

ANJUM TEXTILE MILLS

(PVT.) LIMITED

ANNUAL REPORT 2025



INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the annexed financial statements of ANJUM TEXTILE MILLS (PVT.) LIMITED (the *Company*), which comprise the statement of financial position as at June 30, 2025 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 material accounting policy information 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, 2025 and of the loss and other comprehensive income, 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 Auditor's 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 Auditor's 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 auditor's 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.

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- 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 auditor's 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 auditor's 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 auditor's report is Muhammad Amin (FCA).

Zahid Jamil

Zahid Jamil and Company

Chartered Accountants

Place: Faisalabad

Date: October 4, 2025

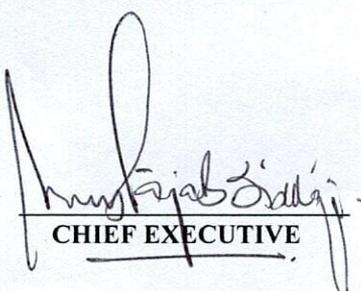
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ANJUM TEXTILE MILLS (PVT.) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	2,183,950,641	2,248,608,628
Right-of-use assets	5	-	7,507,850
Long term deposits	6	11,471,160	6,241,150
		2,195,421,801	2,262,357,628
CURRENT ASSETS			
Stores, spare parts and loose tools	7	86,471,072	77,663,989
Stock-in-trade	8	478,628,600	309,161,762
Trade debts	9	162,274,536	2,067,469
Loans and advances	10	43,771,709	38,236,506
Deposits and prepayments	11	23,037,462	21,313,660
Tax refunds due from the Government	12	52,578,629	35,450,333
Cash and bank balances	13	89,825,498	82,261,823
		936,587,506	566,155,542
TOTAL ASSETS		3,132,009,307	2,828,513,170
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 2,000,000 (2024: 2,000,000) Ordinary shares of Rs. 100/- each		200,000,000	200,000,000
Issued, subscribed & paid up share capital	14	200,000,000	200,000,000
Capital reserve - surplus on revaluation of operating fixed assets	15	1,241,531,727	1,278,799,581
Revenue reserve - unappropriated profit		399,196,939	362,867,947
TOTAL EQUITY		1,840,728,666	1,841,667,528
NON-CURRENT LIABILITIES			
Long term financing	16	33,197,392	37,440,952
Lease liabilities	17	-	-
Deferred liabilities	18	466,660,658	462,618,860
		499,858,050	500,059,812
CURRENT LIABILITIES			
Trade and other payables	19	242,904,148	128,033,452
Mark-up accrued on loans	20	19,944,801	24,684,566
Short term borrowings	21	515,095,069	319,431,269
Current portion of non-current liabilities	22	13,478,573	14,636,543
		791,422,591	486,785,830
TOTAL LIABILITIES		1,291,280,641	986,845,642
CONTINGENCIES & COMMITMENTS	23	-	-
TOTAL EQUITY AND LIABILITIES		3,132,009,307	2,828,513,170

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

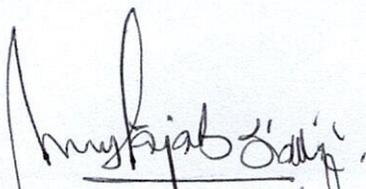

CHIEF EXECUTIVE


DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
Revenue from contracts with customers	24	2,135,087,336	2,717,223,226
Cost of sales	25	<u>1,960,238,779</u>	<u>2,640,545,129</u>
Gross profit		174,848,557	76,678,097
Operating expenses			
Administrative	26	<u>61,590,562</u>	<u>69,275,333</u>
Operating profit		113,257,995	7,402,764
Other income	27	8,586,299	3,854,982
Other charges			
Finance cost	28	94,251,681	105,054,736
Workers' profit participation fund	19.3	1,379,631	-
Workers' welfare fund	19.2	1,811,681	-
		<u>97,442,993</u>	<u>105,054,736</u>
Profit / (loss) before levy and taxation		24,401,301	(93,796,990)
Levy	29	<u>26,737,082</u>	<u>34,061,557</u>
Loss before taxation		(2,335,781)	(127,858,547)
Taxation			
Current tax		-	-
Deferred tax income	18.1	1,682,544	(129,325,754)
		<u>1,682,544</u>	<u>(129,325,754)</u>
(Loss) / profit after taxation		<u>(4,018,325)</u>	<u>1,467,207</u>

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

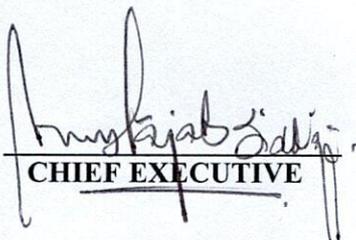

CHIEF EXECUTIVE


DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025 RUPEES	2024 RUPEES
(Loss) / profit after taxation	(4,018,325)	1,467,207
Other comprehensive income		
Surplus on revaluation of property plant and equipment - net of deferred income tax	-	1,016,833,814
Remeasurement gain / (loss) of defined benefit liability - net of deferred income tax	3,079,463	(7,654,384)
Other comprehensive income for the year	3,079,463	1,009,179,430
Total comprehensive (loss) / income for the year	<u>(938,862)</u>	<u>1,010,646,637</u>

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

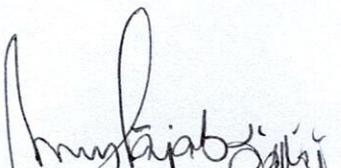

CHIEF EXECUTIVE


DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

PARTICULARS	Issued, subscribed & paid up share capital	CAPITAL RESERVE	REVENUE RESERVE	TOTAL EQUITY
		REVALUATION SURPLUS ON OPERATING FIXED ASSETS	UN- APPROPRIATED PROFIT	
-----Rupees-----				
Balances as at July 01, 2023	200,000,000	278,848,821	352,172,070	831,020,891
Profit for the year	-	-	1,467,207	1,467,207
Other comprehensive income for the year - net of deferred income tax	-	1,016,833,814	(7,654,384)	1,009,179,430
Total comprehensive income for the year	-	1,016,833,814	(6,187,177)	1,010,646,637
Transfer to unappropriated profit in respect of incremental depreciation for the year - net of deferred income tax	-	(16,883,054)	16,883,054	-
Balances as on June 30, 2024	200,000,000	1,278,799,581	362,867,947	1,841,667,528
Loss for the year	-	-	(4,018,325)	(4,018,325)
Other comprehensive income for the year - net of deferred income tax	-	-	3,079,463	3,079,463
Total comprehensive loss for the year	-	-	(938,862)	(938,862)
Transfer to unappropriated profit in respect of incremental depreciation for the year - net of deferred income tax	-	(37,267,854)	37,267,854	-
Balances as on June 30, 2025	200,000,000	1,241,531,727	399,196,939	1,840,728,666

