

ANNUAL REPORT

AUDITED

YEAR ENDED

JUNE 30, 2024



YOUSAF WEAVING MILLS
LIMITED

VISION

To achieve for excellence in textile through commitment, integrity, team work and professionalism.

MISSION

The mission of the company is to achieve customer's satisfaction with provision of quality products, attain sustainable profitability and ensure ample return to share holders. The company believes to achieve growth by employing technological improvements with effective utilization of human resources.

YOUSAF WEAVING MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mst. Alia Khanum	(Chairman)
Khawaja Mohammad Nadeem	(Chief Executive)
Khawaja Shahzad Younus	(Director)
Mr. Muhammad Amjad	(Director)
Mr. Shuqran Ahmed Khan	(Director)
Mr. Waseem Baig	(Director)
Mr. Faisal Qaiyum	(Independent Director)
Mr. Abbas Ali	(Independent Director)

AUDIT COMMITTEE

Mr. Faisal Qaiyum	(Chairman)
Mr. Muhammad Amjad	(Member)
Khawaja Shahzad Younus	(Member)

HR & REMUNERATION COMMITTEE

Mr. Faisal Qaiyum	(Chairman)
Mr. Waseem Baig	(Member)
Mr. Shuqran Ahmed Khan	(Member)

COMPANY SECRETARY

Mr. Nadeem Anwar	(ACA)
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CHIEF FINANCIAL OFFICER

Mr. Tahir Tajamal

BANKERS

Habib Metro Bank Limited
National Bank of Pakistan
The Bank of Punjab
Meezan Bank Limited

AUDITORS

Aslam Malik & Co.
Chartered Accountants
Suite # 18-19, 1st Floor,
Central Plaza, Civic Centre,
New Garden Town, Lahore. Pakistan

CORPORATE & REGISTERED OFFICE

7/1-E-3 Main Boulevard Gulberg III, Lahore
Tel : (042) 35717510
Fax : (042) 35755760

SHARE REGISTRARS

Corp link (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel: (042) 35839182
Fax: (042) 35869037

Weaving unit

49-Kilometer
Multan Road, Bhai Pheru
Tel: (04943) 540083-4

Spinning unit

7-Kilometer
Multan Road, Pattoki
Tel: (04943) 540083-4



YOUSAF WEAVING MILLS LIMITED

7/1 E-3, Main Boulevard, Gulberg III, Lahore

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of members of YOUSAF WEAVING MILLS LIMITED (the "Company") will be held at the Registered Office of the Company situated at 7/1 E-3, Main Boulevard, Gulberg III, Lahore on Monday, October 28, 2024 at 11:00 a.m. to transact the following business :-

ORDINARY BUSINESS:

1. To confirm the minutes of last AGM held on October 27, 2023.
2. To receive and adopt the audited accounts of the Company for the year ended June 30, 2024, together with the reports of Directors and Auditor's report thereon.
3. To appoint auditors for the year ending June 30, 2025 and to fix their remuneration.
4. To transact any other business which may be brought forward with the permission of the Chair.

Lahore:

October 07, 2024

NADEEM ANWAR

Company Secretary

NOTES:

1. The share transfer books for ordinary shares of the Company will be closed from 21-10-2024 to 28-10-2024 (both days inclusive). Valid transfer(s) received in order by our Share Registrar, Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore by the closure of business on October 20, 2024 will be in treated in time. The same or any change in address, if any, alongside valid copy of CNIC for filing annual return of Company be sent to our share registrar M/s. Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: 042-35839182.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as proxy. Proxies, in order to be effective, must be received at the Company's registered office not less than forty eight (48) hours before the time of meeting. Members through CDC appointing proxies must attach attested copy of their Computerized National Identity Card (CNIC) or Passport with the proxy form.
3. The shareholders through CDC, who wish to attend the Annual General Meeting, are requested to please bring, original CNIC. CDC account holder will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
4. In case of corporate entity, certified copy of the board of directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.
5. The Company has previously discharged responsibility under Section 244 of the Companies Act, 2017 in respect of un-claimed dividends, where by the Company approached shareholders to claim their un-claimed dividends in accordance with the law. Any Shareholder whose dividends are still unclaimed, are hereby once again requested to approach the Company with all necessary details immediately, to claim their outstanding dividend amounts. In case no claim is received, the Company shall proceed in accordance with the applicable law.
6. The financial statements for the year ended June 30, 2024 shall be uploaded on the Company's website www.yousafweavingmills.com twenty one days prior to the date of holding of annual general meeting.
7. Pursuant to SECP Notification S.R.O. 787(I)/2014 dated September 8, 2014, members may inform the Company to receive the Audited Financial Statements and notices through e-mail by submitting Standard Request Form available on Company's website.
8. If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.
9. Members are requested to promptly notify the Company of any change in their registered address.
10. Members are requested to please observe covid safety measures as issued by the Government of Pakistan.
11. The shareholders having physical shares are encouraged to place their physical shares into electronic form as Section 72(2) of the Companies Act, 2017 states that "Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act". Conversion of physical shares into Book-Entry Form would facilitate the shareholders in many ways i.e. safe custody of shares, readily available market for instant sale and purchase of shares, eliminate risk of loss & damage, easy and safe transfer with lesser formalities as compared to physical shares. The shareholders of the Company may contact Share Registrar of the Company for assistance in conversion of physical shares into Book-Entry Form.

