Anjum Textile Mills (PVT.) Ltd.

Audit Report 2024

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DIRECTORS' REPORT

DEAR MEMBERS,

Your Board of Directors is pleased to present Directors' Report together with Audited Financial Statements of the Company for the year ended June 30, 2024.

OPERATIONAL PERFORMANCE

OPERATING INDICATORS	2024 RUPEES (MILLION)	2023 RUPEES (MILLION)
Sales	2,717.223	2,446.716
Gross Profit	76.678	136.665
Finance Cost	(105.055)	(89,619)
Net Profit/(Loss)	1.467	(34.251)

During the year under review, Anjum Textile Mills (Private) Limited was able to sustain its growth momentum despite challenging & uncertain market conditions, rising raw material & fuel costs and higher interest rates, which have negatively impacted the economy. We remained focused on key business value drivers, optimizing and controlling costs, ensuring continuous and uninterrupted supply of products to customers. We are confident that our existing business trend will continue adding to sustainable growth to achieve better results during the upcoming years.

The board of directors are playing their vital role in reviving business operations of the company effectively.

AUDITORS

The auditors M/s Zahid Jamil & Co., Chartered Accountants, stand retired and being eligible, offer themselves for re-appointment for the next financial year ending on June 30, 2025.

ACKNOWLEDGEMENT

The directors wish to express their gratitude to our valued clients and bankers for the co – operation extended by them during the course of business activities. The directors wish to place on record their appreciation for the hard work and devoted services demonstrated by the staff members and the workers of the company.

For and on behalf of the Board

Chief Executive **Director**

Faisalabad
September 20, 2024

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the annexed financial statements of **ANJUM TEXTILE MILLS (PVT.) LTD. (the *Company*)**, which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit 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 Auditors' Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditors' Report thereon

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

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

ZJC

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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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Zahid Jamil & Co.

Chartered Accountants
Place: Faisalabad
Date: September 23, 2024

UDIN NO. AR202410438ARE9sie8z

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ANJUM TEXTILE MILLS (PVT.) LTD.
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	NOTES	2024 RUPEES	2023 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	2,248,608,628	831,577,311
Right-of-use assets	5	7,507,850	15,976,946
Long term deposits	6	6,241,150	6,241,150
		2,262,357,628	853,795,407
CURRENT ASSETS			
Stores spares & loose tools	7	77,663,989	55,672,814
Stock in trade	8	309,161,762	315,100,303
Trade debts	9	2,067,469	1,243,693
Loans and advances	10	38,236,506	36,030,395
Deposits and prepayments	11	21,313,660	2,811,626
Tax refunds due from the Government	12	35,450,333	20,355,113
Cash and bank balances	13	82,261,823	94,186,667
		566,155,542	525,400,611
		2,828,513,170	1,379,196,018
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
2,000,000 (2023: 2,000,000) Ordinary shares of Rs. 100/- each		200,000,000	200,000,000
Issued, subscribed & paid up	14	200,000,000	200,000,000
Capital reserves			
Surplus on revaluation of operating fixed assets	15	1,278,799,581	278,848,821
Revenue reserves			
Unappropriated profit		362,867,947	352,172,070
		1,841,667,528	831,020,891
NON CURRENT LIABILITIES			
Long term financing	16	37,440,952	49,456,029
Lease liabilities	17	-	1,587,623
Deferred liabilities	18	462,618,860	147,224,353
		500,059,812	198,268,005
CURRENT LIABILITIES			
Trade and other payables	19	128,033,452	118,514,209
Mark-up accrued on loans	20	24,684,566	18,612,063
Short term financing	21	319,431,269	194,872,706
Current portion of non current liabilities	22	14,636,543	17,908,144
		486,785,830	349,907,122
CONTINGENCIES & COMMITMENTS	23	-	-
		2,828,513,170	1,379,196,018

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LTD.
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024 RUPEES	2023 RUPEES
Sales	24	2,717,223,226	2,446,715,929
Cost of sales	25	2,640,545,129	2,310,051,388
Gross profit		76,678,097	136,664,541
Operating expenses			
Administrative	26	69,275,333	74,085,289
Operating profit		7,402,764	62,579,252
Other income	27	3,854,982	9,396,957
Other charges			
Finance cost	28	105,054,736	89,619,416
Workers' welfare fund		-	246,578
		105,054,736	89,865,994
Loss before income tax, minimum tax and deferred tax		(93,796,990)	(17,889,785)
Minimum Tax	29	34,061,557	30,662,791
Deferred Tax	18:1	(129,325,754)	(14,301,517)
		(95,264,197)	16,361,274
Profit / (loss) before income tax		1,467,207	(34,251,059)
Income Tax		-	-
Net Profit / (loss) for the year		1,467,207	(34,251,059)

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LTD.
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	NOTE	2024 RUPEES	2023 RUPEES
Net Profit / (loss) for the year		1,467,207	(34,251,059)
Other comprehensive profit / (loss)			
Surplus on revaluation of property plant and equipment-net of tax		1,016,833,814	
Remeasurement loss of defined benefit liability-net of tax		(7,654,384)	(98,083)
Total comprehensive Profit / (loss) for the year		1,010,646,637	(34,349,142)

