJUM TEXTILE MILLS (PVT.) LTD.  
STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2023**

	NOTES	2023 RUPEES	2022 RUPEES
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / Profit before taxation		(17,889,785)	192,294,364
Adjustments of non cash / non operating items			
Depreciation	4.1.1	69,087,859	64,162,790
Depreciation on right of use assets	5	3,994,236	3,939,806
Finance cost	28	89,619,416	70,467,176
Staff retirement benefits - gratuity	18.2.2	27,917,497	15,144,848
Workers' welfare fund	19.2	246,578	3,924,375
Workers' profit participation fund	19.3	-	10,327,302
Gain on sale of operating fixed assets	4.1.2	(8,011,539)	(1,633,363)
		<u>182,854,047</u>	<u>166,332,934</u>
Operating profit before working capital changes		164,964,262	358,627,298
Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		(10,953,387)	4,560,808
Stock in trade		283,837,681	(301,457,861)
Trade debts		(1,184,643)	528,684
Loans and advances		(21,724,988)	21,182,056
Deposits and prepayments		202,871	(405,501)
Tax refunds due from the Government		28,017,806	(27,795,807)
(Decrease) / increase in current liabilities			
Trade and other payables		(38,148,503)	89,057,353
		<u>240,046,837</u>	<u>(214,330,268)</u>
Cash generated from operations		405,011,099	144,297,030
Taxes paid		(32,650,434)	(38,004,919)
Workers' profit participation fund paid	19.3	(10,327,302)	(4,263,554)
Staff retirement benefits - gratuity paid	18.2.1	(23,628,134)	(9,233,574)
Finance cost paid		(89,289,458)	(61,195,457)
		<u>(155,895,328)</u>	<u>(112,697,504)</u>
Net cash generated from operating activities		249,115,771	31,599,526
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of operating fixed assets		(25,857,506)	(123,705,404)
Capital work in progress	4.2	(11,613,135)	(4,477,454)
Proceeds from sale of operating fixed assets	4.1.2	14,905,000	2,050,000
Net cash used in investing activities		(22,565,641)	(126,132,858)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term financings		(150,204,780)	80,775,613
Lease liabilities		(4,409,591)	9,306,877
Long term financings		(14,936,692)	(21,816,768)
Net cash (used in) / generated from financing activities		(169,551,063)	68,265,722
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		56,999,067	(26,267,610)
Cash and cash equivalents at the beginning of the year		37,187,600	63,455,210
Cash and cash equivalents at the end of the year		<u>94,186,667</u>	<u>37,187,600</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
DIRECTOR

**ANJUM TEXTILE MILLS (PVT.) LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1. STATUS AND ACTIVITIES**

Anjum Textile Mills (Private) Limited was incorporated in Punjab, Pakistan as on April 12, 1984 as a private limited company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The registered office of the company is situated at west canal road, adjacent Faisal Garden, Faisalabad, in the Province of Punjab. The manufacturing unit of the company is situated at 42 KM Sheikhpura road, Faisalabad, in the Province of Punjab, Pakistan. The principal business of the company is manufacture and sale of yarn.

**2. BASIS OF PREPERATION**

**2.1. Basis of measurement**

These financial statements have been prepared on the basis of "historical cost" convention except certain property, plant and equipment items carried at revaluation and employee retirement benefits carried at present value. Moreover, these financial statements have been prepared on accrual basis except for cash flow statement.

**2.2. Statement of compliance**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.
- Provisions of and the directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.3. Functional and presentation currency**

These financial statements are presented in Pakistan Rupee which is functional and presentational currency of the Company. Figures are rounded off to the nearest rupee unless otherwise specified.

**2.4. Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In process of applying the Company's accounting policies, the management has made following estimates and judgements which are significant to financial statements:

Useful lives, residual values and depreciation method of property, plant and equipment – Note 4

Measurement of defined benefit obligation-Key actuarial assumptions - Note 18.2.5

Recognition and measurement of provisions and contingencies - Note 23

Recognition of deferred tax and estimation of income tax provisions -Note 18.1 and 29.

Provisions for stores and spares -Note 3.15 and 7.

Provisions for stock in trade - Note 3.8 and 8.

Impairment of financial assets and non financial assets other than inventories - Note 3.2 and 3.18 (iv)

Right of use asset and related lease liability - Note 3.2, 3.3, 5 and 17.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES**

**3.1. Changes in accounting standards and interpretations**

**3.1.1. 'New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023**

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective from accounting period  
beginning on or after:**

Amendments to IFRS 3 'Business Combinations'	
- Reference to the conceptual framework	January 1, 2022
'Amendments to IAS 16 'Property, Plant and Equipment'	
- Proceeds before intended use	January 1, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'	
- Onerous Contracts — cost of fulfilling a contract	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 1, 2022

**3.1.1. New accounting standards and amendments that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or are the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective from accounting period  
beginning on or after:**

'Amendments to IAS 1 'Presentation of Financial - Disclosure of accounting policies	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 1, 2023
'Amendments to 'IAS 12 Income Taxes' - deferred tax related to Assets and liabilities arising from a single transaction	January 1, 2023
'Amendments to IAS 1 'Presentation of Financial - Classification of liabilities as current or non-current	January 1, 2024
'Amendments to IFRS 16 Leases - SALE and leaseback transaction	January 1, 2024
'Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 'First Time Adoption of International Financial Reporting
- IFRS 17 'Insurance Contracts'

**3.2. Property, plant and equipment**

**Owned**

Property, plant and equipment except freehold land and capital work-in progress are stated at cost / revaluation less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount less accumulated impairment in value, if any. Capital work-in-progress is stated at cost less accumulated impairment in value, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

A revaluation surplus is recorded in other comprehensive income (OCI) and presented as a separate part of equity. However, the increase is recorded in the statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognized in the statement of profit or loss however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance in revaluation surplus in respect of same assets. The revaluation reserve is not available for distribution to the Company's shareholders.