یوسف و یونگ ملز لمیٹڈ

E-3، 7/1، مین بلیوارڈ، گلبرگ III، لاہور



سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ یوسف و یونگ ملز لمیٹڈ کے ارکان کا 37 واں سالانہ اجلاس عام کمپنی کے رجسٹرڈ دفتر واقع E-3، 7/1 مین بلیوارڈ، گلبرگ III، لاہور میں بروز پیر 28 اکتوبر 2024ء کو صبح 11:00 بجے درج ذیل امور کیلئے منعقد ہوگا۔

عمومی امور

- 1- 27 اکتوبر 2023ء کو منعقدہ گزشتہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 جون 2024ء کو ختم ہونے والے سال کیلئے کمپنی کے نظر ثانی شدہ حسابات معدان پریذائیکٹرز اور آڈیٹرز کی رپورٹ کی وصولی اور منظوری دینا۔
- 3- 30 جون 2025ء کو ختم ہونے والے سال کیلئے آڈیٹرز کا تقرر داران کے مشاہرہ کا تعین کرنا۔
- 4- صاحب مدد کی اجازت سے کوئی دیگر امور جو آگے لائے جاسکتے ہیں۔

لاہور:

107 اکتوبر 2024ء

ندیم انور

کمپنی سیکرٹری

نوٹس:

- 1- کمپنی کے عام حصص کی منتقلی کتابیں 21 اکتوبر 2024ء تا 28 اکتوبر 2024ء (بشمول ہر دو ایام) بند رہیں گی۔ کارآمد مشغلیاں ہمارے شیئر رجسٹرار، کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور کو 20 اکتوبر 2024ء کو کاروبار کے اختتام تک وصول ہونے والی بروقت تصوریں دیں گی۔ پتہ یا اس میں کوئی تبدیلی ہو، بعد کارآمد CNIC کی کاپی کمپنی کے سالانہ ریٹرن فائلنگ کیلئے ہمارے شیئر رجسٹرار میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور۔ فون نمبر: 042-35839182 کو ارسال کی جانی چاہئیں۔
- 2- اجلاس عام میں شرکت اور ووٹ دینے کا اہل رکن کسی دیگر رکن کو بطور پراکسی مقررہ کرنے کا اہل ہے۔ پراکسیاں، تا آنکہ موثر ہو سکیں، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہئیں۔ سی ڈی سی کے ذریعے ارکان کو پراکسیز تفریری کیلئے پراکسی فارم کے ہمراہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی مدد سے کاپی منسلک کرنی چاہئے۔
- 3- سی ڈی سی کے ذریعے حصص داران، جو سالانہ نام، میں شرکت کے خواہشمند ہوں، سے التماس ہے کہ اصل CNIC ہمراہ لائیں۔ سی ڈی سی اکاؤنٹ ہولڈر کو مزید برآں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے طرف سے جاری شدہ سرگھو نمبر 1 مورخہ 26 جنوری 2000ء میں دی گئی درج ذیل ہدایات کی پیروی کرنا ہوگی۔
- 4- کارپورٹ ایجنسی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/اختیار نامہ کی تصدیق شدہ کاپی مع مضمون دستخط کمپنی کے پراکسی فارم کے ہمراہ (اگر پہلے مہیا نہیں کی گئی) جمع کرانا ہوگی۔
- 5- کمپنی نے پہلے ہی کمپنیز ایکٹ، 2017ء کے سیکشن 244 کے تحت غیر دعویٰ شدہ ڈیویڈنڈ کے سلسلے میں ذمہ داری ادا کی ہے، جب کمپنی نے قانون کے مطابق اپنے غیر دعویٰ شدہ ڈیویڈنڈ کا دعویٰ کرنے کے لئے شیئر ہولڈرز سے رابطہ کیا، کوئی بھی ایسا شیئر ہولڈر جس کے ڈیویڈنڈ کا ابھی تک دعویٰ نہیں کیا گیا، اس سے ایک بار پھر درخواست کی جاتی ہے کہ وہ تمام تر تفصیلات کے ساتھ فوری طور پر کمپنی سے رابطہ کریں تاکہ وہ اپنی بتایا ڈیویڈنڈ کی رقم کا دعویٰ کر سکیں۔ کوئی دعویٰ وصول نہ ہونے کی صورت میں کمپنی قابل اطلاق قانون کے تحت آگے بڑھے گی۔
- 6- 30 جون 2024ء کو ختم ہونے والے سال کیلئے مالیاتی گوشوارے کمپنی کی ویب سائٹ www.yousafweavingmills.com پر سالانہ اجلاس عام کے انعقاد کی تاریخ سے 21 یوم قبل اپ لوڈ کر دیئے جائیں گے۔
- 7- SECP نوٹیفکیشن SRO 787 (1)/ 2014 مورخہ 8 ستمبر 2014ء کی پیروی میں ارکان کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم جمع کرانے کے ذریعے ای میل نظر ثانی شدہ مالیاتی گوشوارے اور نوٹس وصول کرنے کیلئے کمپنی کو مطلع کر سکتے ہیں۔
- 8- اگر کمپنی شہر میں سکونت کم از کم 10% شیئر ہولڈنگ کے مالک ارکان سے اجلاس میں ووٹوں کے ذریعے اجلاس میں شرکت کیلئے رضامندی اجلاس کی تاریخ سے کم از کم 07 یوم قبل وصول کرتی ہے، تو کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالے سے اس شہر میں ووٹوں کی سہولت کا بندوبست کرے گی۔
- 9- ارکان سے التماس ہے کہ اپنے رجسٹرڈ پتے میں کسی تبدیلی بارے کمپنی کو فی الفور مطلع فرمائیں۔
- 10- ممبران سے التماس ہے کہ وہ حکومت پاکستان کی طرف سے جاری کردہ ووڈ سے متعلقہ حفاظتی اقدامات کی پیروی کریں۔
- 11- کاغذی حصص کنندگان کی حوصلہ افزائی کی جاتی ہے کہ وہ اپنے کاغذی حصص کو الیکٹرونک شکل میں رکھے کیونکہ کمپنیز ایکٹ، 2017ء کے سیکشن (2) 72 کے مطابق ہر موجودہ کمپنی کو اپنے کاغذی حصص کو SECP کی طرف مطلع کردہ 4 طریقہ کار کے مطابق، اس ایکٹ کے آغاز سے (4) سال کے اندر اپنے کاغذی حصص کو الیکٹرونک شکل میں تبدیل کرنا ہوگا۔ کاغذی حصص کو الیکٹرونک شکل میں تبدیل کرنے سے حصص کنندگان کو کوئی طریقوں سے سہولت ملے گی جیسا کہ حصص کی محفوظ توجیل، حصص کی فوری فروخت اور خریداری کیلئے آسانی سے دستیاب مارکیٹ، نقصان کے خطرے میں کمی۔ محدود ریکی کاروائیوں کے ساتھ آسان اور محفوظ منتقلی وغیرہ۔ حصص کنندگان کاغذی حصص کو الیکٹرونک شکل میں تبدیل کرنے کے لئے حصص رجسٹرار سے رابطہ کر سکتے ہیں۔