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

PARTICULARS	SHARE CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	TOTAL
		REVALUATION SURPLUS ON OPERATING FIXED ASSETS	UN-APPROPRIATED PROFIT	
	Rupees			
Balances as on July 01, 2022	200,000,000	295,741,199	369,628,834	**865,370,033**
Net loss for the year	-	-	(34,251,059)	**(34,251,059)**
Other comprehensive loss for the year - net of tax	-	-	(98,083)	**(98,083)**
Total comprehensive loss for the year	-	-	(34,349,142)	(34,349,142)
Transfer to unappropriated profit in respect of incremental depreciation for the year - net of tax	-	(16,892,378)	16,892,378	-
	-	(16,892,378)	16,892,378	-
Balances as on June 30, 2023	200,000,000	278,848,821	352,172,070	**831,020,891**
Net profit for the year	-	-	1,467,207	**1,467,207**
Other comprehensive profit for the year - net of tax	-	1,016,833,814	(7,654,384)	**1,009,179,430**
Total comprehensive profit 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 tax	-	(16,883,054)	16,883,054	-
	-	(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**

The annexed notes from 1 to 37 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LTD.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2024

	NOTES	2024 RUPEES	2023 RUPEES
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(93,796,990)	(17,889,785)
Adjustments of non cash / non operating items			
Depreciation	4.1.1	66,208,065	69,087,859
Depreciation on right of use assets	5	3,105,333	3,994,236
Finance cost	28	105,054,736	89,619,416
Staff retirement benefits - gratuity	18.2.2	24,514,857	27,917,497
Workers' welfare fund	19.2	-	246,578
Gain on sale of operating fixed assets		-	(8,011,539)
		198,882,991	182,854,047
Operating profit before working capital changes		105,086,001	164,964,262
Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		(21,991,175)	(10,953,387)
Stock in trade		5,938,541	283,837,681
Trade debts		(823,776)	(1,184,643)
Loans and advances		(2,206,111)	(21,724,988)
Deposits and prepayments		(18,502,034)	202,871
(Decrease) / increase in current liabilities			
Trade and other payables		13,443,618	(38,148,503)
		(24,140,937)	212,029,031
Cash generated from operations		80,945,065	376,993,293
Taxes paid		(49,156,778)	(4,632,628)
Workers' profit participation fund paid		-	(10,327,302)
Workers' welfare fund paid	19.2	(3,924,375)	-
Staff retirement benefits - gratuity paid	18.2.1	(2,775,468)	(23,628,134)
Finance cost paid		(98,982,233)	(89,289,458)
		(154,838,854)	(127,877,522)
Net cash (used in) / generated from operating activities		(73,893,788)	249,115,771
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of operating fixed assets		(12,141,112)	(25,857,506)
Capital work in progress	4.2	(33,574,205)	(11,613,135)
Proceeds from sale of operating fixed assets	4.1.2	-	14,905,000
Net cash used in investing activities		(45,715,317)	(22,565,641)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Short term financings		124,558,563	(150,204,780)
Lease liabilities	17.1	(4,823,824)	(4,409,591)
Long term financings	16.4	(12,050,477)	(14,936,692)
Net cash generated / (used in) from financing activities		107,684,262	(169,551,063)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(11,924,843)	56,999,067
Cash and cash equivalents at the beginning of the year		94,186,667	37,187,600
Cash and cash equivalents at the end of the year	13.1	82,261,823	94,186,667

The annexed notes from 1 to 37 form an integral part of these financial statements.

Mustajab Siddiqi
CHIEF EXECUTIVE

DIRECTOR

ANJUM TEXTILE MILLS (PVT.) LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. STATUS AND ACTIVITIES

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

2. BASIS OF PREPERATION

2.1. Basis of measurement

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

2.2. Statement of compliance

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

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

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

2.3. Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is functional and presentational currency of the

2.4. Critical accounting estimates and judgments

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

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

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

Recognition and measurement of provisions and contingencies - Note 23

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

Provisions for stores and spares -Note 3.15 and 7.

Provisions for stock in trade - Note 3.8 and 8.

Impairment of financial assets and non financial assets other than inventories - Note 3.2 and 3.19 (iv)

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

3. SUMMARY OF MATERIAL POLICY INFORMATION

3.1. Changes in accounting standards and interpretations

3.1.1. 'New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
'Amendments to IAS 1 'Presentation of Financial Statements' -Disclosure of accounting policy	January 1, 2023
'Amendments to IAS 8 'Accounting Policies, Changes in Accounting -Estimates and Errors' - Definition of accounting estimates	January 1, 2023
These financial statements have been authorized for issue by the Board of -Assets and liabilities arising from a single transaction	January 1, 2023

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

	Effective from accounting period beginning on or after:
'Amendments to IAS 1 'Presentation of Financial Statements' -Classification of liabilities as current or non-current	January 1, 2024
'Amendments to IAS 7 -Statement of cash flows	January 1, 2024
'Amendments to IFRS 16 Leases -SALE and leaseback transaction	January 1, 2024
'Amendments to IAS 21 -The effect of changes in foreign exchange rates	January 1, 2025
'Amendments to IFRS 7 -Financial instruments : Disclosures	January 1, 2026
'Amendments to IFRS 17 -Insurance Contracts'	January 1, 2026
'Amendments to IFRS 9 -Financial instruments -Classification and measurement of financial instruments	January 1, 2026

3.2. Property, plant and equipment

Owned

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

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

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.