#### **Right-of-use assets**

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

#### **Capital work in progress**

Capital work-in-progress represents expenditure on property, plant and equipment which are in the course of construction and installation. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

Capital work-in-progress is stated at cost less any impairment loss.

#### **Depreciation**

Depreciation on property, plant and equipment is charged from the day in which an asset is available for use while no depreciation is charged for the day on which the asset is de-recognized. Depreciation is charged to statement of profit or loss applying the reducing balance method. Depreciation on building, plant & machinery, electric equipment & office equipment is charged to cost of goods manufactured and the rest is charged to administrative depreciation.

Residual value and the useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

#### **De-recognition**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in statement of profit or loss in the year the asset is de-recognized.

#### **Impairment**

The Company assesses at each statement of financial position date whether there is any indication that assets excluding inventory may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where the carrying value exceeds the recoverable amount, assets are written down to the recoverable amount and the difference is charged to the statement of profit or loss.

### **3.3. Lease Liabilities**

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of short term and low value leases are not recognized and payments against such leases are recognized as expense in profit or loss.

### **3.4. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to current year income.

### 3.5. Trade debts

Trade debts are initially measured at their transaction price under IFRS 15 and subsequently measured at amortized cost less any allowance for expected credit losses (ECL).

### 3.6. Other receivables

Other receivables are recognized at nominal amount which is fair value of the consideration to be received in the future.

### 3.7. Allowance for Expected Credit Losses (ECL)

Allowance for expected credit losses (ECLs) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. For trade and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

### 3.8. Stock in trade

These are valued at lower of cost and net realizable value.

Cost is determined on the following basis :-

Raw and packing material	- on average cost
Goods in transit	- at invoice value plus other charges incurred thereon.
Work in process	- at estimated manufacturing cost including appropriate production overheads
Finished goods	- at average manufacturing cost including appropriate production overheads
Scrap	- at net realizable value

### 3.9. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, cash at banks in current, savings and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.10. Trade & other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

### 3.11. Staff retirement benefit

#### Gratuity

The Company operates a defined benefit plan of unfunded gratuity scheme covering all permanent employees. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Method. All remeasurement adjustments are recognized in other comprehensive income as they occur.

The amount recognized in the statement of financial position represents the present value of defined benefit obligation as adjusted for remeasurement adjustments.

### 3.12. Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

### 3.13. Taxation

#### Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on alternative corporate tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

#### Deferred

Deferred tax is accounted for using the liability method for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for the financial reporting purpose. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release 27 of Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

The company also recognizes deferred tax liability on surplus on revaluation of assets which is adjusted against the related surplus as per the requirements of revised IAS 12 "Income Taxes".

### 3.14. Revenue recognition

#### Revenue from contracts with customers for sale of yarn, waste and scrap:

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

**Step-1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step-2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step-3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step-4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step-5:** Recognize revenue when (or as) the Company satisfies a performance obligation.

Mentioned below are different revenue streams of the Company and their terms of recognition of revenue after satisfying all the five steps of revenue recognition in accordance with IFRS 15.

#### Sales of goods

The Company's contracts with customers for the sale of goods generally include one performance obligation and recognized at a point of time. Revenue is recognized when goods are dispatched to customers. It is the time when control (significant risk and rewards) relating to ownership of goods and control over these goods has been transferred to the buyer.

#### Presentation and disclosure requirements

As required for the financial statements, the Company disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

### **3.15. Store and spares**

These are valued at lower of weighted average cost and net realizable value, except items in transit, which are stated at invoice amount plus other charges paid thereon. Provision for slow moving, damaged and obsolete items are charged to statement of profit or loss. Value of items is reviewed at each statement of financial position date to record provision for any slow moving items, damaged and obsolete items.

Net realizable value signifies the selling price in the ordinary course of business less estimated cost necessarily to be incurred in order to make the sale, which is generally equivalent to the estimated replacement cost.

### **3.16. Related party transactions**

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

### **3.17. Foreign currency transactions**

Transactions in currencies other than Pak Rupee are recorded at the rates of exchange prevailing on the date of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Exchange differences are included in current income. All non-monetary items are translated into Pak Rupee at exchange rates prevailing on the date of transaction.

### **3.18. Borrowings**

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost.

### **3.19. IFRS 9 Financial instruments**

#### **Financial instruments: assets**

#### **i) Classification & measurement of Financial Instrument**

Financial instruments are initially recognized when an entity becomes a party to the contractual provisions of the instrument, and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument.

IFRS 9 classification is based on two aspects; the business model within which the asset is held (the business model test) and the contractual cash flows of the asset which meet the solely payments of principal and interest ('SPPI') test.

IFRS 9 includes three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The Company determines the classification at initial recognition.

#### **Financial assets at amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and  
The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at FVTOCI**

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment by investment basis.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Financial assets at fair value through profit or loss**

A financial asset is mandatorily classified in this category if it is acquired principally for the purpose of selling in the short term, or if it fails the SPPI test. Derivatives are classified as FVTPL as they do not meet the SPPI criteria.

A financial asset can be classified in this category by choice if so designated by management at inception. This designation is because the relevant assets and liabilities (including derivatives) are managed together and internal reporting is evaluated on a fair value basis.

The Company defines fair value as the price, as at the measurement date, that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

### **ii) Initial Recognition**

At initial recognition, an entity shall measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

### **iii) Subsequent Measurement**

Gains and losses arising from changes in the fair value of assets classified as fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

Gains and losses arising from changes in the fair value of debt instruments classified as fair value through other comprehensive income are recognized as other comprehensive income until the financial asset is derecognized or impaired, at which time the cumulative gain or loss previously recognized as other comprehensive income is recognized in the statement of profit or loss. Any premium or discount paid on the purchase of securities held at amortized cost is amortized through the statement of profit or loss using the effective interest rate method.

The fair values of quoted investments in active markets are based on current bid prices. In other cases, the Company establishes fair value by using appropriate valuation techniques.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Company has either transferred substantially all of the risks and rewards of ownership or the Company deems that it no longer retains control of the risks and rewards of ownership.