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

7/1 - E-3, Main Boulevard
Gulberg III, Lahore, Pakistan
Tel: +92 42 35757108 & 35717510 - 17
Fax: +92 42 35764036, 35764043 & 35757105
Web: www.yousafweaving.com

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF THE BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

The Board of Directors (the Board) of Yousaf Weaving Mills Limited (YWML) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 and the listed Companies (Code of Corporate Governance) regulations, 2019.

- The Board has actively participated in strategic planning processes, enterprise risk management system, policy development and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and/or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the director's report is published with the quarterly and annual financial statement of the Company and the content of the director's report are in accordance with the requirement of applicable laws and regulations;
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive Officer and other key executives including Chief financial Officer, Company Secretary and Head of internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and
- The Board has exercised its power in light of power assigned to the Board in accordance with the relevant laws and regulations applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in term of their conduct as directors and exercising their powers and decision making.

The annual evaluation of the Board's performance is assessed based on the key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic



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environment and competitive context in which the Company operates; the risks faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of YWML has played a key role in ensuring that the Company objectives are not only achieved, but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.

Lahore
October 7, 2024


Mst. Alia Khanum
Chairman



بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مؤثر کردار پر چیئرمین کی جائزہ رپورٹ

یوسف ویونگ ملز لمیٹڈ (YWML) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصہ داروں کے بہترین مفاد کو برقرار رکھنے میں اپنی ذمہ داریاں تندہی سے انجام دی ہیں اور کمپنی کے امور کو مؤثر اور بروقت انداز سے منظم کیا ہے۔ بورڈ نے کمپنری ایکٹ 2017 اور لسٹڈ کمپنری (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں دیئے گئے اپنے اختیارات اور ذمہ داری کو بخوبی سرانجام دیا ہے۔

بورڈ نے اسٹریٹجک منصوبہ بندی کے عمل، ادارے کو لاحق خطرات کا انتظامی نظام، پالیسی ڈویلپمنٹ اور مالیات ساخت کی نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔ سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے روبرو کاروباری فیصلہ سازی کے عمل کو مضبوط بنانے کے لئے پیش کئے گئے اور خاص طور پر کمپنی کی طرف سے کئے گئے تمام متعلقہ پارٹی کے ساتھ لین دین کو آڈٹ کمیٹی کی سفارشات پر بورڈ نے منظوری دی۔

بورڈ نے اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور خود تشخیصی طریقہ کار اور/یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدگی سے جانچ پڑتال کی جاتی ہے۔

بورڈ نے مجلس نظماء کی رپورٹ کی تیاری اور منظوری دی ہے اور اس بات کو یقینی بنایا ہے کہ مجلس نظماء کی رپورٹ کمپنی کی سہ ماہی اور سالانہ مالیاتی حسابات کے ساتھ شائع ہوئی اور مجلس نظماء کی رپورٹ کا مواد قابل اطلاق قوانین اور قواعد و ضوابط کے مطابق ہے۔

بورڈ نے چیف ایگزیکٹو سمیت دیگر اہم ایگزیکٹوز بشمول چیف فنانس آفیسر، کمپنی سیکرٹری اور انٹرنل آڈٹ کے سربراہ کی ملازمت اور معاوضہ سازی کو یقینی بنایا ہے۔ بورڈ نے اس کے اراکین کے درمیان بروقت طریقے سے تسلی بخش معلومات کے تبادلے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈویلپمنٹ کے بارے میں لمحہ بہ لمحہ باخبر رکھا گیا ہے اور