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

Capital work in progress

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

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

Depreciation

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

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

De-recognition

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

Impairment

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

3.3. Lease Liabilities

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

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

3.4. Borrowing costs

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

3.5. Trade debts

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

3.6. Other receivables

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

3.7. Allowance for Expected Credit Losses (ECL)

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

3.8. Stock in trade

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

Cost is determined on the following basis :-

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

3.9. Cash and cash equivalents

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

3.10. Trade & other payables

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

3.11. Staff retirement benefit

Gratuity

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

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

3.12. Provisions

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

3.13. Taxation

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

Deferred

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

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

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

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

3.14. Revenue recognition

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

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

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

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

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

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

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

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

Sales of goods

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

Presentation and disclosure requirements

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

3.15. Store and spares

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

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

3.16. Related party transactions

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

3.17. Foreign currency transactions

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

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

3.18. Borrowings

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

3.19. IFRS 9 Financial instruments

Financial instruments: assets

i) Classification & measurement of Financial Instrument

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

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

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

Financial assets at amortized cost

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

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

Financial assets at FVTOCI

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

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

ii) Initial Recognition

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

iii) Subsequent Measurement

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

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

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

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

iv) Impairment of Financial Assets

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

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

-lease receivables; and

-loan commitments and financial guarantee contracts issued.

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

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

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

Financial instruments: liabilities

i) Initial Recognition and Measurement

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

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

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

ii) Subsequent Measurement

Financial liabilities are subsequently measured at amortized cost.

iii) Derecognition

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

3.20. Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.21. Contingent assets

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

	NOTE	2024 RUPEES	2023 RUPEES

4. Property, plant and equipment

Operating fixed assets	4.1	2,234,875,041	821,087,037
Capital work in progress	4.2	13,733,587	10,490,274
		2,248,608,628	831,577,311

4.1. Operating fixed assets

2024

Particulars	Cost: As at 01 July 2023	Cost: Additions	Cost: Deletions	Cost: Revaluation Surplus / Transfer From Leased	Cost: As at 30 June 2024	Rate (%)	Depreciation: As at 01 July 2023	Depreciation: For the year	Depreciation: Adjustment	Depreciation: As at 30 June 2024	Net book value as at 30 June 2024
Freehold land					--------------Rupees-----------						
- Cost	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	-	-	10,089,999	53,539,216	20	22,912,125	4,197,474	4,726,236	31,835,835	21,703,381
	1,213,005,096	42,472,004	-	725,737,186	2,276,973,786		391,918,059	66,208,065	(416,027,379)	42,098,745	2,234,875,041

2023

Particulars	Cost: As at 01 July 2022	Cost: Additions	Cost: Deletions	Cost: As at 30 June 2023	Rate (%)	Depreciation: As at 01 July 2022	Depreciation: For the year	Depreciation: Adjustment	Depreciation: As at 30 June 2023	Net book value as at 30 June 2023
Freehold land				--------------Rupees-----------						
- Cost	109,390,500	-	-	109,390,500		-	-	-	-	109,390,500
Buildings on freehold land	263,277,833	4,130,041	-	267,407,874	5	49,854,710	10,842,473	-	60,697,183	206,710,691
Plant and machinery	610,750,000	-	-	610,750,000	10	223,394,028	38,735,597	-	262,129,625	348,620,375
Electric installations and appliances	161,131,068	7,887,584	-	169,018,652	10	27,313,493	13,725,695	-	41,039,188	127,979,464
Factory equipment	488,725	920,565	-	1,409,290	10	380,722	96,551	-	477,273	932,017
Furniture and fixtures	4,797,423	1,771,556	-	6,568,979	10	1,561,772	331,254	-	1,893,026	4,675,953
Office equipment	1,809,022	758,420	-	2,567,442	10	719,402	179,609	-	899,011	1,668,431
Computers	2,377,442	65,700	-	2,443,142	30	1,626,562	244,066	-	1,870,628	572,514
Vehicles	43,410,400	13,921,640	(13,882,823)	43,449,217	20	24,968,873	4,932,614	(6,989,362)	22,912,125	20,537,092
	1,197,432,413	29,455,506	(13,882,823)	1,213,005,096		329,819,562	69,087,859	(6,989,362)	391,918,059	821,087,037

	NOTE	2024 RUPEES	2023 RUPEES

4.1.1. Depreciation for the year has been allocated as follows;

Cost of goods manufactured	25.1	60,556,988	63,400,316
Administrative	26	5,651,077	5,687,543
		66,208,065	69,087,859

4.1.2. Forced Sales Value (FSV) of freehold land and buildings was Rs. 700.933 million, plant and machinery and electric installations and appliances was Rs. 1101.500 million as per last revaluation date.

4.1.3. 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, 2024 would have been as follows:

Year	2024			2023		
Particulars	Cost	Accumulated depreciation	WDV	Cost	Accumulated depreciation	WDV
Freehold	--Rupees--					
Land	11,806,287	-	11,806,287	11,806,287	-	11,806,287
Building	270,649,594	118,396,222	152,253,372	240,318,702	111,837,730	128,480,972
Plant and machinery	650,265,508	480,642,909	169,622,600	650,265,508	461,795,953	188,469,555
Electric installation and appliances	185,563,063	82,479,160	103,083,903	182,365,668	71,307,930	111,057,738
Total	**1,118,284,452**	**681,518,290**	**436,766,162**	**1,084,756,165**	**644,941,613**	**439,814,552**

	NOTE	2024 RUPEES	2023 RUPEES
4.2. Capital work in progress			
Building:			
Balance as at July 01,		10,490,274	2,475,139
Additions during the year		33,574,205	11,613,135
Capitalized during the year		(30,330,892)	(3,598,000)
Balance as at June 30,		13,733,587	10,490,274
5. Right-of-use Assets			
Vehicles:			
Cost			
Balance as at July 01,		23,124,461	23,124,461
Addition during the year		-	-
Transfer during the year to owned assets		(10,089,999)	-
Balance as at June 30,		13,034,462	23,124,461
Accumulated depreciation			
Balance as at July 01,		7,147,515	3,153,279
Charge during the year at the rate of 20%	5.1	3,105,333	3,994,236
Transfer adjustment to owned assets		(4,726,236)	-
Balance as at June 30,		5,526,612	7,147,515
Total		7,507,850	15,976,946