### **iv) Impairment of Financial Assets**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. IFRS 9 requires impairment assessment on all of the following financial instruments that are not measured at FVTPL:

-financial assets that are debt instruments measured at amortized cost or FVTOCI

-lease receivables; and

-loan commitments and financial guarantee contracts issued.

Under IFRS 9, no impairment loss is recognized on equity investments. IFRS 9 requires a loss allowance to be recognized at an amount equal to either 12-month Expected Credit Loss (ECL) or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date.

The term 'expected credit loss' does not imply that losses are anticipated, rather that there is recognition of the potential risk of loss.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade debts have been grouped based on days overdue.

## **Financial instruments: liabilities**

### **i) Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

### **ii) Subsequent Measurement**

Financial liabilities are subsequently measured at amortized cost.

### **iii) Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

## **3.20. Contingent liabilities**

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

## **3.21. Contingent assets**

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realisation become virtually certain.



4.1.4. Had there been no revaluation the related figures of freehold land and building, plant and machinery and electric installations and appliances as on June 30, 2023 would have been as follows:

Year	2023			2022		
	Particulars	Cost	Accumulated depreciation	WDV	Cost	Accumulated depreciation
<b>Freehold</b>	-----Rupees-----					
Land	11,806,287	-	11,806,287	11,806,287	-	11,806,287
Building	240,318,702	117,723,613	122,595,089	236,188,661	105,112,609	131,076,052
Plant and machinery	650,265,508	480,642,909	169,622,599	650,265,508	440,854,891	209,410,617
Electric installation and appliances	182,365,668	75,686,188	106,679,480	174,478,084	59,462,430	115,015,654
<b>Total</b>	<b>1,084,756,165</b>	<b>674,052,710</b>	<b>410,703,455</b>	<b>1,072,738,540</b>	<b>605,429,930</b>	<b>467,308,610</b>

	NOTE	2023 RUPEES	2022 RUPEES
<b>4.2. Capital work in progress</b>			
<b>Building:</b>			
Balance as at July 01,		2,475,139	5,849,111
Additions during the year		11,613,135	4,477,454
Capitalized during the year		(3,598,000)	(7,851,426)
Balance as at June 30,		10,490,274	2,475,139
<b>5. Right-of-use Assets</b>			
<b>Vehicles:</b>			
<b>Cost</b>			
Balance as at July 01,		23,124,461	8,944,000
Addition during the year		-	23,124,461
Transfer during the year to owned assets		-	(8,944,000)
Balance as at June 30,		23,124,461	23,124,461
<b>Accumulated depreciation</b>			
Balance as at July 01,		3,153,279	3,700,484
Charge during the year at the rate of 20%	5.1	3,994,236	3,939,806
Transfer adjustment to owned assets		-	(4,487,011)
Balance as at June 30,		7,147,515	3,153,279
Total		15,976,946	19,971,182
<b>5.1.</b> The depreciation is charged to administrative expenses.			
<b>6. Long term deposits</b>			
Considered good			
Securities			
Electricity deposit		6,192,510	6,192,510
Telephone and mobiles		21,400	21,400
WASA		27,240	27,240
		6,241,150	6,241,150
<b>7. Stores and spares</b>			
Stores		18,987,610	17,149,058
Spares		26,868,499	20,439,484
Loose tools		4,301,951	3,712,666
Packing material		5,514,754	3,418,219
		55,672,814	44,719,427

- 7.1. Most of the items of stores, spares and loose tools are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage.

	NOTE	2023 RUPEES	2022 RUPEES
<b>8. Stock in trade</b>			
Raw material		262,193,225	435,462,490
Work in process		26,186,806	19,892,571
Finished goods	8.1	26,720,272	143,582,923
		<u>315,100,303</u>	<u>598,937,984</u>

- 8.1. Finished goods comprising of fabric amounting to Rs. 490,235/- (2022: Rs.589,670/-) are at net realizable value.  
8.2. Stock in trade amounting to Rs. 224.547 million (2022: Rs. 485.207 million) at ruling market rates was pledged as security with the banks.

	NOTE	2023 RUPEES	2022 RUPEES
<b>9. Trade debts</b>			
Considered good			
Local - unsecured		<u>1,243,693</u>	<u>59,050</u>
<b>10. Loans and advances</b>			
Advances			
Staff	10.1		
Against salary		6,774,202	3,115,399
Against expenses		6,245,567	7,131,334
Supplies & services		8,857,610	3,910,523
Letter of credit	10.2	14,153,016	148,151
		<u>36,030,395</u>	<u>14,305,407</u>

- 10.1. The amount is interest free and maximum amount outstanding in respect of advances to key management personnel in any month was Rs.6,985,235/- (2022: Rs.7,010,728/-).  
10.2. It relates to the import of stores and spares.

	NOTE	2023 RUPEES	2022 RUPEES
<b>11. Deposits and prepayments</b>			
Deposits			
Against fuel		150,000	150,000
Prepayments			
Bank guarantee commission		240,591	315,643
Insurance		2,072,575	2,259,121
Utilities		348,460	289,733
		<u>2,811,626</u>	<u>3,014,497</u>
<b>12. Tax refunds due from the Government</b>			
Income tax		12,934,746	10,947,103
Sales tax		7,420,367	35,438,173
		<u>20,355,113</u>	<u>46,385,276</u>
<b>13. Cash and bank balances</b>			
Cash in hand		39,116,310	33,360,127
Cash with banks			
- in current accounts		55,070,357	3,827,473
		<u>94,186,667</u>	<u>37,187,600</u>

#### 14. Issued, subscribed and paid up share capital

2023 (Number of shares)	2022 (Number of shares)		2023 (Rupees)	2022 (Rupees)
1,800,000	1,800,000	Ordinary shares of Rs. 100 each fully paid in cash	180,000,000	180,000,000
<u>200,000</u>	<u>200,000</u>	Ordinary shares of Rs. 100 each issued as bonus shares	<u>20,000,000</u>	<u>20,000,000</u>
<u>2,000,000</u>	<u>2,000,000</u>		<u>200,000,000</u>	<u>200,000,000</u>