بورڈ نے کمپنی پر قابل اطلاق متعلقہ قوانین اور قواعد و ضوابط کی روشنی میں دیئے گئے اختیارات کے مطابق اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے ہمیشہ بحیثیت ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برتاؤ میں تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کو ترجیح دی ہے۔

بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلیٰ درجے کی نگرانی مہیا کرنے بشمول اسٹریٹجک عمل، کلیدی کاروباری امور، سنگ میل کی تکمیل، عالمی معاشی ماحول اور مسابقتی سیاق و سباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار کو درپیش خطرات، بورڈ کے محرکات، صلاحیت اور معلومات مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر، یہ مناسب طور پر کہا جاسکتا ہے کہ YWML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے مقاصد کو نہ صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے ارکان کی راہنمائی اور نگرانی کے ذریعہ انتظامیہ ٹیم کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھا جاسکتا ہے۔

عالیہ خانم

چیئرمین

تاریخ: 17 اکتوبر 2024

لاہور



YOUSAF WEAVING MILLS LIMITED

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DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of Yousaf Weaving Mills Limited, we are pleased to submit the annual report of your Company together with audited financial statements and auditors' report thereon for the year ended 30th June 2024.

Financial Performance:

This financial year has been exceptionally challenging, with the entire industry, and particularly the textile sector, facing a crisis of unprecedented scale. For the past two years, the industry has been grappling with a combination of unstable economic conditions and a fluctuating political climate, leading many experts to label this as the worst crisis in recent memory.

Businesses are closing down at an alarming rate, primarily due to a sharp drop in consumer demand and a dramatic rise in production costs, driven by record-breaking inflation. This surge in inflation has led to substantial increases in the prices of raw materials, labor, and energy, making it extremely difficult for companies to keep their operations running smoothly and at sustainable levels.

For our company, the financial impact has been significant. We recorded a gross profit of Rs. 3.051 million, a substantial drop from the Rs. 11.065 million we achieved last year. The sharp decline in gross profit is largely due to the soaring costs of production, which have outpaced our revenue growth. However, we managed to reduce our net loss this year to Rs. 49.205 million, compared to a net loss of Rs. 66.467 million in the previous year. While this improvement is encouraging, it reflects the ongoing challenges we are facing.

On a positive note, we have successfully reduced our distribution costs from Rs. 8.585 million to Rs. 4.985 million, and our administration costs have decreased from Rs. 49.384 million to Rs. 36.100 million. These reductions highlight the management's strong commitment to controlling operating expenses and executing cost-efficiency strategies. However, the substantial increase in production costs remains a significant challenge, and we are diligently exploring strategies to mitigate these rising costs moving forward.

Financial Statements Audit

The financial statements of the Company have been audited by M/s. Aslam Malik & Co. Chartered Accountants, the statutory external auditors of the Company. The auditors have given a qualified opinion on unclaimed dividend of previous years which has not been deposited into government treasury; which is addressed below:

- a) The management shall do all requirements to comply with the provisions of the Companies Act 2017 on unclaimed dividends in true vigilance.
- b) The audit observation regarding going concern has been disclosed in Note # 1.3 of the financial statements.

Future Outlook:



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Our management team is doing everything possible to minimize losses and reduce costs while keeping our workforce intact. We are focusing on streamlining our operations and improving efficiency wherever possible. However, we are realistic in recognizing that the road to recovery will be long and difficult.

One of the most pressing challenges we face is the withdrawal of the government's subsidized energy package for export-oriented industries. This has caused a significant spike in energy costs, which were already high due to inflation. Energy expenses are a major component of our production costs, and this rise is expected to further squeeze our already tight margins.

The management believes that in order for the industry—and by extension, the overall economy—to recover, several critical measures must be taken. We urge the government to:

1. **Address Inflation:** Reducing inflation is essential to restore stability in the market. High inflation affects all aspects of business, from raw material costs to the purchasing power of consumers. A more stable economic environment would allow businesses to plan and invest more confidently.
2. **Restore Energy Subsidies:** The government must consider reinstating energy subsidies for the export sector. This would help alleviate the burden of high energy costs and enable companies to remain competitive in global markets.
3. **Lower Interest Rates:** High interest rates continue to put pressure on businesses, especially those that rely on financing for expansion or operations. Reducing interest rates would lower the cost of borrowing and help companies invest in growth.
4. **Foster Political Consensus and Economic Stability:** Political instability continues to create an unpredictable business environment. We believe that fostering a broader political consensus and focusing on long-term economic reforms would be a critical step toward economic recovery. Stability and predictability are essential for attracting investment and supporting businesses.
5. **Ensure Affordable Access to Raw Materials:** Finally, it is crucial that the government ensures businesses have access to affordable inputs and raw materials. This would help reduce production costs and support the overall competitiveness of the industry.

Without such actions, the country may face even greater economic challenges, and the risk of a complete economic disaster is real. It is imperative that all stakeholders, including the government and private sector work together to find solutions that can restore economic growth and stability.

We sincerely thank our shareholders for their continued trust and patience during this difficult period. We remain optimistic that with your support and the right policy interventions, we can overcome these challenges and get back on the path to growth.

Principal Activity

The principal activity of the Company is manufacturing and sale of yarn and fabric.

Principal Risks and Uncertainties

The Board of Directors is responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential any potential adverse impact of risks.