5.1. The depreciation is charged to administrative expenses.

6. Long term deposits

		2024	2023
Considered good			
Securities			
Electricity deposit		6,192,510	6,192,510
Telephone and mobiles		21,400	21,400
WASA		27,240	27,240
		6,241,150	6,241,150

7. Stores spares & loose tools

		2024	2023
Stores		24,059,194	18,987,610
Spares		45,636,057	26,868,499
Loose tools		4,578,275	4,301,951
Packing material		3,390,463	5,514,754
		77,663,989	55,672,814

7.1. Most of the items of stores, spares and loose tools are of interchangable 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	2024 RUPEES	2023 RUPEES
8. Stock in trade			
Raw material		226,463,949	262,193,225
Work in process		28,763,294	26,186,806
Finished goods	8.1	53,934,519	26,720,272
		309,161,762	315,100,303

8.1. Finished goods comprising of fabric amounting to Rs. 159,258/- (2023: Rs. 490,235/-) are at net realizable value.

8.2. Stock in trade amounting to Rs.290.610 million (2023: Rs. 224.547 million) at ruling market rates was pledged as security with the banks.

	NOTE	2024 RUPEES	2023 RUPEES
9. Trade debts			
Considered good			
Local - unsecured		2,067,469	1,243,693
10. Loans and advances			
Advances			
Staff	10.1		
Against salary		9,466,369	6,774,202
Against expenses		9,773,592	6,245,567
Supplies & services		18,996,545	8,857,610
Letter of credit		-	14,153,016
		38,236,506	36,030,395

10.1. The amount is interest free and maximum amount outstanding in respect of advances to key management personnel in any month was Rs.9,654,410/- (2023: Rs.6,985,235/-).

	NOTE	2024 RUPEES	2023 RUPEES
11. Deposits and prepayments			
Deposits			
Against fuel		150,000	150,000
Prepayments			
Bank guarantee commission		151,164	240,591
Insurance		826,614	2,072,575
Utilities		20,185,882	348,460
		21,313,660	2,811,626
12. Tax refunds due from the Government			
Income tax		14,966,914	12,934,746
Sales tax		20,483,419	7,420,367
		35,450,333	20,355,113
13. Cash and bank balances			
Cash in hand		39,574,332	39,116,310
Cash with banks			
- in current accounts		42,687,491	55,070,357
		82,261,823	94,186,667

13.1. Cash and cash equivalents

Cash, cash equivalents include the following for the purpose of cash flow statement:

		2024 RUPEES	2023 RUPEES
Cash and bank balances		82,261,823	94,186,667

14. Issued, subscribed and paid up share capital

2024	2023		2024	2023
(Number of shares)			(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
2,000,000	2,000,000		200,000,000	200,000,000

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

	NOTE	2024 RUPEES	2023 RUPEES
15. Surplus on revaluation of operating fixed assets			
Balance as at July 01,		352,886,478	376,678,560
Transferred to other comprehensive income on account of Surplus created during the year		1,432,160,302	-
Transferred to unappropriated profit on account of Incremental depreciation for the year		(23,778,949)	(23,792,082)
		1,408,381,353	(23,792,082)
		1,761,267,831	352,886,478
Less: Related deferred tax liability			
Balance as at July 01,		74,037,657	80,937,361
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		(6,895,895)	(6,899,704)
		482,468,250	74,037,657
Balance as at June 30,		1,278,799,581	278,848,821

15.1. It represents surplus on revaluation of freehold land, building thereon, plant and machinery and electric installation and appliances on present market values basis that was carried out by an independent valuer M/S Arch Lattice amounting Rs. 1,432,160,302/- as at June 23, 2024.

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	2024 RUPEES	2023 RUPEES
16. Long term financing			
Secured - Under mark-up arrangements			
From banking companies			
National Bank of Pakistan-Solar Energy Refinance	16.1	36,888,885	47,555,553
From leasing companies			
OLP Financial Services Pakistan Ltd-Toyota Land Cruiser	16.2	552,067	1,900,476
	16.3 , 16.4	37,440,952	49,456,029

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. (2023: 6% p.a.) through National Bank of Pakistan.

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

16.3. These loans are secured by personal guarantees of all the directors, documents of title to goods drawn under LCs and trust receipt to be executed by the company.

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

	NOTE	2024	2023
Balance as at July 01,		62,540,697	77,138,397
Obtained during the year		-	5,000,000
Paid / adjusted during the year		(12,050,477)	(19,597,700)
		50,490,220	62,540,697
Payable within one year	22	(13,049,268)	(13,084,668)
Balance as at June 30,	16.5	37,440,952	49,456,029

16.5. Reclassification note # 35 has been included at the end of the notes to the financial statements.

	NOTE	2024 RUPEES	2023 RUPEES
17. Lease Liabilities			
Finance lease (Toyota Land Cruiser AGA-950)	17.3	-	1,587,623
	17.1 , 17.2	-	1,587,623

17.1 Lease Liabilities

	NOTE	2024	2023
Balance as at July 01,		6,411,099	10,820,690
Obtained during the year		-	-
Accrued interest during the year		1,135,585	1,974,281
		7,546,684	12,794,971
Paid during the year		(5,959,409)	(6,383,872)
		1,587,275	6,411,099
Current portion shown under current liabilities	22	(1,587,275)	(4,823,476)
		-	1,587,623

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

Particluars	2024 (Rupees)			2023 (Rupees)		
	Minimum lease payments	Finance cost of future periods	Present value of minimum lease payments	Minimum lease payments	Finance cost of future periods	Present value of minimum lease payments
Payable within one year	1,758,997	171,722	1,587,275	5,958,768	1,135,292	4,823,476
Payable after one year but not more than five years	-	-	-	1,759,454	171,831	1,587,623
Total	**1,758,997**	**171,722**	**1,587,275**	**7,718,222**	**1,307,123**	**6,411,099**

17.3 It represents amount obtained against vehicle under finance lease liability. The purchase option is available to the company on payment of last installment and surrender of deposit paid under the agreement. The liability represents total minimum lease payments discounted at the rate of 3 month KIBOR + 5.75% (2023: 3 month KIBOR + 5.75%). There is no major restriction imposed by leasing company.