14.1. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

	NOTE	2023 RUPEES	2022 RUPEES
<b>15. Surplus on revaluation of operating fixed assets</b>			
Balance as at July 01,		376,678,560	402,873,424
Transferred to unappropriated profit on account of Incremental depreciation for the year		(23,792,082)	(26,194,864)
		<u>(23,792,082)</u>	<u>(26,194,864)</u>
		352,886,478	376,678,560
Less: Related deferred tax liability			
Balance as at July 01,		80,937,361	88,533,872
Transferred to unappropriated profit on account of Incremental depreciation		(6,899,704)	(7,596,511)
		<u>74,037,657</u>	<u>80,937,361</u>
Balance as at June 30,		<u>278,848,821</u>	<u>295,741,199</u>

15.1. It represents surplus on revaluation of freehold land, building thereon, plant and machinery and electric installation and appliances on present market values basis that was carried out by an independent valuer M/S Arch Lattice amounting Rs. 306,259,361/- as at March 09, 2019.

15.2. The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to the shareholders of the company in accordance with section 241 of the Companies Act, 2017.

	NOTE	2023 RUPEES	2022 RUPEES
<b>16. Long term financing</b>			
Secured - Under mark-up arrangements			
From banking companies			
National Bank of Pakistan-Solar Energy Refinance	16.1	47,555,553	58,222,221
Secured - Under mark-up arrangements			
From leasing companies			
OLP Financial Services Pakistan Ltd-Toyota Land Cruiser	16.2	2,936,671	-
	16.3 , 16.4	<u>50,492,224</u>	<u>58,222,221</u>

16.1. This represents finance obtained under SBP Scheme for Renewable Energy of Rs. 72 million which carries markup at SBP refinance rate of 6 % p.a. (2022: 6% p.a.) through National Bank of Pakistan.

16.2. This represents finance obtained during the year under Finance lease arrangement of Rs. 5 million which carries markup at 3 month KIBOR + 5.75 % p.a.

16.3. These loans are further secured by personal guarantees of all the directors.

16.4. Reconciliation of liabilities arising from long term financings are as follows :

	NOTE	2023 RUPEES	2022 RUPEES
Balance as at July 01,		77,138,397	97,363,009
Obtained during the year		5,000,000	72,000,000
Paid / adjusted during the year		(19,597,700)	(92,224,612)
		<u>62,540,697</u>	<u>77,138,397</u>
Payable within one year	22	(12,048,473)	(18,916,176)
Balance as at June 30,		<u>50,492,224</u>	<u>58,222,221</u>
<b>17. Lease Liabilities</b>			
Finance lease (Kia Carnival AUV-979)	17.3	-	2,899,830
Finance lease (Toyota Land Cruiser AGA-950)	17.4	1,587,623	3,449,850
	17.1 , 17.2	<u>1,587,623</u>	<u>6,349,680</u>

	NOTE	2023 RUPEES	2022 RUPEES
<b>17.1 Lease Liabilities</b>			
Balance as at July 01,		10,820,690	1,513,813
Obtained during the year		-	14,999,000
Accrued interest during the year		1,974,281	1,779,413
		<u>12,794,971</u>	<u>18,292,226</u>
Paid during the year		(6,383,872)	(7,471,536)
		<u>6,411,099</u>	<u>10,820,690</u>
Current portion shown under current liabilities	22	(4,823,476)	(4,471,010)
		<u>1,587,623</u>	<u>6,349,680</u>

17.2 Reconciliation of minimum lease payments and their present value is given below:

Particulars	2023 (Rupees)			2022 (Rupees)		
	Minimum lease payments	Finance cost of future periods	Present value of minimum lease payments	Minimum lease payments	Finance cost of future periods	Present value of minimum lease payments
Payable within one year	5,958,768	1,135,292	4,823,476	6,271,440	1,800,430	4,471,010
Payable after one year but not more than five years	1,759,454	171,831	1,587,623	7,279,800	930,120	6,349,680
<b>Total</b>	<b>7,718,222</b>	<b>1,307,123</b>	<b>6,411,099</b>	<b>13,551,240</b>	<b>2,730,550</b>	<b>10,820,690</b>

17.3 It represents amount obtained against vehicle under finance lease liability. The purchase option is available to the company on payment of last installment and surrender of deposit paid under the agreement. The liability represents total minimum lease payments discounted at the rate of 6 month KIBOR + 6% (2022: 6 month KIBOR + 6%). There is no major restriction imposed by leasing company.

17.4 It represents amount obtained against vehicle under finance lease liability. The purchase option is available to the company on payment of last installment and surrender of deposit paid under the agreement. The liability represents total minimum lease payments discounted at the rate of 3 month KIBOR + 5.75% (2022: 3 month KIBOR + 5.75%). There is no major restriction imposed by leasing company.

	NOTE	2023 RUPEES	2022 RUPEES
<b>18. Deferred liabilities</b>			
Deferred taxation	18.1	84,917,126	99,258,705
Staff retirement benefits - gratuity	18.2	62,307,227	57,879,719
		<u>147,224,353</u>	<u>157,138,424</u>

#### 18.1. Deferred taxation

Deferred tax			
Balance as at July 01,		99,258,705	36,988,548
Deferred tax liability reversed during the year related to:			
Profit and loss account		(14,301,517)	64,466,718
Statement of comprehensive income			
Staff retirement benefit		(40,062)	(2,196,561)
Balance as at June 30,	18.1.1	<u>84,917,126</u>	<u>99,258,705</u>

#### 18.1.1. Deferred tax liability

Accelerated tax depreciation		156,889,809	168,358,121
Right of use asset		4,633,314	5,791,643
		<u>161,523,123</u>	<u>174,149,764</u>
Deferred tax assets			
Provision for gratuity		(18,069,096)	(16,785,119)
Lease liability		(1,859,219)	(3,138,000)
Excess of minimum tax liability over normal tax liability		(50,377,242)	(45,092,121)
Excess of alternate corporate tax over minimum tax liability		(3,369,297)	(3,369,297)
Carried forward losses		(2,931,143)	(6,506,522)
		<u>(76,605,997)</u>	<u>(74,891,059)</u>
Net deferred tax liability		84,917,126	99,258,705
Deferred tax liability recognized		<u>84,917,126</u>	<u>99,258,705</u>