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The Company's principal financial liabilities comprise short term finances, trade and other payables and accrued mark-up. The Company's principal financial assets comprise stocks, trade debts, loans and advances, trade deposits and other receivables, cash and bank balances that arise directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company has adequately disclosed all the litigation and their expected outcomes in the financial statements.

Corporate Social Responsibility

The Company strongly believes in the integration of Corporate Social Responsibility into its business, and consistency endeavors to uplift communities that are influenced directly or indirectly by our business.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large. The management has maintained safe environment in all its operations throughout the year and its constantly upgrading their safety and living facilities.

Safety is a matter of concern for machinery as well as the employees working at plant. Fire extinguishers and other fire safety equipments have been placed at sites as well as registered and head office of the Company. Regular drills are performed to ensure efficiency of fire safety equipments.

Internal Financial Controls

A system of sound internal control is established and implemented at all levels of the Company by the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Related Parties

All related party transactions during the financial year ended June 30, 2024 were reviewed by the Audit Committee and approved by the Board of Directors.

Compliance with the Code of Corporate Governance:

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the Report.

Corporate Governance & Financial Reporting Framework:



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As required by the Code of Corporate Governance, Directors are pleased to report that:

- i) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- ii) Proper books of account of the Company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
- iv) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements, and any departures there from has been adequately disclosed and explained.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) Key operating and financial data for the last five years is annexed.
- vii) There has been no departure from the best practices of corporate Governance, as detailed in the listing regulations.
- viii) We have been prepared and circulated a statement of ethics and business strategy among directors and employees.
- ix) The Company has neither declared dividend nor issued bonus shares.
- x) Outstanding taxes are given in the notes to the financial statements.
- xi) The board ensures that all the directors will duly comply with the requirement of Directors' Training Program within time frame as defined in the Code of Corporate Governness regulations, 2019.

Shareholding Pattern

The share holding pattern as at June 30, 2024 for ordinary shares is annexed.

Appointment of Auditors

M/s. Aslam Malik & Co. Chartered Accountants, Lahore are due to retire and being eligible, offer themselves for re-appointment as Auditors for the financial year 2024-2025. The Audit Committee has recommended for re-appointment of present auditors.

Composition of Board

1. The total number of directors are 08 as per the following:

- a. Male : 07
- b. Female : 01

2. The composition of the board is as follows:

- a. Executive Directors : 01



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- b. Other Non-Executive Directors : 05
c. Independent Directors : 02

Name of Directors

- i) Mr. Khawaja Mohammad Nadeem (Executive Director)
ii) Mst. Alia Khanum (Chairman)
iii) Mr. Shuqran Ahmed Khan
iv) Mr. Khawaja Shahzad Younus
v) Mr. Muhammad Amjad
vi) Mr. Waseem Baig
vii) Mr. Faisal Qaiyum (Independent Director)
viii) Mr. Abbas Ali (Independent Director)

Committees of the Board

The Board has made following sub-committees:

Audit Committee:

- i. Mr. Faisal Qaiyum Chairman
ii. Mr. Muhammad Amjad Member
iii. Mr. Khawaja Shahzad Younus Member

HR and Remuneration Committee:

- i. Mr. Faisal Qaiyum Chairman
ii. Mr. Wasim Baig Member
iii. Mr. Shuqran Ahmed Khan Member

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

Acknowledge

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgment. The Directors also wish to place on record their thanks to all stakeholders for their continued support to the Company.

On behalf of the Board

October 07, 2024
Lahore


Khawaja Mohammad Nadeem
Chief Executive Officer




Mst. Alia Khanum
Chairman



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Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company : Yousaf Weaving Mills Limited
Year ending : June 30, 2024

Yousaf Weaving Mills Limited (the "Company") has complied with the requirement of the Regulations in the following manner:

1. The total number of directors are 08 as per the following:

- a. Male : 07
- b. Female : 01

2. The composition of the board is as follows:

- a. Executive Directors : 01
- b. Other Non-Executive Directors : 05
- c. Independent Directors : 02

Name	Category
Mr. Khawaja Mohammad Nadeem	Executive Director
Mst. Alia Khanum	Non-Executive Director
Mr. Shuqran Ahmed Khan	Non-Executive Director
Mr. Khawaja Shahzad Younus	Non-Executive Director
Mr. Muhammad Amjad	Non-Executive Director
Mr. Waseem Baig	Non-Executive Director
Mr. Faisal Qaiyum	Independent Director
Mr. Abbas Ali	Independent Director

*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contributions. Therefore, the fraction (2.3) has not been rounded up.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.



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5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these regulations.
7. The meetings of the board were presided over by the Chairman and, in her absence, by a director elected by the board for this purpose. The board complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Executive Director is exempt from Director's Training Program, whereas remaining directors will duly comply with the requirement of Code of Corporate Governness with respect of Directors' Training Program.
10. No appointment of Chief Executive Officer, Chief Financial Officer or Company Secretary is made during the current year.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising members given below:
 - I. Audit Committee:
 - i. Mr. Faisal Qaiyum – Chairman
 - ii. Mr. Muhammad Amjad
 - iii. Mr. Khawaja Shahzad Younus
 - II. HR and Remuneration Committee:
 - i. Mr. Faisal Qaiyum – Chairman
 - ii. Mr. Waseem Baig
 - iii. Mr. Shuqran Ahmed Khan
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: Four Quarterly meetings during the financial year ended June 30, 2024.
 - b) HR & Remuneration Committee: One meeting during the financial year ended June 30, 2024.