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

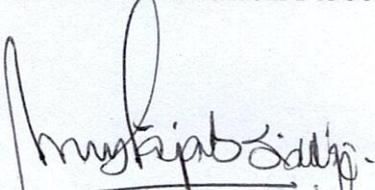

CHIEF EXECUTIVE


DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	NOTE	2025 RUPEES	2024 RUPEES
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levy and taxation		24,401,301	(93,796,990)
Adjustments of non cash / non operating items			
Depreciation	4.1.2	77,911,304	66,208,065
Depreciation on right of use assets	5	966,764	3,105,333
Finance cost	28	94,251,681	105,054,736
Staff retirement benefits - gratuity	18.2.2	28,474,283	24,514,857
Workers' welfare fund	19.2	1,811,681	-
Workers' profit participation fund	19.3	1,379,631	-
Gain on sale of operating fixed assets	27	(7,301,485)	-
		197,493,859	198,882,991
Operating profit before working capital changes		221,895,160	105,086,001
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(8,807,083)	(21,991,175)
Stock-in-trade		(169,466,838)	5,938,541
Trade debts		(160,207,067)	(823,776)
Loans and advances		(5,535,203)	(2,206,111)
Deposits and prepayments		(1,723,802)	(18,502,034)
(Decrease) / increase in current liabilities			
Trade and other payables		99,354,852	13,443,618
		(246,385,141)	(24,140,937)
Cash (used in) / generated from operations		(24,489,981)	80,945,065
Taxes paid		(43,865,378)	(49,156,778)
Workers' welfare fund paid		-	(3,924,375)
Staff retirement benefits - gratuity paid	18.2.1	(10,711,034)	(2,775,468)
Finance cost paid		(98,991,446)	(98,982,233)
		(153,567,858)	(154,838,854)
Net cash used in operating activities		(178,057,839)	(73,893,789)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of operating fixed assets	4.1	(6,910,746)	(12,141,112)
Capital work in progress	4.2	-	(33,574,205)
Proceeds from sale of operating fixed assets		7,500,000	-
Long term deposits		(5,230,010)	-
Net cash used in investing activities		(4,640,756)	(45,715,317)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings		195,663,800	124,558,563
Lease liabilities	17.1	(1,587,275)	(4,823,824)
Long term financing	16.4	(3,814,255)	(12,050,477)
Net cash generated from financing activities		190,262,270	107,684,262
Net increase / (decrease) in cash and cash equivalents (A+B+C)		7,563,675	(11,924,844)
Cash and cash equivalents at the beginning of the year		82,261,823	94,186,667
Cash and cash equivalents at the end of the year	13.1	89,825,498	82,261,823

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


CHIEF EXECUTIVE


DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. STATUS AND ACTIVITIES

Anjum Textile Mills (Pvt.) Limited was incorporated in Punjab, Pakistan as on May 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, Pakistan. 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.

- 1.1** During the year, the Company reduced the operating hours of its mill operations considering the market demand and sock position of the Company, approved by the Board of directors in its meeting held on April 07, 2024 as part of an operational efficiency and cost-control initiative. Consequently, the average running hours of spinning unit was reduced to two shifts per day (2024: three shifts per day), resulting in lower production volumes and capacity utilization, As a result, the overall production activity and capacity utilization has been decreased.

The reduction in running hours has impacted the following areas of the financial statements:

(i) Property, plant and Equipment (IAS-16):

Depreciation for the year has been charged based on the actual operating hours under the unit of production method reflecting the change in usage pattern of plant and machinery and electric installation and appliances refer to Note 4.1.2 to these financial statements.

(ii) Inventory (IAS-2):

Lower production volumes led to reduced conversion costs absorbed into inventory valuation.

(iii) Revenue from contracts with customers and cost of sales (IFRS 15):

The reduction in operational activity resulted in lower sales volume and corresponding reduction in cost of sales compared to the previous financial year.

The management continues to monitor market conditions and optimize production schedules to ensure efficient utilization of plant capacity. The Company expects operations to normalize as market demand stabilizes.

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 statement of cashflows.

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, 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.

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. In process of applying the Company's accounting policies, the management has made following estimates and judgements which are significant to financial statements. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

Determining the 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, spare parts and loose tools -Note 3.13 and 7.

Provisions for stock in trade - Note 3.6 and 8.

Impairment of financial assets and non financial assets other than inventories - Note 3.17.2 and 3.17.3

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

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.

2.5 Changes in accounting standards and interpretations

2.5.1. New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. 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.

-Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current and non-current along with Non-current liabilities with covenants.

-Amendments to IAS 7 'Statement of Cashflows' and IFRS 7 'Financial instrument disclosures' -Supplier Finance Arrangements.

-Amendments to IFRS 16 'Leases' - Clarification on how seller lessee subsequently measure sale and leaseback transactions.

2.5.2. 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 after 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 21 'The effect of changes in foreign exchange rates' - Clarification on how entity accounts when there is long term lack of Exchangeability

January 1, 2025

-IFRS 17 - 'Insurance Contracts' (including the June 2020 and December 2021 amendments to IFRS 17)

January 1, 2026

-Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments: Disclosures' - Classification and measurement of financial instruments

Deferred indefinitely
January 1, 2026

-Annual improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)

January 1, 2026

-Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Nature-dependent Electricity Instruments disclosures' - Contract Referencing

January 1, 2026

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 Standards

- IFRS 18 Presentation and Disclosures in Financial Statements

- IFRS 19 Subsidiaries without Public Accountability: Disclosures

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all years presented, unless otherwise stated.

3.1. Property, plant and equipment

Owned

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all years presented, unless otherwise stated.

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.

Surplus arising on revaluation of property, plant and equipment is recognized, in other comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from the fair value. Accumulated depreciation at the date of revaluation is eliminated against the cost of the asset and net amount is restated to the revalued amount of the asset. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related property, plant and equipment during the year is part of statement of changes in equity. 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.

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 except for plant and machinery, electric installation and appliances for which depreciation is charged to unit of production. Depreciation on building, plant & machinery, electric equipment & office equipment is charged to cost of goods manufactured and the rest is charged to administrative depreciation.

During the year, the Company changed its depreciation method for plant & machinery and electric installations from the reducing balance method to the units of production method to better reflect the pattern in which the asset's economic benefits are consumed. This change has been accounted for prospectively in accordance with IAS 8.

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.

3.2. 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.

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 are recognized as expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying assets in which 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.

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).

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

3.6. 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 on net realisable value, whichever is lower
Waste	- at net realizable value

Cost in relation to work-in-process and finished goods represents annual average manufacturing cost which consists of prime cost and appropriate manufacturing overheads.

NRV signifies the estimate selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred to effect such sale.

3.7. Cash and cash equivalents

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

3.8. Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost and subsequently measured at amortised cost using the effective interest method.

3.9. Staff retirement benefit

Gratuity

The Company operates a defined benefit plan of unfunded gratuity scheme covering all its 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.

3.10. 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.

3.11. Levy and taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current

Current tax is the expected tax payable on the taxable income or otherwise for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

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 enacted 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".

Deferred tax is recognised in statement of profit or loss, except to the extent that it relates to items recognized in statement of other comprehensive income or directly statement of changes in equity. In this case, the tax is also recognized in statement of other comprehensive income or statement of changes in equity respectively.

Levies

The tax charged under the Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss as these levies fall under the scope of IFRIC 21/ IAS 37.

3.12. Revenue recognition

Revenue from contracts with customers

i) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

ii) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

iii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iv) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

v) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the company accomplishes its performance obligations under the contract.

3.13. Stores, spare parts and loose tools

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. For items that are slow moving adequate provision is made, if necessary for any excess carrying value over estimated realisable value and 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.

3.14. 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.

3.15. 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 reporting 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 statement of profit or loss for the year. All non-monetary items are translated into Pak Rupee at exchange rates prevailing on the date of transaction.

3.16. Borrowings

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

3.17. Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit or loss.

3.17.1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Financial assets at amortized cost

Instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order 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 fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at fair value through the statement of profit or loss (FVTPL). Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition. If such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.
- Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in the statement of profit or loss.