	NOTE	2023 RUPEES	2022 RUPEES
<b>18.2. Staff retirement benefits - gratuity</b>			
Amount recognized in the balance sheet			
Present value of defined benefit obligation	18.2.1	62,307,227	57,879,719
<b>18.2.1. Present value of defined benefit obligation</b>			
Present value of defined benefit obligation		57,879,719	44,394,096
Current service cost		12,590,329	10,292,346
Past service cost		9,223,469	874,771
Interest cost on defined benefit obligation		6,103,699	3,977,731
Benefits paid		(23,628,134)	(9,233,574)
Remeasurement gain on obligation		138,145	7,574,349
		62,307,227	57,879,719
<b>18.2.2. Expenses to be charged to P&amp;L</b>			
Current service cost		12,590,329	10,292,346
Past service cost		9,223,469	874,771
Interest cost on defined benefit obligation		6,103,699	3,977,731
		27,917,497	15,144,848
<b>18.2.3. Total remeasurements chargeable in other comprehensive income</b>			
Remeasurements:			
Actuarial loss from changes in demographic assumptions		615,689	-
Actuarial loss from changes in financial assumptions		103,060	5,681,342
Experience adjustments		(580,604)	1,893,007
		138,145	7,574,349
<b>18.2.4. Changes in net liability</b>			
Statement of financial position liability		57,879,719	44,394,096
Expense chargeable to P&L		27,917,497	15,144,848
Remeasurements gain chargeable in other comprehensive income		138,145	7,574,349
Benefits paid		(23,628,134)	(9,233,574)
		62,307,227	57,879,719
	NOTE	2023	2022
<b>18.2.5. Significant actuarial assumptions</b>			
Discount rate		16.25% p.a.	13.25% p.a.
Average expected remaining working life time of employees		6 years	7 years
<b>18.2.6. Year end sensitivity analysis ( + 100 bps ) on defined benefit obligation</b>			
	NOTE	2023 RUPEES	2022 RUPEES
Discount rate + 100 bps		58,663,765	53,943,335
Discount rate - 100 bps		66,412,090	62,381,817
Salary increase + 100 bps		66,412,090	62,328,682
Salary increase - 100 bps		58,603,687	53,923,495
The average duration of the defined benefit obligation is 6 years.			
<b>18.2.7. Expected payment to the obligation for next year is Rs. 11,036,488/-</b>			

	NOTE	2023 RUPEES	2022 RUPEES
<b>19. Trade and other payables</b>			
Creditors		4,014,337	6,793,353
Advances from customers	19.1	14,503,824	106,298,802
Accrued charges		74,642,996	36,272,490
Income tax payable		-	176,580
Sales tax payable		19,593,716	1,362,151
Workers welfare fund payable	19.2	5,759,336	5,512,758
Workers' profit participation fund	19.3	-	10,327,302
		<u>118,514,209</u>	<u>166,743,436</u>
<b>19.1.</b> Revenue aggregating Rs.105,798,802/- (2022: Rs. 706,093/-) has been recognised for preceding year advances from customers.			
<b>19.2. Workers' welfare fund</b>			
Balance as at July 01,		5,512,758	1,588,383
Charge for the year		246,578	3,924,375
Balance as at June 30,		<u>5,759,336</u>	<u>5,512,758</u>
<b>19.3. Workers' profit participation fund</b>			
Balance as at July 01,		10,327,302	4,263,554
Charge for the year		-	10,327,302
		<u>10,327,302</u>	<u>14,590,856</u>
Paid to workers during the year		(10,327,302)	(4,263,554)
Balance as at June 30,		<u>-</u>	<u>10,327,302</u>
<b>20. Mark-up accrued on loans</b>			
Long term financings		578,380	1,814,192
Short term financings		18,033,683	16,467,913
		<u>18,612,063</u>	<u>18,282,105</u>
<b>21. Short term financing</b>			
Secured			
From banking companies			
<b>Under mark-up arrangements      Limit</b>			
Cash finance (Pledge) 750 M (2022: 650 M)	21.1	194,872,706	338,493,264
Cash finance (Hypo) 70 M (2022: 70 M)	21.2	-	6,584,222
	21.3 , 21.4	<u>194,872,706</u>	<u>345,077,486</u>
<b>21.1</b> These carry mark-up at the rate of 1 month KIBOR + 1.75% (2022: 1 month KIBOR + 1.75%) for Bank Alfalah Limited, 3 months KIBOR + 1.75% (2022: 3 months KIBOR + 1.75%) for National Bank of Pakistan. These are secured against pledge of stocks as mentioned in note no. 8.2. Unavailed limit as at June 30, Rs. 555.127 millions (2022: Rs. 311.507 millions)			
<b>21.2</b> These carry mark-up at the rate of 1 month KIBOR + 2% (2022: 1 month KIBOR + 2%) for Bank Alfalah Limited and 3 months KIBOR + 2% (2022: 3 months KIBOR + 2%) for National Bank of Pakistan. Unavailed limit as at June 30, Rs. 70 millions (2022: Rs. 63.42 millions)			
<b>21.3</b> Loans are further secured against fixed assets of the company and personal guarantees of all the directors.			
<b>21.4</b> Reconciliation of liabilities arising from short term financings is as follows:			
	NOTE	2023 RUPEES	2022 RUPEES
Balance as at July 01,		345,077,486	264,301,873
Obtained during the year		2,630,316,924	2,729,014,196
		<u>2,975,394,410</u>	<u>2,993,316,069</u>
Paid / adjusted during the year		(2,780,521,704)	(2,648,238,583)
Balance as at June 30,		<u>194,872,706</u>	<u>345,077,486</u>
<b>22. Current portion of non current liabilities</b>			
Long term financing	16.4	12,048,473	18,916,176
Liabilities against assets subject to finance lease	17.1	4,823,476	4,471,010
Deferred grant		-	338,992
		<u>16,871,949</u>	<u>23,726,178</u>