	NOTE	2024 RUPEES	2023 RUPEES
18. Deferred liabilities			
Deferred taxation	18.1	367,791,422	84,917,126
Staff retirement benefits - gratuity	18.2	94,827,438	62,307,227
		462,618,860	147,224,353

18.1. Deferred taxation

	NOTE	2024	2023
Deferred tax			
Balance as at July 01,		84,917,126	99,258,705
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		(129,325,754)	(14,301,517)
Statement of comprehensive income			
Staff retirement benefit		(3,126,438)	(40,062)
Balance as at June 30,	18.1.1	367,791,422	84,917,126

	NOTE	2024 RUPEES	2023 RUPEES
18.1.1. Deferred tax liability			
Accelerated tax depreciation		477,324,129	156,889,809
Right of use asset		2,177,277	4,633,314
		479,501,406	161,523,123
Deferred tax assets			
Provision for gratuity		(27,499,957)	(18,069,096)
Lease liability		(460,310)	(1,859,219)
Excess of minimum tax liability over normal tax liabilty		(68,772,686)	(50,377,242)
Excess of alternate corporate tax over minimum tax liability		(3,369,297)	(3,369,297)
Carried forward losses		(11,607,734)	(2,931,143)
		(111,709,984)	(76,605,997)
Net deferred tax liability		367,791,422	84,917,126
Deferred tax liability recognized		367,791,422	84,917,126
18.2. Staff retirement benefits - gratuity			
Amount recognized in the SOFP			
Present value of defined benefit obligation	18.2.1	94,827,438	62,307,227
18.2.1. Present value of defined benefit obligation			
Present value of defined benefit obligation		62,307,227	57,879,719
Current service cost		13,545,355	12,590,329
Past service cost		1,070,084	9,223,469
Interest cost on defined benefit obligation		9,899,418	6,103,699
Benefits paid		(2,775,468)	(23,628,134)
Remeasurement loss on obligation		10,780,822	138,145
		94,827,438	62,307,227
18.2.2. Expenses to be charged to P&L			
Current service cost		13,545,355	12,590,329
Past service cost		1,070,084	9,223,469
Interest cost on defined benefit obligation		9,899,418	6,103,699
		24,514,857	27,917,497
18.2.3. Total remeasurements chargeable in other comprehensive income			
Remeasurements:			
Actuarial loss from changes in demographic assumptions		-	615,689
Actuarial loss from changes in financial assumptions		5,716,642	103,060
Experience adjustments		5,064,180	(580,604)
		10,780,822	138,145
18.2.4. Changes in net liability			
Statement of financial position liability		62,307,227	57,879,719
Expense chargeable to P&L		24,514,857	27,917,497
Remeasurements gain chargeable in other comprehensive income		10,780,822	138,145
Benefits due but not paid		-	-
Benefits paid		(2,775,468)	(23,628,134)
		94,827,438	62,307,227
18.2.5. Significant actuarial assumptions			
Discount rate		14.75% p.a.	16.25% p.a.
Expected rate of increase in salary		14.75% for next 1 year as per company's expectation & 14.75% p.a. thereafter in future.	15.25% for next 1 year as per company's expectation & 15.25% p.a. thereafter in future.
Average expected remaining working life time of employees		6 years	6 years

18.2.6. Change in Assumptions

The discount rate used in the last actuarial valuation as on 30.06.2023 was 16.25%. However, in the current investment environment, where there is a downward trend in the interest rate structure, the discount rate has been decreased to 14.75%, 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 14.75% from 15.25%.

18.2.7. Year end sensitivity analysis (+ 100 bps) on defined benefit obligation

Discount rate + 100 bps	89,087,364	58,663,765
Discount rate - 100 bps	101,324,892	66,412,090
Salary increase + 100 bps	101,265,155	66,412,090
Salary increase - 100 bps	89,039,917	58,603,687

The average duration of the defined benefit obligation is 6 years.

18.2.8. Expected Benefit payments for the Next 10 years and Beyond

1	FY 2025	17,425,022
2	FY 2026	15,083,917
3	FY 2027	15,430,416
4	FY 2028	12,918,245
5	FY 2029	14,571,816
6	FY 2030	15,372,216
7	FY 2031	21,054,927
8	FY 2032	27,173,729
9	FY 2033	14,421,322
10	FY 2034	26,878,428
11	FY 2035 and onwards	1,237,237,291
12	The average duration for the defined bebefit obligation is:	6 years

18.2.9. Expected payment to the obligation for next year is Rs. 17,425,022/-

19. Trade and other payables	**NOTE**	**2024 RUPEES**	**2023 RUPEES**
Creditors		3,518,761	4,014,337
Advances from customers	19.1	22,882,099	14,503,824
Accrued charges		75,029,325	74,642,996
Income tax payable		979,000	-
Sales tax payable		23,789,306	19,593,716
Workers welfare fund payable	19.2	1,834,961	5,759,336
		128,033,452	118,514,209

19.1. Advances from customers aggregating Rs.14,003,824/- for preceding years (2023: Rs. 105,798,802/-) has been recognised as Revenue.