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15. The board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For Yousaf Weaving Mills Limited

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Mst. Alia Khanum
Chairman



Lahore: October 04, 2024



Aslam Malik & Co. Chartered Accountants



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Yousaf Weaving Mills Limited

Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Yousaf Weaving Mills Limited for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the statement of Compliance.

Paragraph Reference	Description
9	The Company has not arranged the directors training program or obtained the exemption from directors training program from the commission as required under clause 19 of the Regulations.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Kamran Aslam**.



Muhammad Kamran Aslam

Chartered Accountants

Lahore

Date: October 7, 2024

UDIN: CR202410827Wvz5TXaKt

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Aslam Malik & Co. Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

To the members of Yousaf Weaving Mills Limited
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of **Yousaf Weaving Mills Limited (the Company)**, which comprise the statement of financial position as at **June 30, 2024**, and the statement of profit or loss, the statement of other 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 material 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of other 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 loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

The unclaimed dividend of Rs. 3,247,016 from previous years, which is overdue, has not been deposited into the government treasury, nor has any notification been issued to the shareholders. Additionally, the management has not informed the shareholders about the unclaimed dividend during the Annual General Meeting.

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 qualified opinion.

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Material Uncertainty relating to Going Concern

We draw attention to Note 1.3 in the financial statements which indicates that as at June 30, 2024, the Company's accumulated losses stood at Rs. 1,541 million, its current liabilities exceeded its current assets by Rs. 675 million and the company has negative operating cash flows. Further, the banking companies also filed suit against the Company for recovery of outstanding balances and related interest accrued thereon. These conditions along with other matters as set forth in Note 1.3 indicate the existence of a material uncertainty that may cause significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Contingencies</p> <p>The Company is subject to material litigations involving in various courts pertaining to Income tax and recovery of loans by financial institutions, which requires management to make assessments and judgments with respect to the likelihood and impact of such litigations.</p> <p>The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgments required to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessment and</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> ➤ Discussing legal cases with the legal department to understand the management's viewpoint and obtaining and reviewing the litigation documents in order to assess the facts and circumstances; ➤ Obtaining independent opinion of a legal advisor and tax advisor dealing with such cases in the form of direct confirmations; ➤ We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities, and contingent assets; and

amc

the related provisions are disclosed in note 15 to the financial statements.

- The disclosures of legal exposures and provisions were assessed for completeness and accuracy.

There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered it to be a key audit matter.

Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended June 30, 2024, but does not include the financial statements, our auditor's report thereon, and the review report issued on statement of compliance with Code of Corporate Governance.

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

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 a 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee



that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.




Report on Other Legal and Regulatory Requirements

Based on our audit, except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 other 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 Kamran Aslam.


Chartered Accountants
UDIN: AR202410827W0SebrLIO



October 07, 2024
Lahore

YOUSAF WEAVING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 140,000,000 (2023: 140,000,000) ordinary shares of Rs. 10 each		1,400,000,000	1,400,000,000
Issued, subscribed and paid up share capital	4	1,360,000,000	1,360,000,000
Loan from directors	5	48,652,264	14,476,264
Accumulated loss		(1,541,662,149)	(1,493,426,979)
Surplus on revaluation of land	6	631,523,327	385,563,327
		498,513,442	266,612,612
Non Current Liabilities			
Long term loan	7	-	-
Lease liabilities	8	36,213,645	32,910,196
Deferred liabilities	9	16,761,990	18,157,529
		52,975,635	51,067,725
Current Liabilities			
Trade and other payables	10	531,195,096	344,084,482
Unclaimed dividend		3,247,016	3,247,016
Accrued mark up	11	131,716,920	131,864,126
Short term borrowings	12	611,645,479	609,647,574
Current portion of long term loan	13	39,523,562	53,896,153
Current portion of lease liabilities	8	8,806,523	7,282,810
Provision for taxation	14	45,841,895	50,009,317
		1,371,976,491	1,200,031,478
Contingencies and Commitments	15	-	-
		1,923,465,568	1,517,711,815
ASSETS			
Non Current Assets			
Property, plant and equipment	16	1,108,252,054	896,649,227
Right-of-use assets	17	56,082,708	47,599,355
Intangible assets	18	95,317	119,146
Long term loans	19	10,923,050	10,485,450
Long term deposits	20	51,467,222	51,632,222
		1,226,820,351	1,006,485,400
Current Assets			
Stores and spares	21	10,628,559	12,240,228
Stock in trade	22	599,436,908	422,399,654
Trade debts	23	9,675,823	2,793,074
Loans and advances	24	23,715,547	19,482,645
Trade deposits and other receivables	25	5,581,901	5,608,901
Tax refunds due from government	26	37,983,786	43,989,730
Cash and bank balances	27	9,622,693	4,712,183
		696,645,217	511,226,415
		1,923,465,568	1,517,711,815

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	Restated 2023 Rupees
Sales - net			
Cost of sales	28	527,640,070	860,825,402
	29	(524,589,345)	(849,759,910)
Gross Profit		3,050,725	11,065,492
Distribution costs			
Administrative expenses	30	(4,985,160)	(8,585,833)
	31	(36,100,441)	(49,384,221)
		(41,085,601)	(57,970,054)
Operating Loss		(38,034,876)	(46,904,562)
Other operating charges			
Finance cost	32	(800,000)	(2,167,760)
Other operating income	33	(4,640,013)	(5,131,430)
	34	865,299	7,354
Loss before Levies & Taxation		(42,609,590)	(54,196,398)
Levies			
	35	(6,595,501)	(12,270,513)
Loss before Taxation		(49,205,091)	(66,466,911)
Taxation			
	35	.	.
Loss for the Year		(49,205,091)	(66,466,911)
Loss per Share - Basic and Diluted			
	36	(0.39)	(0.74)