	NOTE	2023 RUPEES	2022 RUPEES
<b>23. Contingencies &amp; commitments</b>			
<b>23.1. Contingencies</b>			
a. Bank guarantee - SNGPL		16,622,600	16,622,600
b. Bank guarantee - FESCO		3,567,000	3,567,000
<p>c. The Honorable Lahore High Court, Lahore has disposed of the constitutional petition on June 17, 2021 regarding unlawful levy / recovery of enhanced Gas Infrastructure Development Cess (GIDC) from July 2012 to March 2015 amounting to Rs. 9.034 million along with late payment surcharge and referred the case back to Executive Committee formed by SNGPL. As per the legal opinion, the instant case of the company is on merit as being an industrial consumer, Sui Northern Gas Pipelines Ltd (SNGPL) cannot recover the unpaid Cess under the first proviso of Section 8 of GIDC Act, 2015. The related provision is not provided for in these financial statements.</p>			
<p>d. The company is in dispute with Sui Northern Gas Pipelines Ltd. (SNGPL) against the alleged demand of arrears of gas bill on three months average basis of Rs. 9,563,011/- for the month of January, 2017 during which the installed gas meter did not record reading as a result of malfunction. The company has challenged the whole demand raised as hypothetically high and without taking consideration of winter gas disruptions and consumption of WAPDA power source. The company deposited an amount of Rs. 8,574,071/- under protest against the said demand in the preceding years and charged to expense account during the year 2017. The decision of the review committee of SNGPL was not in the favor of the company, and it filed appeal before OGRA, Lahore. On December 29, 2017, OGRA, Lahore decided in favor of the company on the ground that the demand for arrears by SNGPL was not justified. On March 07, 2018, SNGPL filed an appeal before OGRA, Islamabad against the order issued in favor of the company. The company has filed its reply on March 15, 2018 to the appeal present before OGRA, Islamabad. The last hearing was conducted on February 20, 2019 and the matter is pending for further hearing before the competent authority. The remaining amount is not provided for in these financial statements.</p>			
	NOTE	2023 RUPEES	2022 RUPEES
<b>23.2. Commitments</b>			
Letter of credit	23.2.1	4,721,860	17,805,209
<b>23.2.1.</b> It relates to the import of stores and spares.			
<b>24. Sales</b>			
Local			
-Yarn		2,857,256,797	2,724,368,319
-Waste		20,231,524	18,222,301
Less : Sales Tax		(425,850,458)	(398,496,073)
		2,451,637,863	2,344,094,547
Less : Commission		(4,921,934)	(3,503,247)
		2,446,715,929	2,340,591,300
<b>25. Cost of sales</b>			
Cost of goods manufactured	25.1	2,193,188,737	2,126,978,546
Finished goods			
Opening stock		143,582,923	15,855,185
Closing stock	25.1.5	(26,720,272)	(143,582,923)
		116,862,651	(127,727,738)
Cost of sales		2,310,051,388	1,999,250,808

	NOTE	2023 RUPEES	2022 RUPEES
<b>25.1. Cost of goods manufactured</b>			
Raw material consumed	25.1.1	1,566,627,970	1,470,893,463
Packing material consumed	25.1.2	22,212,785	21,666,885
Store & spares consumed	25.1.3	34,479,777	56,295,641
Fuel and power		324,188,427	287,836,015
Salaries, wages & benefits	25.1.4	180,765,393	223,404,012
Repair & maintenance		1,719,771	3,209,221
Insurance		5,140,033	5,520,366
Depreciation	4.1.1	63,400,316	61,115,770
Other materials, services & overheads		948,500	824,040
		<u>2,199,482,972</u>	<u>2,130,765,413</u>
Work in process			
Opening stock		19,892,571	16,105,704
Closing stock		(26,186,806)	(19,892,571)
		<u>(6,294,235)</u>	<u>(3,786,867)</u>
Cost of goods manufactured		<u>2,193,188,737</u>	<u>2,126,978,546</u>
<b>25.1.1. Raw material consumed</b>			
Purchases include direct expenses			
Cotton		797,266,047	1,071,549,681
Polyester		596,092,658	569,287,038
		<u>1,393,358,705</u>	<u>1,640,836,719</u>
Stock			
Opening		435,462,490	265,519,234
Closing		(262,193,225)	(435,462,490)
		<u>173,269,265</u>	<u>(169,943,256)</u>
		<u>1,566,627,970</u>	<u>1,470,893,463</u>
<b>25.1.2. Packing material consumed</b>			
Purchases include direct expenses		24,309,320	20,238,600
Stock			
Opening		3,418,219	4,846,504
Closing		(5,514,754)	(3,418,219)
		<u>(2,096,535)</u>	<u>1,428,285</u>
		<u>22,212,785</u>	<u>21,666,885</u>
<b>25.1.3. Store &amp; spares consumed</b>			
Purchases include direct expenses		45,648,303	53,163,118
Stock			
Opening		41,301,208	44,433,731
Closing		(50,158,060)	(41,301,208)
		<u>(8,856,852)</u>	<u>3,132,523</u>
		<u>36,791,451</u>	<u>56,295,641</u>
Capitalized during the year		<u>(2,311,674)</u>	<u>-</u>
		<u>34,479,777</u>	<u>56,295,641</u>

25.1.4. It includes provision for staff retirement benefits-gratuity amounting to Rs.17,475,747/-(2022: Rs.13,630,363/-).

25.1.5. It includes an amount of Rs 99,435/- (2022: Rs. 1,183,749/-) in respect of write down of inventories to net realizable value.