Derecognition

The Company derecognize a financial asset only when the contractual rights to the cash flows from asset expire, or when it transfer the financial assets and substantially all the risks and rewards of ownership of asset to the other entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continue to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of transferred financial asset, the Company continue to recognize the financial asset and also recognize a collateralized borrowing for the proceeds received.

On derecognition of financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognized in statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified at fair value through other comprehensive income (FVTOCI), the cumulative gain or loss previously accumulated in investment's revaluation reserve is reclassified to statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to the statement of profit or loss, but it transferred to retained earnings.

3.17.2. Impairment of financial assets

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less loss allowance. The Company recognizes a loss allowance for Expected credit loss (ECL) on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months of the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (a) The financial instrument has a low risk of default,
- (b) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) Significant financial difficulty of the issuer or the borrower;
- (b) A breach of contract, such as a default or past due event (see (ii) above);
- (c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) It is becoming probable that the borrower will enter bankruptcy or other financial re-organization; or
- (e) The disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

(vi) Derivative Financial Instruments

Derivatives that do not qualify for hedge accounting are recognized in statement of financial position at estimated fair value with corresponding effect to the statement of profit or loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.17.3. Non-financial assets

The Company assesses at each reporting date whether there is any indication that assets except inventories and deferred tax asset 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 amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

3.17.4. Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the statement of profit or loss incorporates any interest paid on the financial liability. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in the profit or loss. The remaining amount of change in the fair value of liability is recognized in the statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified of the statement of profit or loss; instead, they are transferred to retained earnings upon de-recognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognized in the statement of profit or loss.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the statement of profit or loss.

3.17.5. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.18. Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation as a result of past events, 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 legal or constructive 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.

3.19. 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.

3.20. Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

	NOTE	2025 RUPEES	2024 RUPEES
4. Property, plant and equipment			
Operating fixed assets	4.1	2,170,217,054	2,234,875,041
Capital work in progress	4.2	13,733,587	13,733,587
		<u>2,183,950,641</u>	<u>2,248,608,628</u>

4.1. Operating fixed assets

Particulars	2025										
	Cost					Rate (%)	Depreciation				Net book value As at 30 June 2025
	As at 01 July 2024	Additions	Deletions	Revaluation Surplus / Transfer From ROU Assets	As at 30 June 2025		As at 01 July 2024	For the period	Adjustment	As at 30 June 2025	
	Rupees						Rupees				
Freehold land	405,150,000	-	-	-	405,150,000	-	-	-	-	-	405,150,000
Buildings on freehold land	419,477,000	-	-	-	419,477,000	5	458,445	20,950,928	-	21,409,373	398,067,627
Plant and machinery	1,157,450,000	-	-	-	1,157,450,000	UOP	2,529,945	41,063,151	-	43,593,096	1,113,856,904
Electric installations and appliances	219,425,000	-	-	-	219,425,000	UOP	479,617	7,784,597	-	8,264,214	211,160,786
Factory equipment	3,499,576	-	-	-	3,499,576	10	678,635	282,094	-	960,729	2,538,847
Furniture and fixtures	9,831,050	-	-	-	9,831,050	10	2,491,458	733,959	-	3,225,417	6,605,633
Office equipment	3,653,402	-	-	-	3,653,402	10	1,156,372	249,703	-	1,406,075	2,247,327
Computers	4,948,542	65,000	-	-	5,013,542	30	2,468,438	753,754	-	3,222,192	1,791,350
Vehicles	48,812,980	6,845,746	(528,050)	6,541,086	61,671,762	20	27,109,599	6,093,118	(329,535)	32,873,182	28,798,580
Total	2,272,247,550	6,910,746	(528,050)	6,541,086	2,285,171,332		37,372,509	77,911,304	(329,535)	114,954,278	2,170,217,054
Particulars	2024										
	Cost					Rate (%)	Depreciation				Net book value As at 30 June 2024
	As at 01 July 2023	Additions	Deletions	Revaluation Surplus / Transfer From ROU Assets	As at 30 June 2024		As at 01 July 2023	For the period	Adjustment	As at 30 June 2024	
	Rupees						Rupees				
Freehold land	109,390,500	-	-	295,759,500	405,150,000	-	-	-	-	-	405,150,000
Buildings on freehold land	267,407,874	30,330,892	-	121,738,234	419,477,000	5	60,697,183	10,669,359	(70,908,097)	458,445	419,018,555
Plant and machinery	610,750,000	-	-	546,700,000	1,157,450,000	10	262,129,625	36,629,971	(296,229,651)	2,529,945	1,154,920,055
Electric installations and appliances	169,018,652	3,197,395	-	47,208,953	219,425,000	10	41,039,188	13,056,296	(53,615,867)	479,617	218,945,383
Factory equipment	1,409,290	2,090,286	-	-	3,499,576	10	477,273	201,362	-	678,635	2,820,941
Furniture and fixtures	6,568,979	3,262,071	-	-	9,831,050	10	1,893,026	598,432	-	2,491,458	7,339,592
Office equipment	2,567,442	1,085,960	-	-	3,653,402	10	899,011	257,361	-	1,156,372	2,497,030
Computers	2,443,142	2,505,400	-	-	4,948,542	30	1,870,628	597,810	-	2,468,438	2,480,104
Vehicles	43,449,217	-	-	5,363,763	48,812,980	20	22,912,125	4,197,474	-	27,109,599	21,703,381
Total	1,213,005,096	42,472,004	-	1,016,770,450	2,272,247,550		391,918,059	66,208,065	(420,753,615)	37,372,509	2,234,875,041

4.1.1. Based on an exercise conducted during the year, certain operating fixed assets of the Company, Plant and machinery and electric installations and appliances have been reassessed its useful life on the basis of reason mentioned in Note 1.1 to these financial statements to charge more appropriate depreciation on such fixed assets using Unit of production instead on reducing balance method. Such change of depreciation method have been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and has therefore been applied prospectively from July 01, 2024. The carrying amounts of the affected assets at the date of change were not restated, and prior year figures remain unchanged. The effects of this change in the accounting estimate for the year ended June 30, 2025, depreciation expense for the year decreased by Rs 88.539 million, resulting decrease in loss before taxation by Rs 87.187 million leads to profit before taxation amounting Rs 24.401 million, decrease in loss after taxation by Rs 61.902 million, increase in the carrying amount of operating fixed assets by Rs 88.539 million and increase in equity by Rs 61.902 million. The effect on future periods will depend on actual production volume. The estimated depreciation charge for the year ending June 30, 2026 based on current production forecasts is Rs 55.359 million.

	NOTE	2025 RUPEES	2024 RUPEES
4.1.2. Depreciation for the year has been allocated as follows:			
Cost of sales	25.1	70,080,770	60,556,988
Administrative	26	7,830,534	5,651,077
		<u>77,911,304</u>	<u>66,208,065</u>

4.1.3. As per last revaluation, the forced sales value (FSV) of freehold land and buildings was Rs. 700.933 million, plant and machinery and electric installations and appliances was Rs. 1,101.500 million.