The annexed notes from 1 to 47 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER

DIRECTOR


CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Loss for the Year	(49,205,091)	(66,466,911)
Other Comprehensive Income for the Year		
<i>Items that will be reclassified subsequently to profit or loss</i>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
- Experience adjustment on remeasurement of staff retirement	969,921	1,105,820
- Revaluation surplus on property, plant and equipment	245,960,000	-
	246,929,921	1,105,820
Total Comprehensive Income / (Loss) for the Year	197,724,830	(65,361,091)

The annexed notes from 1 to 47 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER

• DIRECTOR




CHIEF FINANCIAL OFFICER


YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	Restated 2023 Rupees
CASH GENERATED FROM OPERATIONS	37	1,728,648	38,978,629
Finance cost paid		(4,787,324)	(6,206,822)
Gratuity paid	9	(5,570,458)	(33,514,801)
Income tax paid		(56,406)	(14,580,120)
Net cash used in operating activities		(8,685,540)	(15,323,114)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(239,800)	(7,793,930)
Proceeds from disposal of property, plant and equipment		970,000	140,000
Long term loans to employees		(437,600)	(173,000)
Net cash generated from / (used in) investing activities		292,600	(7,826,930)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan from directors		34,176,000	25,369,864
Repayment of long term loan		(14,372,591)	(13,362,308)
Repayment of lease liabilities		(8,497,864)	(8,215,969)
Short term borrowings - net		1,997,905	23,057,715
Net cash generated from financing activities		13,303,450	26,849,302
Net increase in Cash and Cash Equivalents		4,910,510	3,699,258
Cash and cash equivalents at the beginning of the year		4,712,183	1,012,925
Cash and Cash Equivalents at the End of the Year		9,622,693	4,712,183

The annexed notes from 1 to 47 form an integral part of these financial statements.


 CHIEF EXECUTIVE OFFICER

DIRECTOR


CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Loan from Directors	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2022	900,000,000	(1,428,065,888)	449,106,400	385,563,327	306,603,839
Loss for the year	-	(66,466,911)	-	-	(66,466,911)
Other comprehensive income	-	1,105,820	-	-	1,105,820
Loan from directors during the year	-	-	25,369,864	-	25,369,864
Issuance of shares	460,000,000	-	(460,000,000)	-	-
Balance as at June 30, 2023	1,360,000,000	(1,493,426,979)	14,476,264	385,563,327	266,612,612
Loss for the year	-	(49,205,091)	-	-	(49,205,091)
Other comprehensive income	-	969,921	-	245,960,000	246,929,921
Loan from directors during the year	-	-	34,176,000	-	34,176,000
Balance as at June 30, 2024	1,360,000,000	(1,541,662,149)	48,652,264	631,523,327	498,513,442

The annexed notes from 1 to 47 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1

The Company and its operations

- 1.1 The Company was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) and is quoted on Pakistan Stock Exchanges. The Company is engaged in the business of textile weaving, spinning and sale of processed fabric.
- 1.2 Corporate office of the Company is located at 7/1, E-3, Main Boulevard Gulberg III, Lahore. While the production plants of the Company are located at 49-Km, Multan Road, Bhai Phero and 7-Km, Multan Road, Pattoki.
- 1.3 The Company has accumulated losses of Rs. 1,541.662 million (2023: 1,493.427 million) and its current liabilities exceed its current assets by Rs. 675.331 million (2023: Rs. 688.805 million). The Company in order to carry on its business and to meet its current obligation requires generating sufficient cash flows. Further, the banking companies also filed suit against the Company for recovery of outstanding balances and related interest accrued thereon. Accordingly, there is a material uncertainty relating to the Company's operation that may cast sufficient doubt on the discharge of its liabilities in the normal course of business. Continuation of the Company as a going concern is dependent on improved cash flows. The management has carefully assessed the going concern issue and is of the view that:-
- The directors and sponsors have expressed a strong commitment to providing necessary financial support in the current and upcoming fiscal years. This commitment is pivotal in stabilizing the company's operation, further this will enhance liquidity and provide the necessary capital to meet immediate obligations, invest in operational improvements, and support strategic initiatives. This reinforces stakeholder confidence, which is critical in challenging financial circumstances.
 - The management is adamant about resolving ongoing issues with the company's banks and is actively working to regularize all financial matters. Management is confident that these issues can be amicably resolved during the next financial year, which will improve the company's financial position and facilitate smoother operations going forward.
 - Management remains optimistic that the improvement in the current political scenario will positively impact the country's economy. This in turn is expected to support the local industry in overcoming the ongoing financial challenges. The company believes that this economic stability, if realized, will provide significant long-term benefits and help the industry recover from the current financial crisis.
 - In addition to resolving financial matters, management is actively working to control production costs. A key initiative is the planning for a BMR project, aimed at enhancing the company's production capacity and operational efficiency. By modernizing production facilities and improving processes, the company seeks to achieve cost efficiencies and increase output, ensuring it remains competitive in the market.
 - Management is also focusing on expanding its client base, both in local and export markets, as part of its strategy to diversify revenue streams. The company is identifying new opportunities and working to strengthen relationships with existing clients, in order to drive sustainable growth.