	NOTE	2023 RUPEES	2022 RUPEES
<b>26. Administrative</b>			
Directors' remuneration	26.1	18,900,000	22,475,000
Salaries & benefits	26.2	28,729,269	20,124,346
Communications		529,250	519,667
Electricity		1,083,341	730,180
Insurance		1,517,250	1,820,107
Printing and stationery		245,299	241,560
Vehicle running and maintenance		3,944,947	4,294,703
Repair and maintenance		404,840	385,450
Staff travelling		201,448	144,860
Entertainment		985,512	1,370,941
Rent, rates & taxes		3,265,821	3,543,687
Newspaper & periodicals		1,020	6,350
Auditors' remuneration	26.3	800,000	700,000
Legal & professional		221,463	321,691
Charity & donation	26.4	1,800,000	1,300,000
Depreciation	4.1.1	5,687,543	3,047,020
Depreciation on right of use asset	5	3,994,236	3,939,806
Sales tax expense		404,931	372,413
Others		1,369,119	2,187,932
		<u>74,085,289</u>	<u>67,525,713</u>

#### 26.1. Directors' remuneration

	2023				2022			
	CEO	Director	Executives	Total	CEO	Director	Executives	Total
No. of persons	1	2	4	7	1	2	5	8
	----- Rupees -----							
Remuneration for services	9,000,000	8,181,818	11,176,500	28,358,318	13,272,727	7,159,091	11,031,818	31,463,636
Medical allowance	900,000	818,182	1,117,650	2,835,832	1,327,273	715,909	1,103,182	3,146,364
	<u>9,900,000</u>	<u>9,000,000</u>	<u>12,294,150</u>	<u>31,194,150</u>	<u>14,600,000</u>	<u>7,875,000</u>	<u>12,135,000</u>	<u>34,610,000</u>

26.1.2. Executive means an employee whose basic salary exceeds Rs. 1.2 million (2022: Rs. 1.2 million) during the year.

26.2. It includes provision for staff retirement benefits - gratuity amounting to Rs. 10,441,750/- (2022: Rs. 1,514,485/-).

26.3. Auditor's remuneration includes the following:

	NOTE	2023 RUPEES	2022 RUPEES
Statutory audit fee		<u>800,000</u>	<u>700,000</u>

26.4. No director or his spouse had any interest in the donees' fund.

#### 27. Other Income

Scrap sale	27.1	1,385,418	1,565,075
Gain on disposal of operating fixed assets		8,011,539	1,633,363
		<u>9,396,957</u>	<u>3,198,438</u>

#### 27.1. Scrap sale

Gross sale		1,626,335	1,831,138
Less: sales tax		(240,917)	(266,063)
		<u>1,385,418</u>	<u>1,565,075</u>

	NOTE	2023 RUPEES	2022 RUPEES
<b>28. Finance cost</b>			
Bank charges & commission		811,605	1,075,941
Lease finance charges		1,974,281	1,779,413
Mark-up on secured loans			
- on long term financings		4,373,787	9,775,279
- on short term financings		82,459,743	57,836,543
		<u>89,619,416</u>	<u>70,467,176</u>

### 29. Taxation

Current		30,662,791	34,269,808
Deferred		(14,301,517)	64,466,718
		<u>16,361,274</u>	<u>98,736,526</u>

29.1 The relationship between tax expenses and accounting profit has not been presented in these financial statements as the company's current year taxation is based on minimum tax under the Income Tax Ordinance, 2001.

### 30. Financial instruments- Fair values and risk management

#### 30.1. Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities by categories.

	NOTE	2023 RUPEES	2022 RUPEES
<b>Financial assets:</b>			
Financial assets at amortized cost			
Long term deposits		6,241,150	6,241,150
Trade debts		1,243,693	59,050
Loans and advances		36,030,395	14,305,407
Deposits and prepayments		2,811,626	3,014,497
Cash and bank balances		94,186,667	37,187,600
		<u>140,513,531</u>	<u>60,807,704</u>
<b>Financial liabilities:</b>			
Financial liabilities at amortized cost			
Long term financing		62,540,697	77,138,397
Lease liabilities		6,411,099	10,820,690
Trade and other payables		118,514,209	166,743,436
Markup accrued on loans		18,612,063	18,282,105
Short term financing		194,872,706	345,077,486
		<u>400,950,774</u>	<u>618,062,114</u>

### 31 Financial risk management

The company has exposure to the following risks from the use of its financial instruments:

- Credit risk and concentration of credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### 31.1. Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	2023 RUPEES	2022 RUPEES
Long term deposits	6,241,150	6,241,150
Trade debts	1,243,693	59,050
Loans and advances	36,030,395	14,305,407
Deposits and prepayments	2,811,626	3,014,497
Bank balances	55,070,357	3,827,473
	101,397,221	27,447,577

Due to the Company's long standing relations with counter parties and after giving due consideration to their financial standing, the management do not expect non performance by these counter parties on their obligations to the company.

For trade debts, credit quality of customers is assessed taking into consideration their financial position and previous dealings and on its basis, individual credit limits are set. The management regularly monitors and reviews customers' credit exposure. The credit risk exposure is limited in respect of bank balances as these are placed with the banks having good credit from international and local credit rating agencies.

The Company's most significant customers are industrial users of yarn. Aging analysis of trade debtors as at SOFP date is as under:

The age of trade debts	2023 (Rupees)		2022 (Rupees)	
	Gross debts	Impairment	Gross debts	Impairment
Not past due	-	-	-	-
Past due 0 - 365 days	1,243,693	-	59,050	-
More than 365 days	-	-	-	-
	1,243,693	-	59,050	-

The credit quality of company's bank balances can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate.