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, 2025 would have been as follows:

Year	2025			2024		
	Cost	Accumulated depreciation	WDV	Cost	Accumulated depreciation	WDV
	-----Rupees-----					
Freehold Land	11,806,287	-	11,806,287	11,806,287	-	11,806,287
Buildings on freehold land	270,649,594	126,008,891	144,640,703	270,649,594	118,396,222	152,253,372
Plant and machinery	650,265,508	486,673,836	163,591,672	650,265,508	480,642,909	169,622,599
Electric installation and appliances	185,563,063	86,144,304	99,418,759	185,563,063	82,479,160	103,083,903
Total	1,118,284,452	698,827,031	419,457,421	1,118,284,452	681,518,291	436,766,161

	NOTE	2025 RUPEES	2024 RUPEES
4.2. Capital work in progress			
Building:			
Balance as at July 01,		13,733,587	10,490,274
Additions during the year		-	33,574,205
Transferred to operating fixed assets		-	(30,330,892)
Balance as at June 30,		<u>13,733,587</u>	<u>13,733,587</u>
5. Right-of-use assets			
Vehicles:			
Cost			
Balance as at July 01,		13,034,462	23,124,461
Addition during the year		-	-
Transfer during the year to owned assets	5.2	(13,034,462)	(10,089,999)
Balance as on June 30,		-	13,034,462
Accumulated depreciation			
Balance as at July 01,		5,526,612	7,147,515
Charge during the year at the rate of 20%	5.1	966,764	3,105,333
Accumulated depreciation of asset transferred to owned assets		(6,493,376)	(4,726,236)
Balance as on June 30,		-	5,526,612
Total		<u>-</u>	<u>7,507,850</u>

5.1. The depreciation is charged to administrative expenses.

5.2. The lease of Toyota Land Cruiser vehicle is fully repaid on February 20, 2025 and the vehicle is transferred to operating fixed assets accordingly.

5.3. Book value of assets transferred to owned assets is as follows:

	2025 RUPEES	2024 RUPEES
Transferred to owned assets:		
Cost	13,034,462	10,089,999
Less: Accumulated depreciation	(6,493,376)	(4,726,236)
Written down value	<u>6,541,086</u>	<u>5,363,763</u>
6. Long term deposits		
Considered good		
Securities		
Electricity deposit	9,760,260	6,192,510
Telephone and mobiles	21,400	21,400
WASA	27,240	27,240
Guarantee margin	1,662,260	-
	<u>11,471,160</u>	<u>6,241,150</u>

	NOTE	2025 RUPEES	2024 RUPEES
7. Stores, spare parts and loose tools			
Stores		22,929,061	24,059,194
Spare parts		57,708,919	45,636,057
Loose tools		4,274,039	4,578,275
Packing material		1,559,053	3,390,463
		<u>86,471,072</u>	<u>77,663,989</u>

7.1. Most of the items of stores, spare parts 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	2025 RUPEES	2024 RUPEES
8. Stock-in-trade			
Raw material	8.2	379,978,833	226,463,949
Work in process		27,263,102	28,763,294
Finished goods	8.1	71,386,665	53,934,519
		<u>478,628,600</u>	<u>309,161,762</u>

8.1. Finished goods comprising of fabric amounting to Rs. nil (2024: Rs. 159,258/-) are at net realizable value.

8.2. Raw material amounting to Rs. 519.421 million (2024: Rs. 290.610 million) at ruling market rates was pledged as security with the Bank Alfalah Limited and National Bank of Pakistan.

	NOTE	2025 RUPEES	2024 RUPEES
9. Trade debts			
Considered good			
Local - unsecured		<u>162,274,536</u>	<u>2,067,469</u>
10. Loans and advances			
Advances			
Against salary			
- Directors	10.1	238,000	-
- Executives	10.1	6,035,406	6,821,073
- Other staff		2,485,296	2,645,296
Against expenses		11,029,443	9,773,592
Suppliers & services		23,983,564	18,996,545
		<u>43,771,709</u>	<u>38,236,506</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. 7,778,406/- (2024: Rs. 9,654,410/-).

	NOTE	2025 RUPEES	2024 RUPEES
11. Deposits and prepayments			
Deposits			
Against fuel		150,000	150,000
Prepayments			
Bank guarantee commission		436,732	151,164
Insurance		2,286,129	826,614
Utilities		20,164,601	20,185,882
		<u>23,037,462</u>	<u>21,313,660</u>
12. Tax refunds due from the Government			
Income tax and prepaid levy - net	12.1	24,195,999	14,966,914
Sales tax		28,382,630	20,483,419
		<u>52,578,629</u>	<u>35,450,333</u>
12.1. Income tax and prepaid levy - net			
Income tax		50,933,081	49,028,471
Less: provision for taxation		-	-
		<u>50,933,081</u>	<u>49,028,471</u>
Prepaid levy		-	-
Less: levy payable		<u>26,737,082</u>	<u>34,061,557</u>
		<u>(26,737,082)</u>	<u>(34,061,557)</u>
		<u>24,195,999</u>	<u>14,966,914</u>

13. Cash and bank balances			
Cash in hand		74,910,524	39,574,332
Cash with banks			
- in current accounts		14,914,974	42,687,491
	13.1	<u>89,825,498</u>	<u>82,261,823</u>

13.1. Cash and cash equivalents

Cash and cash equivalents include the following for the purpose of cash flows statement:

Cash and bank balances		<u>89,825,498</u>	<u>82,261,823</u>
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14. Issued, subscribed and paid up share capital

2025	2024		2025	2024
(Number of shares)			RUPEES	RUPEES
1,800,000	1,800,000	Ordinary shares of Rs. 100 each fully paid in cash	180,000,000	180,000,000
200,000	200,000	Ordinary shares of Rs. 100 each issued as bonus shares	20,000,000	20,000,000
<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.

	2025	2024
	RUPEES	RUPEES
15. Capital reserve-surplus on revaluation of operating fixed assets		
Balance as at July 01,	1,761,267,831	352,886,478
Transferred to other comprehensive income on account of surplus arising on revaluation during the year	-	1,432,160,302
Transferred to unappropriated profit on account of incremental depreciation charged during the year	(52,489,935)	(23,778,949)
	<u>(52,489,935)</u>	<u>1,408,381,353</u>
	1,708,777,896	1,761,267,831
Less: Related deferred tax liability		
Balance as at July 01,	482,468,250	74,037,657
Transferred to other comprehensive income on account of deferred tax liability created during the year	-	415,326,488
Transferred to unappropriated profit on account of incremental depreciation	(15,222,081)	(6,895,895)
	<u>467,246,169</u>	<u>482,468,250</u>
Balance as at June 30,	<u>1,241,531,727</u>	<u>1,278,799,581</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 on June 23, 2024 by an independent valuer M/S Arch Lattice.

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	2025	2024
		RUPEES	RUPEES
16. Long term financing			
Secured - Under mark-up arrangements			
From banking companies			
National Bank of Pakistan-Solar Energy Refinance	16.1	26,222,217	36,888,885
From leasing companies			
OLP Financial Services Pakistan Ltd - Toyota Land Cruiser & KIA Carnival	16.2	6,975,175	552,067
	16.3, 16.4	<u>33,197,392</u>	<u>37,440,952</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. (2024: 6% p.a.) through National Bank of Pakistan.

16.2. This includes finance obtained in previous year under financing arrangement of Rs. 5 million which carried a markup at 3 month KIBOR + 5.75% p.a. on June 30, 2025. This was fully repaid on June 30, 2025. This also includes finance obtained during the year under financing arrangement of Rs. 10 million which carries markup at 6 month KIBOR + 5.50% p.a.

16.3. These loans are secured by personal guarantees of all the directors. First parri passu charge of Rs. 96 millions over fixed assets of the Company.