19.2. Workers' welfare fund

Balance as at July 01,		5,759,336	5,512,758
Charge for the year		-	246,578
		5,759,336	5,759,336
Paid during the year		(189,264)	-
Adjusted during the year	19.2.1	(3,735,111)	-
Balance as at June 30,		1,834,961	5,759,336

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

	NOTE	2024 RUPEES	2023 RUPEES
20. Mark-up accrued on loans			
Long term financings		729,205	578,380
Short term financings		23,955,361	18,033,683
		24,684,566	18,612,063

21. Short term financing

	NOTE	2024 RUPEES	2023 RUPEES
Secured			
From banking companies			
Under mark-up arrangements Limit			
Cash finance (Pledge) 750 M (2023: 750 M)	21.1	252,007,317	194,872,706
Cash finance (Hypo) 70 M (2023: 70 M)	21.2	67,423,952	-
	21.3 , 21.4	319,431,269	194,872,706

21.1 These carry mark-up at the rate of 1 month KIBOR + 1.75% (2023: 1 month KIBOR + 1.75%) for Bank Alfalah Limited, 3 months KIBOR + 1.75% (2023: 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. 497.992 millions (2023: Rs. 555.127 millions)

21.2 These carry mark-up at the rate of 1 month KIBOR + 2% (2023: 1 month KIBOR + 2%) for Bank Alfalah Limited and 3 months KIBOR + 2% (2023: 3 months KIBOR + 2%) for National Bank of Pakistan. Unavailed limit as at June 30, Rs. 2.576 millions (2023: Rs.70 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 financings is as follows:

	NOTE	2024 RUPEES	2023 RUPEES
Balance as at July 01,		194,872,706	345,077,486
Obtained during the year		2,787,239,908	2,630,316,924
		2,982,112,614	2,975,394,410
Paid / adjusted during the year		(2,662,681,345)	(2,780,521,704)
Balance as at June 30,		319,431,269	194,872,706

22. Current portion of non current liabilities

	NOTE	2024 RUPEES	2023 RUPEES
Long term financing	16.4	13,049,268	13,084,668
Liabilities against assets subject to finance lease	17.1	1,587,275	4,823,476
	22.1	14,636,543	17,908,144

22.1. Reclassification note # 35 has been included at the end of the notes to the financial statements.

23. Contingencies & commitments

23.1. Contingencies

		2024	2023
a.	Bank guarantee - SNGPL	16,622,600	16,622,600
b.	Bank guarantee - FESCO	3,567,000	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 Sui Northern Gas Pipelines Ltd. (SNGPL) against the alleged demand of arrears of gas bill on three months average basis of Rs. 9,563,011/- for the month of January, 2017 during which the installed gas meter did not record reading as a result of malfunction. The company has challenged the whole demand raised as hypothetically high and without taking consideration of winter gas disruptions and consumption of WAPDA power source. The company deposited an amount of Rs. 8,574,071/- under protest against the said demand in the preceding years and charged as an expense during the year 2017. The decision of the review committee of SNGPL was not in favor of the company, and it filed appeal before OGRA, Lahore. On December 29, 2017, OGRA, Lahore decided in favor of the company on the ground that the demand for arrears by SNGPL was not justified. On March 07, 2018, SNGPL filed an appeal before OGRA, Islamabad against the order issued in favor of the company. OGRA Islamabad conducted hearing on January 31, 2024 and upheld the decision of OGRA Lahore through order dated February 19, 2024. SNGPL filed a review petition against the decision of OGRA Islamabad on March 15, 2024. The company has submitted its detailed reply against this petition on April 04, 2024 as required by OGRA Islamabad and decision is still awaited. The remaining amount is not provided for in these financial statements.

e. 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 alongwith 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.

	NOTE	2024 RUPEES	2023 RUPEES
23.2. Commitments			
Letter of credit		-	4,721,860

24. Sales

	NOTE	2024 RUPEES	2023 RUPEES
Local			
-Yarn		3,178,371,664	2,857,256,797
-Waste		27,223,297	20,231,524
Less : Sales Tax		(484,525,383)	(425,850,458)
		2,721,069,578	2,451,637,863
Less : Commission		(3,846,352)	(4,921,934)
		2,717,223,226	2,446,715,929

25. Cost of sales

	NOTE	2024 RUPEES	2023 RUPEES
Cost of goods manufactured	25.1	2,667,759,376	2,193,188,737
Finished goods			
Opening stock		26,720,272	143,582,923
Closing stock	25.1.5	(53,934,519)	(26,720,272)
		(27,214,247)	116,862,651
Cost of sales		2,640,545,129	2,310,051,388

25.1. Cost of goods manufactured

	NOTE	2024 RUPEES	2023 RUPEES
Raw material consumed	25.1.1	1,737,292,620	1,566,627,970
Packing material consumed	25.1.2	25,806,739	22,212,785
Stores spares & loose tools consumed	25.1.3	30,258,844	34,479,777
Fuel and power		620,119,105	324,188,427
Salaries, wages & benefits	25.1.4	189,985,697	180,765,393
Repair & maintenance		573,820	1,719,771
Insurance		4,541,081	5,140,033
Depreciation	4.1.1	60,556,988	63,400,316
Other materials, services & overheads		1,200,970	948,500
		2,670,335,864	2,199,482,972
Work in process			
Opening stock		26,186,806	19,892,571
Closing stock		(28,763,294)	(26,186,806)
		(2,576,488)	(6,294,235)
Cost of goods manufactured		2,667,759,376	2,193,188,737