Banks	Rating		Rating agency	2023	2022
	Short term	Long term			
	----- Rupees -----				
Bank Al-Falah Limited	A-1+	AA+	PACRA	1,732,700	180,444
National Bank of Pakistan	A-1+	AAA	PACRA	47,680,834	134,528
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	4,375,568	2,620,403
Meezan Bank Limited	A-1+	AAA	JCR-VIS	1,265,028	875,871
Habib Bank Limited	A-1+	AAA	JCR-VIS	16,227	16,227
	<b>Total</b>			<b>55,070,357</b>	<b>3,827,473</b>

### 31.2. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows.

Particulars	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	----- (Rupees) -----				
<b>June 30, 2023</b>					
Trade and other payables	118,514,209	118,514,209	118,514,209	-	-
Markup accrued on loans	18,612,063	18,612,063	18,612,063	-	-
Short term financings	194,872,706	194,872,706	194,872,706	-	-
Long term financings	62,540,697	62,540,697	12,048,473	50,492,224	-
Lease liabilities	6,411,099	6,411,099	4,823,476	1,587,623	-
<b>Total</b>	<b>400,950,774</b>	<b>400,950,774</b>	<b>348,870,927</b>	<b>52,079,847</b>	<b>-</b>
Particulars	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	----- (Rupees) -----				
<b>June 30, 2022</b>					
Trade and other payables	166,743,436	166,743,436	166,743,436	-	-
Markup accrued on loans	18,282,105	18,282,105	18,282,105	-	-
Short term financings	345,077,486	345,077,486	345,077,486	-	-
Long term financings	77,138,397	77,138,397	19,255,168	57,883,229	-
Lease liabilities	10,820,690	10,820,690	4,471,010	6,349,680	-
<b>Total</b>	<b>618,062,114</b>	<b>618,062,114</b>	<b>553,829,205</b>	<b>64,232,909</b>	<b>-</b>

### 31.3. Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rates and foreign exchange rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company's market risk comprises of two types of risk: interest rate risk and foreign currency risk. The market risks associated with the Company's business activities are discussed as under:

#### (i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Company is not exposed to any significant interest rate except as disclosed in the respective notes. The rate of financing and their maturities are disclosed in the respective notes.

	2023	2022
	----(RUPEES)----	
<b>Financial liabilities</b>		
<b>Fixed rate instruments</b>		
Long term financings - Fixed	58,222,221	77,138,397
<b>Floating rate instruments</b>		
Long term financings - Floating	4,318,476	-
Short term financings	194,872,706	345,077,486
Lease liabilities	6,411,099	10,820,690
	263,824,502	433,036,573

#### Cash flow sensitivity analysis for fixed rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been changed as following:

		Changes Interest Rate	Effects on Profit after Tax
Fixed-rate instruments	2023	+1%	625,407
		-1%	(625,407)
Fixed-rate instruments	2022	+1%	53,117
		-1%	(53,117)

### Cash flow sensitivity analysis for floating rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been changed as following:

		Changes Interest Rate	Effects on Profit after Tax
Variable-rate instruments	2023	+1%	2,012,838
		-1%	(2,012,838)
Variable-rate instruments	2022	+1%	641,110
		-1%	(641,110)

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The total foreign currency risk exposure on reporting date in respect of LC commitment amounted to Rs. 4.722 million . (2022: Rs.17.805 million).

#### (iii) Equity price risk

Trading and investing in equity securities give rise to equity price risk. The Company is not exposed to any equity price risk.

#### (iv) Other price risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The effects of changes in fair value of such investments made by Company, on the future profits are not considered to be material in the overall context of

### 31.4. Determination of fair value

#### 31.4.1 Fair values of financial instrument

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another

The carrying values of all the financial assets and financial liabilities reported in the financial statements approximate their fair values.

#### 31.4.2 Fair values of non financial instrument

##### Fair value hierarchy

The different levels have been defined as follows.

Level 1	Quoted prices (unadjusted) in active markets for individual assets or liabilities
Level 2	Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (i.e as prices) or indirectly (i.e derived from prices)
Level 3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Details of the Company's revalued assets and information about fair value hierarchy as at June 30, 2023 are as follows

Particulars	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
	-----Rupees-----					
<b>Operating fixed assets</b>						
<b>Freehold</b>						
Land	-	-	109,390,500	109,390,500	-	-
Building	-	-	206,710,691	213,423,123	-	-
Plant and Machinery	-	-	348,620,375	387,355,972	-	-
Electric installation and appliances	-	-	127,979,464	133,817,575	-	-
<b>Total</b>	-	-	<b>792,701,030</b>	<b>843,987,170</b>	-	-

### 31.5. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings thereon, less cash and bank balances. Capital signifies equity as shown in statement of financial position plus net debt. The gearing ratio as at June 30, is as follows:

	2023 RUPEES	2022 RUPEES
Long term financing	62,540,697	77,138,397
Short term financing	194,872,706	345,077,486
Lease liabilities	6,411,099	10,820,690
Total debts	263,824,502	433,036,573
Equity	831,020,891	865,370,033
Capital employed	1,094,845,393	1,298,406,606
Gearing ratio	24.10%	33.35%

### 32. Plant capacity and actual production

	2023	2022
Number of spindles installed	24,888	24,888
Annual Installed capacity (31/s count)	136,605	136,605
Annual Actual production (31/s count)	99,642	123,730
No. of shifts per day	3	3

#### 32.1. Reason for shortfall

Periodic maintenance, power shutdown and Intermittent curtailment of production due to suppressed demand.

### 33. Number of employees

	2023	2022
Total number of employees as at June 30,		
-Head Office	17	19
-Unit employees	328	421
	345	440
Average number of employees (Head Office) for the year	18	19
Average number of employees (Unit) for the year	367	434

### 34. Related party transactions

The related parties comprise directors of the company and key management personnel. The company in the normal course of business carries out transaction with related parties. The transactions with related parties other than those disclosed in relevant notes are as follows;

Relationship with the Company	Nature of transactions	2023 RUPEES	2022 RUPEES
Key management personnel	Rent expense	2,640,000	2,640,000
	Remuneration due to	1,550,000	2,000,000

### 35. Events after the reporting period

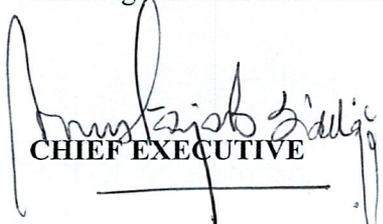
There are no significant activities since June 30, 2023 causing any adjustment or disclosure in these financial

### 36. General

#### 36.1. Date of authorization for issue

These financial statements have been authorized for issue by the Board of Directors as on August 30, 2023.

#### 36.2. Figures have been rounded off to the nearest rupee.

  
CHIEF EXECUTIVE

  
DIRECTOR