	NOTE	2025 RUPEES	2024 RUPEES
16.4. Reconciliation of liabilities arising from long term financings are as follows:			
Balance as at July 01,		50,490,220	62,540,697
Obtained during the year	16.2.	10,000,000	-
Paid / adjusted during the year		(13,814,255)	(12,050,477)
		<u>46,675,965</u>	<u>50,490,220</u>
Payable within one year	22	(13,478,573)	(13,049,268)
Balance as on June 30,		<u>33,197,392</u>	<u>37,440,952</u>

	NOTE	2025 RUPEES	2024 RUPEES
17. Lease Liabilities			
Finance lease		-	-
17.1. Lease Liabilities			
Balance as at July 01,	17.1	-	-
Obtained during the year		1,587,275	6,411,099
Accrued interest during the year		-	-
		<u>208,705</u>	<u>1,135,585</u>
Paid during the year	17.3	(1,795,980)	(7,546,684)
		<u>-</u>	<u>1,587,275</u>
Current portion shown under current liabilities	22	-	(1,587,275)
		<u>-</u>	<u>-</u>

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

Particulars	2025			2024		
	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
	-----Rupees-----					
Payable within one year	-	-	-	1,758,997	171,722	1,587,275
Payable after one year but not more than five years	-	-	-	-	-	-
Total	-	-	-	1,758,997	171,722	1,587,275

17.3. It represents amount obtained against vehicles under finance lease liability. The purchase option is available to the Company on payment of last installment. The liability represents total minimum lease payments discounted at the rate of 3 month KIBOR + 5.75% p.a. (2024: 3 months KIBOR + 5.75%). The lease liability on Toyota Land Cruiser was fully repaid on February 20, 2025.

	NOTE	2025 RUPEES	2024 RUPEES
18. Deferred liabilities			
Deferred taxation	18.1	370,731,775	367,791,422
Staff retirement benefits - gratuity	18.2	95,928,883	94,827,438
		<u>466,660,658</u>	<u>462,618,860</u>
18.1. Deferred taxation			
Deferred tax			
Balance as at July 01,		367,791,422	84,917,126
Deferred tax liability created during the year related to:			
Revaluation surplus		-	415,326,488
Deferred tax liability reversed during the year related to:			
Profit and loss account		1,682,544	(129,325,754)
Statement of comprehensive income			
Staff retirement benefit		1,257,809	(3,126,438)
Balance as on June 30,	18.1.1	<u>370,731,775</u>	<u>367,791,422</u>

	NOTE	2025 RUPEES	2024 RUPEES
18.1.1. Deferred tax liability			
Accelerated tax depreciation		464,134,018	477,324,129
Right of use asset		-	2,177,277
		<u>464,134,018</u>	<u>479,501,406</u>
Deferred tax assets			
Provision for gratuity		(27,819,376)	(27,499,957)
Lease liability		-	(460,310)
Excess of minimum tax liability over normal tax liability		(62,213,570)	(68,772,686)
Excess of alternate corporate tax over minimum tax liability		(3,369,297)	(3,369,297)
Carried forward losses		-	(11,607,734)
		<u>(93,402,243)</u>	<u>(111,709,984)</u>
Net deferred tax liability		<u>370,731,775</u>	<u>367,791,422</u>
18.2. Staff retirement benefits - gratuity			
The latest actuarial valuation of staff retirement gratuity was carried out using Projected Unit Credit Method. Detail as per actuarial valuation is as follows:			
Present value of defined benefit obligation	18.2.4	108,253,415	94,827,438
Less: retirement benefit to be paid to retired employees	19	(12,324,532)	-
	18.2.1	<u>95,928,883</u>	<u>94,827,438</u>
18.2.1. Present value of defined benefit obligation			
Present value of defined benefit obligation		94,827,438	62,307,227
Current service cost		16,186,109	13,545,355
Past service cost		-	1,070,084
Interest cost on defined benefit obligation		12,288,174	9,899,418
Benefits due but not paid to retired employees		(12,324,532)	-
Benefits paid		(10,711,034)	(2,775,468)
Remeasurement (gain) / loss obligation		(4,337,272)	10,780,822
		<u>95,928,883</u>	<u>94,827,438</u>
18.2.2. Expenses to be charged to P&L			
Current service cost		16,186,109	13,545,355
Past service cost		-	1,070,084
Interest cost on defined benefit obligation		12,288,174	9,899,418
		<u>28,474,283</u>	<u>24,514,857</u>
18.2.2.1 Provision for the year has been allocated as follows:			
Cost of sales	25	25,626,855	22,063,371
Administrative	26	2,847,428	2,451,486
		<u>28,474,283</u>	<u>24,514,857</u>
18.2.3. Total remeasurements chargeable in other comprehensive income			
Actuarial loss from changes in financial assumptions		-	5,716,642
Experience adjustments		(4,337,272)	5,064,180
		<u>(4,337,272)</u>	<u>10,780,822</u>
18.2.4. Changes in net liability			
Statement of financial position liability		94,827,438	62,307,227
Expense chargeable to P&L		28,474,283	24,514,857
Remeasurements gain chargeable in other comprehensive income		(4,337,272)	10,780,822
Benefits paid		(10,711,034)	(2,775,468)
		<u>108,253,415</u>	<u>94,827,438</u>
18.2.5. Significant actuarial assumptions			
Discount rate used for interest cost in P&L charge		14.75%	16.25%
Discount rate used for year end obligation		11.75% p.a.	14.75% p.a.
Expected rate of increase in salary		N/A	14.75%
Mortality rates		SLIC 2001-2005	SLIC 2001-2005
Withdrawal rates		Setback 1 Year	Setback 1 Year
Retirement assumption		Age-Based	Age-Based
		Age 60	Age 60
Average expected remaining working life time of employees		6.5 years	6 years
Average duration of benefit		7 years	7 years

18.2.5.1 Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in Pakistan.

18.2.6. Change in Assumptions

The discount rate used in the last actuarial valuation as on 30-06-2024 was 14.75%. However, in the current investment environment, where there is a downward trend in the interest rate structure, the discount rate has been decreased to 11.75%, in line with the specifications of the IAS-19. Correspondingly, due to decrease in inflationary expectations, the rate of increase in eligible salary has been decreased to 11.75% from 14.75%.

	2025 RUPEES	2024 RUPEES
18.2.7. Year end sensitivity analysis (+/- 100 bps) on defined benefit obligation		
Discount rate + 100 bps	(6,360,764)	(5,740,074)
Discount rate - 100 bps	7,214,541	6,497,454
Salary increase + 100 bps	7,146,382	6,437,717
Salary increase - 100 bps	(6,414,706)	(5,787,521)

18.2.8. Sensitivity analysis

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the staff retirement benefits to significant actuarial assumptions, the same method (present value of the staff retirement benefits calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement benefits recognized within the statement of financial position.