25.1.1. Raw material consumed

	2024 RUPEES	2023 RUPEES
Purchases include direct expenses		
Cotton	1,008,480,749	797,266,047
Polyester	693,082,595	596,092,658
	1,701,563,344	1,393,358,705
Stock		
Opening	262,193,225	435,462,490
Closing	(226,463,949)	(262,193,225)
	35,729,276	173,269,265
	1,737,292,620	1,566,627,970

25.1.2. Packing material consumed

	2024 RUPEES	2023 RUPEES
Purchases include direct expenses	23,682,448	24,309,320
Stock		
Opening	5,514,754	3,418,219
Closing	(3,390,463)	(5,514,754)
	2,124,291	(2,096,535)
	25,806,739	22,212,785

25.1.3. Stores spares & loose tools consumed

	2024 RUPEES	2023 RUPEES
Purchases include direct expenses	54,374,310	45,648,303
Stock		
Opening	50,158,060	41,301,208
Closing	(74,273,526)	(50,158,060)
	(24,115,466)	(8,856,852)
	30,258,844	36,791,451
Capitalized during the year	-	(2,311,674)
	30,258,844	34,479,777

25.1.4. It includes provision for staff retirement benefits-gratuity amounting to Rs.22,063,371/-(2023: Rs.17,475,747/-).

25.1.5. It includes an amount of Rs 330,977/- (2023: Rs. 99,435/-) in respect of write down of inventories to net realizable value.

	NOTE	2024 RUPEES	2023 RUPEES

26. Administrative

	NOTE	2024 RUPEES	2023 RUPEES
Directors' remuneration	26.1	21,000,000	18,900,000
Salaries & benefits	26.2	22,688,007	28,729,269
Communications		536,568	529,250
Electricity		1,190,374	1,083,341
Insurance		1,627,829	1,517,250
Printing and stationery		251,588	245,299
Vehicle running and maintenance		3,088,841	3,944,947
Repair and maintenance		569,129	404,840
Staff travelling		183,122	201,448
Entertainment		1,012,257	985,512
Rent, rates & taxes		3,956,562	3,265,821
Newspaper & periodicals		-	1,020
Auditors' remuneration	26.3	800,000	800,000
Legal & professional		389,310	221,463
Charity & donation	26.4	1,650,000	1,800,000
Depreciation	4.1.1	5,651,077	5,687,543
Depreciation on right of use asset	5	3,105,333	3,994,236
Sales tax expense		1,046,740	404,931
Others		528,596	1,369,119
		69,275,333	74,085,289

26.1. Directors' remuneration

	2024				2023			
	CEO	Director	Executives	Total	CEO	Director	Executives	Total
No. of persons	1	2	6	9	1	2	4	7
	------------- Rupees ------------							
Remuneration for services	10,909,091	8,181,818	14,560,909	33,651,818	9,000,000	8,181,818	11,176,500	28,358,318
Medical allowance	1,090,909	818,182	1,456,091	3,365,182	900,000	818,182	1,117,650	2,835,832
	12,000,000	9,000,000	16,017,000	37,017,000	9,900,000	9,000,000	12,294,150	31,194,150

26.1.2. Executive means an employee whose basic salary exceeds Rs. 1.2 million (2023: Rs. 1.2 million) during the year.

26.2. It includes provision for staff retirement benefits - gratuity amounting to Rs. 2,451,486/- (2023: Rs. 10,441,750/-).

26.3. Auditor's remuneration includes the following:

	NOTE	2024 RUPEES	2023 RUPEES
Statutory audit fee		800,000	800,000

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

27. Other Income

	NOTE	2024 RUPEES	2023 RUPEES
Scrap sale	27.1	3,854,982	1,385,418
Gain on disposal of operating fixed assets		-	8,011,539
		3,854,982	9,396,957

27.1. Scrap sale

	2024 RUPEES	2023 RUPEES
Gross sale	4,548,880	1,626,335
Less: sales tax	(693,898)	(240,917)
	3,854,982	1,385,418

28. Finance cost	NOTE	2024 RUPEES	2023 RUPEES
Bank charges & commission		1,057,433	811,605
Lease finance charges		1,135,585	1,974,281
Mark-up on secured loans			
- on long term financings		4,205,656	4,373,787
- on short term financings		98,656,062	82,459,743
		105,054,736	89,619,416

29. 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"

30. Financial instruments- Fair values and risk management

30.1. Accounting classification

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

	NOTE	2024 RUPEES	2023 RUPEES
Financial assets:			
Financial assets at amortized cost			
Long term deposits		6,241,150	6,241,150
Trade debts		2,067,469	1,243,693
Loans and advances		38,236,506	36,030,395
Deposits and prepayments		21,313,660	2,811,626
Cash and bank balances		82,261,823	94,186,667
		150,120,608	140,513,531
Financial liabilities:			
Financial liabilities at amortized cost			
Long term financing		50,490,220	62,540,697
Lease liabilities		1,587,275	6,411,099
Trade and other payables		128,033,452	118,514,209
Markup accrued on loans		24,684,566	18,612,063
Short term financing		319,431,269	194,872,706
		524,226,782	400,950,774

31 Financial risk management

The company has exposure to the following risks from the use of its financial instruments:
- Credit risk and concentration of credit risk
- Liquidity risk
- Market risk

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

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

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

31.1. Credit risk and concentration of credit risk

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

	2024 RUPEES	2023 RUPEES
Long term deposits	6,241,150	6,241,150
Trade debts	2,067,469	1,243,693
Loans and advances	38,236,506	36,030,395
Deposits and prepayments	21,313,660	2,811,626
Bank balances	42,687,491	55,070,357
	110,546,276	101,397,221

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

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

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

The age of trade debts	2024 (Rupees) Gross debts	2024 (Rupees) Impairment	2023 (Rupees) Gross debts	2023 (Rupees) Impairment
Not past due	-	-	-	-
Past due 0 - 365 days	2,067,469	-	1,243,693	-
More than 365 days	-	-	-	-
	2,067,469	-	**1,243,693**	-

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: Short term	Rating: Long term	Rating agency	2024	2023
				Rupees	
Bank Al-Falah Limited	A-1+	AA+	PACRA	243,948	1,732,700
National Bank of Pakistan	A-1+	AAA	PACRA	5,182,531	47,680,834
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	23,148,516	4,375,568
Meezan Bank Limited	A-1+	AAA	JCR-VIS	2,839,350	1,265,028
Bank AL Habib Limited	A-1+	AAA	PACRA	11,256,919	-
Habib Bank Limited	A-1+	AAA	JCR-VIS	16,227	16,227
		Total		**42,687,491**	**55,070,357**

31.2. Liquidity risk

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

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

Particulars	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	(Rupees)				
June 30, 2024					
Trade and other payables	128,033,452	128,033,452	128,033,452	-	-
Markup accrued on loans	24,684,566	24,684,566	24,684,566	-	-
Short term financings	319,431,269	319,431,269	319,431,269	-	-
Long term financings	50,490,220	50,490,220	13,049,268	37,440,952	-
Lease liabilities	1,587,275	1,587,275	1,587,275	-	-
Total	**524,226,782**	**524,226,782**	**486,785,830**	**37,440,952**	-

Particulars	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	(Rupees)				
June 30, 2023					
Trade and other payables	118,514,209	118,514,209	118,514,209	-	-
Markup accrued on loans	18,612,063	18,612,063	18,612,063	-	-
Short term financings	194,872,706	194,872,706	194,872,706	-	-
Long term financings	62,540,697	62,540,697	13,084,668	49,456,029	-
Lease liabilities	6,411,099	6,411,099	4,823,476	1,587,623	-
Total	**400,950,774**	**400,950,774**	**349,907,122**	**51,043,652**	-

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.

	2024	2023
	----(RUPEES)----	
Financial liabilities		
Fixed rate instruments		
Long term financings - Fixed	47,555,553	58,222,221
Floating rate instruments		
Long term financings - Floating	2,934,667	4,318,476
Short term financings	319,431,269	194,872,706
Lease liabilities	1,587,275	6,411,099
	371,508,764	263,824,502

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	2024	+1%	504,902
		-1%	(504,902)
Fixed-rate instruments	2023	+1%	625,407
		-1%	(625,407)

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	2024	+1%	3,210,185
		-1%	(3,210,185)
Variable-rate instruments	2023	+1%	2,012,838
		-1%	(2,012,838)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The total foreign currency risk exposure on reporting date in respect of LC commitment amounted to Rs. 0 million . (2023: Rs.4.722 million).

(iii) Equity price risk

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

(iv) Other price risk

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

31.4. Determination of fair value

31.4.1 Fair values of financial instrument

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

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

31.4.2 Fair values of non financial instrument

Fair value hierarchy

The different levels have been defined as follows.

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

Details of the Company's revalued assets and information about fair value hierarchy as at June 30, 2024 are as follows:

Particulars	Level 1		Level 2		Level 3	
	2024	2023	2024	2023	2024	2023
	Rupees					
Operating fixed assets						
Freehold						
Land	-	-	405,150,000	109,390,500	-	-
Building	-	-	419,018,555	206,710,691	-	-
Plant and Machinery	-	-	1,154,920,055	348,620,375	-	-
Electric installation and appliances	-	-	218,945,383	127,979,464	-	-
Total	-	-	**2,198,033,993**	**792,701,030**	-	-

31.5. Capital management

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

	2024 RUPEES	2023 RUPEES
Long term financing	50,490,220	62,540,697
Short term financing	319,431,269	194,872,706
Lease liabilities	1,587,275	6,411,099
Total debts	371,508,764	263,824,502
Equity	1,841,728,413	831,020,891
Capital employed	2,213,237,177	1,094,845,393
Gearing ratio	16.79%	24.10%

32. Plant capacity and actual production

	2024	2023
Number of spindles installed	24,888	24,888
Annual Installed capacity (31/s count)	136,605	136,605
Annual Actual production (31/s count)	114,642	99,642
No. of shifts per day	3	3

33. Number of employees

	2024	2023
Total number of employees as at June 30,		
-Head Office	17	17
-Unit employees	335	328
	352	345

	2024	2023
Average number of employees (Head Office) for the year	17	18
Average number of employees (Unit) for the year	340	367

34. Related party transactions

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

Relationship with the Company	Nature of transactions	2024 RUPEES	2023 RUPEES
Key management personnel	Rent expense	2,640,000	2,640,000
	Remuneration due to	1,550,000	1,550,000

35. Reclassification

Account Head	Previous Classification	Current Classification
SOFP (Rs. 1,036,195/-)	Long term financing	Current portion of non current liabilities
SOCF (Rs. 28,017,806)	Tax refunds due from Government	Taxes paid

36. Events after the reporting period

There are no significant activities since June 30, 2024 causing any adjustment or disclosure in these financial statements.

37. General

37.1. Nomenclature

Previous	Current
Stores and spares	Stores,spares & loose tools

37.2. Date of authorization for issue

These financial statements have been authorized for issue by the Board of Directors as on September 20, 2024.

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

CHIEF EXECUTIVE

DIRECTOR