18.2.9. Expected benefit payments for the next 10 years and beyond

Year	2025 RUPEES	2024 RUPEES
FY 2025	-	17,425,022
FY 2026	13,517,866	15,083,917
FY 2027	13,588,068	15,430,416
FY 2028	12,022,756	12,918,245
FY 2029	13,539,309	14,571,816
FY 2030	12,154,806	15,372,216
FY 2031	15,203,539	21,054,927
FY 2032	23,332,168	27,173,729
FY 2033	10,700,493	14,421,322
FY 2034	19,898,342	26,878,428
FY 2035 and onwards	723,453,386	1,237,237,291

18.2.10. The estimated expense to be charged to the statement of profit or loss for the year ending June 30, 2026 are Rs. 25,038,711

18.2.11. Risks associated with the staff retirement benefits:

- **Final Salary Risk (linked to inflation risk):** The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

- **Demographic Risks:**

1) **Mortality Risk:** The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

2) **Withdrawal Risk:** The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

	NOTE	2025 RUPEES	2024 RUPEES
19. Trade and other payables			
Creditors		98,941,391	3,518,761
Contract liabilities - unsecured	19.1	57,647,268	22,882,099
Accrued charges		39,005,956	75,029,325
Income tax payable		11,018,939	979,000
Sales tax payable		18,939,789	23,789,306
Retirement benefits to be paid to retired employee:	18.2	12,324,532	-
Workers welfare fund payable	19.2	3,646,642	1,834,961
Workers' profit participation fund	19.3	1,379,631	-
		242,904,148	128,033,452

19.1. Contract liabilities aggregating Rs. 22,882,099/- for preceding year (2024: Rs. 14,003,824/-) has been recognised as revenue.

	NOTE	2025 RUPEES	2024 RUPEES
19.2. Workers' welfare fund			
Balance as at July 01,		1,834,961	5,759,336
Provision for the year		1,811,681	-
		<u>3,646,642</u>	<u>5,759,336</u>
Paid during the year		-	(189,264)
Adjusted during the year	19.2.1	-	(3,735,111)
Balance as at June 30,		<u>3,646,642</u>	<u>1,834,961</u>

19.2.1. The Tax refund for Year 2022 amounting to Rs. 3,735,111 has been adjusted against the worker welfare fund liability of the entity as per the Order u/s 122(5A) of the Income Tax Ordinance, 2001 Dated: 29-FEB-2024.

	NOTE	2025 RUPEES	2024 RUPEES
19.3. Workers' profit participation fund			
Balance as at July 01,		-	-
Provision for the year		1,379,631	-
Balance as at June 30,		<u>1,379,631</u>	<u>-</u>

20. Mark-up accrued on loans			
Long term financing		643,452	729,205
Short term borrowings		19,301,349	23,955,361
		<u>19,944,801</u>	<u>24,684,566</u>

21. Short term borrowings			
Secured			
From banking companies			
Under mark-up arrangements	Limit		
Cash finance (Pledge) 525 M (2024: 750 M)	21.1	451,693,328	252,007,317
Cash finance (Hypo) 64 M (2024: 70 M)	21.2	63,401,741	67,423,952
	21.3 , 21.4	<u>515,095,069</u>	<u>319,431,269</u>

21.1 These carry mark-up at the rate of 1 month KIBOR + 1.75% (2024: 1 month KIBOR + 1.75%) for Bank Alfalah Limited, 3 months KIBOR + 2.00% (2024: 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. 73.310 millions (2024: Rs. 497.992 millions)

21.2 These carry mark-up at the rate of 1 month KIBOR + 2% (2024: 1 month KIBOR + 2%) for Bank Alfalah Limited and 3 months KIBOR + 2% (2024: 3 months KIBOR + 2%) for National Bank of Pakistan. Unavailed limit as at June 30, Rs. 0.600 millions (2024: Rs.2.576 millions)

21.3 These loans are secured against fixed assets , current assets of the company Lein on documents -LC foreign and personal guarantees of all the directors.

21.4 Reconciliation of liabilities arising from short term borrowings is as follows:

	NOTE	2025 RUPEES	2024 RUPEES
Balance as at July 01,		319,431,269	194,872,706
Obtained during the year		1,040,765,851	2,787,239,908
		<u>1,360,197,120</u>	<u>2,982,112,614</u>
Paid during the year		(845,102,051)	(2,662,681,345)
Balance as at June 30,		<u>515,095,069</u>	<u>319,431,269</u>

	NOTE	2025 RUPEES	2024 RUPEES
22. Current portion of non current liabilities			
Long term financing	16.4	13,478,573	13,049,268
Liabilities against assets subject to finance lease	17.1	-	1,587,275
		<u>13,478,573</u>	<u>14,636,543</u>

23. Contingencies & commitments

23.1. Contingencies

- | | | | |
|----|---|------------|------------|
| a. | Bank guarantee - SNGPL | 16,622,600 | 16,622,600 |
| b. | Bank guarantee - FESCO | - | 3,567,000 |
| 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. | | |
| d. | The Company is in dispute with SNGPL on sticky meter case where an amount of Rs. 1,929,732/- has been charged in the bill for the month of April 2024 on account of slow meter reading for the period from 31-03-2023 to 01-12-2023. The company has filed the review request after paying 40% of the total amount along with the bill for the month of April 2024. SNGPL Review committee has not called any hearing to date. The 40% payment of Rs. 771,893/- has been expensed off while remaining 60% of Rs. 1,157,839/- has not been provided for in these financial statements. | | |

23.2. Commitments

There are not commitments at the reporting date (2024: Nil).

	NOTE	2025 RUPEES	2024 RUPEES
24. Revenue from contracts with customers			
Local			
-Yarn		2,505,342,284	3,178,371,664
-Waste		17,122,175	27,223,297
Less: Sales tax		(384,782,720)	(484,525,383)
		<u>2,137,681,739</u>	<u>2,721,069,578</u>
Less: Commission		(2,594,403)	(3,846,352)
		<u>2,135,087,336</u>	<u>2,717,223,226</u>
25. Cost of sales			
Cost of goods manufactured	25.1	1,977,690,925	2,667,759,376
Finished goods			
Opening stock		53,934,519	26,720,272
Closing stock	25.1.5	(71,386,665)	(53,934,519)
		<u>(17,452,146)</u>	<u>(27,214,247)</u>
Cost of sales		<u>1,960,238,779</u>	<u>2,640,545,129</u>

		2025 RUPEES	2024 RUPEES
25.1. Cost of goods manufactured			
Raw material consumed	25.1.1	1,359,386,229	1,737,292,620
Packing material consumed	25.1.2	20,143,624	25,806,739
Stores spares & loose tools consumed	25.1.3	23,573,776	30,258,844
Utilities		390,934,997	620,683,545
Salaries, wages & benefits	25.1.4	106,878,565	189,985,697
Repair & maintenance		247,631	573,820
Insurance		4,438,241	4,541,081
Depreciation	4.1.2	70,080,770	60,556,988
Other materials, services & overheads		506,900	636,530
		<u>1,976,190,733</u>	<u>2,670,335,864</u>
Work in process			
Opening stock		28,763,294	26,186,806
Closing stock		(27,263,102)	(28,763,294)
		<u>1,500,192</u>	<u>(2,576,488)</u>
Cost of goods manufactured		<u><u>1,977,690,925</u></u>	<u><u>2,667,759,376</u></u>
25.1.1. Raw material consumed			
Purchases include direct expenses			
Cotton		1,004,535,165	1,008,480,749
Polyester		508,365,948	693,082,595
		<u>1,512,901,113</u>	<u>1,701,563,344</u>
Stock			
Opening		226,463,949	262,193,225
Closing		(379,978,833)	(226,463,949)
		<u>(153,514,884)</u>	<u>35,729,276</u>
		<u><u>1,359,386,229</u></u>	<u><u>1,737,292,620</u></u>
25.1.2. Packing material consumed			
Purchases include direct expenses		18,312,214	23,682,448
Stock			
Opening		3,390,463	5,514,754
Closing		(1,559,053)	(3,390,463)
		<u>1,831,410</u>	<u>2,124,291</u>
		<u><u>20,143,624</u></u>	<u><u>25,806,739</u></u>
25.1.3. Stores spares & loose tools consumed			
Purchases include direct expenses		34,212,269	54,374,310
Stock			
Opening		74,273,526	50,158,060
Closing		(84,912,019)	(74,273,526)
		<u>(10,638,493)</u>	<u>(24,115,466)</u>
		<u>23,573,776</u>	<u>30,258,844</u>
Capitalized during the year		-	-
		<u><u>23,573,776</u></u>	<u><u>30,258,844</u></u>

25.1.4. It includes provision for staff retirement benefits-gratuity amounting to Rs. 25,626,855/- (2024: Rs. 22,063,371/-).

25.1.5. It includes an amount of Rs. Nil (2024: Rs. 330,977/-) in respect of write down of inventories to net realizable value.

	NOTE	2025 RUPEES	2024 RUPEES
26. Administrative			
Directors' remuneration	26.1	18,600,000	21,000,000
Salaries & benefits	26.2	21,121,697	22,688,007
Communications		527,954	536,568
Electricity & fuel		1,025,239	1,190,374
Insurance		1,071,076	1,627,829
Printing and stationery		113,836	188,588
Vehicle running and maintenance		2,129,050	3,088,841
Repair and maintenance		817,992	569,129
Staff travelling		22,842	183,122
Entertainment		389,726	1,012,257
Rent, rates & taxes	26.3	3,312,940	4,019,562
Auditors' remuneration	26.4	800,000	800,000
Legal & professional		299,035	389,310
Charity & donation	26.5	1,030,000	1,650,000
Depreciation	4.1.2	7,830,534	5,651,077
Depreciation on right of use asset	5	966,764	3,105,333
Sales tax expense		896,501	1,046,740
Others		635,376	528,596
		<u>61,590,562</u>	<u>69,275,333</u>

26.1. Directors' remuneration

	2025				2024			
	CEO	Director	Executives	Total	CEO	Director	Executives	Total
No. of persons	1	2	6	9	1	2	6	9
	-----Rupees-----				-----Rupees-----			
Remuneration for services	8,727,273	8,181,818	15,684,545	32,593,636	10,909,091	8,181,818	14,560,909	33,651,818
Medical allowance	872,727	818,182	1,568,455	3,259,364	1,090,909	818,182	1,456,091	3,365,182
	<u>9,600,000</u>	<u>9,000,000</u>	<u>17,253,000</u>	<u>35,853,000</u>	<u>12,000,000</u>	<u>9,000,000</u>	<u>16,017,000</u>	<u>37,017,000</u>

26.1.2. Executive means an employee whose basic salary exceeds Rs. 1.2 million (2024: Rs. 1.2 million) during the year.

26.2. It includes provision for staff retirement benefits-gratuity amounting to Rs. 2,847,428/- (2024: Rs. 2,451,486/-).

26.3. It includes Rupees 2.64 million (2024: Rs 2.64 million) related to low value lease in respect of rental expense of the land and buliding

	2025 RUPEES	2024 RUPEES
26.4. Auditor's remuneration includes the following:		
Statutory audit fee	<u>800,000</u>	<u>800,000</u>
26.5. The names of donee to whom donation made exceeded 10% of total donation is as follows:		
Mofad e Aama	300,000	1,650,000
Ali Zaib Foundation	350,000	-
Dastak Hospital	300,000	-
	<u>950,000</u>	<u>1,650,000</u>

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

	NOTE	2025 RUPEES	2024 RUPEES
27. Other Income			
Scrap sale	27.1	1,284,814	3,854,982
Gain on disposal of operating fixed assets		7,301,485	-
		<u>8,586,299</u>	<u>3,854,982</u>
27.1. Scrap sale			
Gross sale		1,516,081	4,548,880
Less: sales tax		(231,267)	(693,898)
		<u>1,284,814</u>	<u>3,854,982</u>

	2025 RUPEES	2024 RUPEES
28. Finance cost		
Bank charges & commission	1,492,056	1,057,433
Lease finance charges	208,705	1,135,585
Mark-up on secured loans		
- on long term financing	3,209,452	4,205,656
- on short term borrowings	89,341,468	98,656,062
	<u>94,251,681</u>	<u>105,054,736</u>
29. Levy and taxation		
29.1. Levy	<u>26,737,082</u>	<u>34,061,557</u>
29.2. Taxation	<u>-</u>	<u>-</u>
29.3. The Company has suffered loss during the year and is liable to pay minimum tax which has been treated as levies as per ICAP guidance "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes".		
29.4. The minimum tax will expire as follows:		

Accounting year to which the minimum tax relates	Amount of minimum tax (Rupees)	Accounting year in which minimum tax will expire
2025	993,093	2028
2024	34,061,557	2027
2023	27,158,920	2026
Total	<u><u>62,213,570</u></u>	

30. Financial instruments by category:

	2025			2024		
	At amortized cost	At FVTPL	Total	At amortized cost	At FVTPL	Total
	-----RUPEES-----					
Assets as per statement of financial position						
Long term deposits	11,471,160	-	11,471,160	6,241,150	-	6,241,150
Trade debts	162,274,536	-	162,274,536	2,067,469	-	2,067,469
Loans and advances	8,758,702	-	8,758,702	9,466,369	-	9,466,369
Deposits and prepayments	20,314,601	-	20,314,601	20,335,882	-	20,335,882
Cash and bank balances	89,825,498	-	89,825,498	82,261,823	-	82,261,823
	<u>292,644,497</u>	<u>-</u>	<u>292,644,497</u>	<u>120,372,693</u>	<u>-</u>	<u>120,372,693</u>

Liabilities as per statement of financial position

	2025	2024
	At amortized cost	
	-----RUPEES-----	
Trade and other payables	207,919,147	101,430,185
Long term financing	46,675,965	50,490,220
Lease liabilities	-	1,587,275
Mark-up accrued on loans	19,944,801	24,684,566
Short term borrowings	515,095,069	319,431,269
	<u>789,634,982</u>	<u>497,623,515</u>

30.1. Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2025			2024		
	Financial assets	Other than financial assets	Total	Financial assets	Other than financial assets	Total
	-----RUPEES-----					
Assets as per statement of financial position						
Long term deposits	11,471,160	-	11,471,160	6,241,150	-	6,241,150
Trade debts	162,274,536	-	162,274,536	2,067,469	-	2,067,469
Loans and advances	8,758,702	23,983,564	32,742,266	9,466,369	18,996,545	28,462,914
Deposits and prepayments	20,314,601	2,722,861	23,037,462	20,335,882	-	20,335,882
Cash and bank balances	89,825,498	-	89,825,498	82,261,823	-	82,261,823
	<u>292,644,497</u>	<u>26,706,425</u>	<u>319,350,922</u>	<u>120,372,693</u>	<u>18,996,545</u>	<u>139,369,238</u>

	2025			2024		
	Financial liabilities	Other than financial liabilities	Total	Financial liabilities	Other than financial liabilities	Total
	RUPEES					
Liabilities as per statement of financial position						
Trade and other payables	207,919,147	-	207,919,147	101,430,185	-	101,430,185
Long term financing	46,675,965	-	46,675,965	50,490,220	-	50,490,220
Lease liabilities	-	-	-	1,587,275	-	1,587,275
Mark-up accrued on loans	19,944,801	-	19,944,801	24,684,566	-	24,684,566
Short term borrowings	515,095,069	-	515,095,069	319,431,269	-	319,431,269
	<u>789,634,982</u>	<u>-</u>	<u>789,634,982</u>	<u>497,623,515</u>	<u>-</u>	<u>497,623,515</u>

31. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposure.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

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. The Company has no transactions or receivables and payables that exist due to transactions in foreign currencies as on June 30, 2025 (2024: Rs. Nil).

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of 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 instrument traded in the market. At the year end, the Company is not exposed to price risk.

31.1. Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025 RUPEES	2024 RUPEES
Long term deposits	11,471,160	6,241,150
Trade debts	162,274,536	2,067,469
Loans and advances	19,788,145	19,239,961
Deposits and prepayments	20,314,601	20,335,882
Bank balances	14,914,974	42,687,491
	<u>228,763,416</u>	<u>90,571,953</u>

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.

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the senior management and where considered necessary, advance payments are obtained from certain parties. Export sales to major customers are secured through letters of credit. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the debtors and the economic environment to determine expected credit loss allowance.

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	2025		2024	
	Gross debts	Impairment	Gross debts	Impairment
	-----Rupees-----			
Not past due	-	-	-	-
Past due 0 - 365 days	162,274,536	-	2,067,469	-
More than 365 days	-	-	-	-
	162,274,536	-	2,067,469	-

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	2025	2024
	Short term	Long term			
	----- Rupees -----				
Bank Alfalah Limited	A1+	AAA	PACRA	374,091	374,091
National Bank of Pakistan	A1+	AAA	PACRA	1,566	5,182,531
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	13,979,097	23,148,516
Meezan Bank Limited	A1+	AAA	VIS	468,071	2,839,350
Bank AL Habib Limited	A1+	AAA	PACRA	65,762	11,256,919
Habib Bank Limited	A1+	AAA	VIS	16,227	16,227
The Bank of Khyber	A1+	AA-	VIS	10,160	-
Total				14,914,974	42,817,634

31.2. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash, marketable securities and the availability of 89.825 million (2024: Rupees 82.261 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Particulars	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
June 30, 2025					
Trade and other payables	207,919,147	207,919,147	207,919,147	-	-
Markup accrued on loans	19,944,801	19,944,801	19,944,801	-	-
Short term borrowings	515,095,069	530,240,891	530,240,891	-	-
Long term financing	46,675,965	48,732,034	15,904,731	32,827,303	-
Interest	-	-	-	-	-
Total	789,634,982	806,836,872	774,009,569	32,827,303	-
June 30, 2024					
Trade and other payables	101,430,185	101,430,185	101,430,185	-	-
Markup accrued on loans	24,684,566	24,684,566	24,684,566	-	-
Short term borrowings	319,431,269	319,431,269	319,431,269	-	-
Long term financing	50,490,220	52,692,610	13,649,865	39,042,745	-
Lease liabilities	1,587,275	1,795,980	1,795,980	-	-
Total	497,623,515	500,034,610	460,991,865	39,042,745	-

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.

	2025 RUPEES	2024 RUPEES
Financial liabilities		
Fixed rate instruments		
Long term financing - fixed	36,888,885	47,555,553
Floating rate instruments		
Long term financing - floating	9,787,080	2,934,667
Short term borrowing	515,095,069	319,431,269
Lease liabilities	-	1,587,275
	<u>524,882,149</u>	<u>323,953,211</u>

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	2025	+1%	343,066
		-1%	(343,066)
Fixed-rate instruments	2024	+1%	475,555
		-1%	(475,555)

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	2025	+1%	4,881,404
		-1%	(4,881,404)
Variable-rate instruments	2024	+1%	3,239,521
		-1%	(3,239,521)

31.4. Determination of fair value

31.4.1 Fair values of financial instrument

RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

31.4.2 Fair values of non financial instrument

Fair value hierarchy

Judgements and estimates are made for the non-financial assets that are recognized and measured at fair value in these in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

Particulars	Level 1		Level 2		Level 3	
	2025	2024	2025	2024	2025	2024
	-----Rupees-----					
Operating fixed assets						
Freehold land	-	-	405,150,000	405,150,000	-	-
Buildings on freehold land	-	-	398,067,627	419,018,555	-	-
Plant and machinery	-	-	1,113,856,904	1,154,920,055	-	-
Electric installation and appliances	-	-	211,160,786	218,945,383	-	-
Total	-	-	2,128,235,317	2,198,033,993	-	-

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfer between level 1 and 2 for recurring fair value measurement during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land, buildings on freehold land, plant and machinery, electric installations and appliances (classified as property, plant and equipment).

The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines the value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's operating fixed assets mentioned above. Last valuation on these operating fixed assets was performed by Messrs Arch Lattice.

Changes in fair values are analyzed during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

31.5. Capital risk 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. There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

The salient information relating to capital risk management of the Company as of June 30, 2025 and 2024 were as follows:

	2025	2024
	RUPEES	RUPEES
Long term financing	46,675,965	50,490,220
Short term borrowings	515,095,069	319,431,269
Lease liabilities	-	1,587,275
Total debts	561,771,034	371,508,764
Equity	1,840,728,666	1,841,667,528
Capital employed	2,402,499,700	2,213,176,292
Gearing ratio	23.38%	16.79%

The increase in gearing ratio resulted is mainly due to increase in borrowings of the Company.

	2025	2024
32. Plant capacity and actual production		
Number of spindles installed	24,888	24,888
Annual Installed capacity (31/s count, Bags)	136,605	136,605
Annual Actual production (31/s count, Bags)	82,711	114,642
No. of shifts per day	2	3

32.1. Reason for low production

Under utilization of available capacity is mainly due to suppress demand and reduced operating hours throughout the year.

33. Number of employees

Total number of employees as at June 30,

- Head office	16	17
- Unit employees	271	335
	<u>287</u>	<u>352</u>

Average number of employees (Head Office) for the year

15	17
----	----

Average number of employees (Unit) for the year

285	340
-----	-----

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:

Nature of related party	Basis of relationship	Nature of transaction	2025 RUPEES	2024 RUPEES
Other related parties				
Key management personnel	Board of directors of the Company	Rent expense	2,640,000	2,640,000
		Advances given to directors	238,000	-

34.1 Detail of compensation to key management personnel comprising Chief Executive, directors and executives is disclosed in Note 26.1

35. Events after the reporting period

There are no significant activities since June 30, 2025 causing any adjustment or disclosure in these financial statements.

36. General

36.1. Corresponding figures

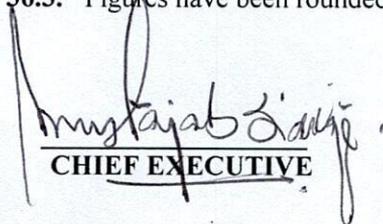
Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made except the nomenclatures of the following account heads:

Previous nomenclature	Revised nomenclature	Reasons for change
Advances from customers	Contract liabilities	To align with the terminology used in IFRS
Sales	Revenue from contracts with customers	To align with the terminology used in IFRS
Electricity	Electricity & fuel	To better reflect the nature of the item
Fuel and power	Utilities	To better reflect the nature of the item

36.2. Date of authorization for issue

These financial statements have been authorized for issue by the Board of Directors as on October 04, 2025.

36.3. Figures have been rounded off to the nearest rupee.


CHIEF EXECUTIVE


DIRECTOR