In view of the above, these financial statements have been prepared on going concern assumption.

Note 2

Basis of Preparation

2.1 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 comprise:

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

Where 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.

Note 2 - Basis of Preparation ... Contd.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of following:

Certain property, plant and equipment	Note 16	(stated at Revalued / Fair value)
Employee retirement benefits (Gratuity)	Note 9	(stated at Present value)

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

These estimates and related assumptions are reviewed on an on going basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate to the useful life and residual values of property, plant and equipment; revalued amounts of property, plant and equipment; amortization of intangible assets; impairment of assets; provisions for defined benefit obligations; taxation; and contingent liabilities. The basis and associated assumptions underlying the accounting estimates used in the preparation of annual financial statements of the Company for the year ended June 30, 2024 are consistent with previous year's unless otherwise stated.

2.5 Initial application of a standard, amendment or interpretation to an existing standard

2.5.1 Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 Presentation of Financial Statements have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year the Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires taxes paid under final tax regime and minimum tax under section 113 to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'.

Note 2 - Basis of Preparation ... Contd.

Effect on statement of profit or loss	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees	Rupees	Rupees
For the year ended June 30, 2024			
Minimum tax under section 113 classified as levy	-	6,595,501	6,595,501
Loss before taxation	42,609,590	6,595,501	49,205,091
Taxation	6,595,501	(6,595,501)	-
Loss after taxation	49,205,091		49,205,091
For the year ended June 30, 2023			
Minimum tax under section 113 classified as levy	-	12,270,513	12,270,513
Loss before taxation	54,196,398	12,270,513	66,466,911
Taxation	12,270,513	(12,270,513)	-
Loss after taxation	66,466,911	-	66,466,911

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

2.5.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the company

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

**Note 3
Summary of Material Accounting Policies**

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

3.1 Employee retirement benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the schemes on the basis of actuarial valuation and are charged to profit and loss account for the year. The assumptions are determined by independent actuary.

The amount recognized in the statement of financial position represents the present value of defined benefit obligations using the projected unit credit actuarial valuation method. Actuarial gains/ losses arising from the actuarial valuation are recognized immediately and are presented in other comprehensive income. The latest actuarial valuation was carried as at June 30, 2024.

3.2 Compensated absences

The Company provides for compensated absences of its employees on un-availed balance of leaves in the period in which the leaves are earned.

3.3 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Note 3 - Summary of Material Accounting Policies ... Contd.

3.4 Trade and other payables

Liabilities for trade and other payables are carried at their fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

3.5 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilize those temporary differences and unused tax losses and credits.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.6 Property, plant and equipment

Property, plant and equipment except freehold land is stated at cost less accumulated depreciation and identified impairment losses. Freehold land is stated at revalued amount. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing the assets into working condition.

Depreciation is charged to income on reducing balance method at the rates specified in note 16. Full month's depreciation is charged on additions during the month, whereas no depreciation is charged on the assets disposed off during the month. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal of property, plant and equipment are included in the current year income.

3.7 Intangible asset

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably. Cost of intangible assets i.e. ERP and other software include purchase cost and directly attributable expenses incidental to bring the software for its intended use.

Note 3 - Summary of Material Accounting Policies ... Contd.

Cost that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as an intangible assets. However, costs associated with the maintenance of software are recognized as an expense.

Intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income using reducing balance as specified in note 18. The amortization period and the amortization method for an intangible asset are reviewed, at each financial year end, and adjusted if impact on amortization is significant.

3.8 Stores & spares

These are valued at cost, determined on moving weighted average basis less allowance for obsolete and slow moving items. Items in transit are valued at invoice plus other incidental charges incurred thereon.

3.9 Stock in trade

These have been valued at the lower of cost and net realizable value. Cost has been determined as follows:

Raw and packing materials	- Moving average cost
Materials in transit	- Cost and incidental charges paid thereon
Work in process	- Average manufacturing cost
Finished goods	- Average manufacturing cost
Waste	- Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of material, labor and appropriate manufacturing overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less necessary cost to make the sale.

3.10 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful debts and receivables based on review of outstanding amounts at the period end. Balances considered bad and irrecoverable are written off when identified.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash at banks in current and saving accounts.

3.12 Revenue recognition

The Company is in the business of sale of textile products. Revenue from contracts with customers is recognized at the point of time when control of the goods is transferred to the customer (generally on delivery of the goods) at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

3.13 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Note 3 - Summary of Material Accounting Policies ... Contd.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any Remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is premeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the term of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Note 3 - Summary of Material Accounting Policies ... Contd.

3.14.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

Initial recognition and measurement

All financial assets are initially measured at cost plus transaction costs that are directly attributable to its acquisition except for trade receivables. Trade receivables are initially measured at the transaction price, if these do not contain significant financing component as per IFRS - 15.

Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss account.

Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss account.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. 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, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

3.14.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss account. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss account when the liabilities are derecognized.

Note 3 - Summary of Material Accounting Policies ... Contd.

3.14.3 Off-setting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.15 Balances from contract with customers

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.16 Impairment

Carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value, the recoverable amount is determined to be the value in use. Impairment losses are recognized as expense in the statement of profit or loss.

3.17 Borrowing cost

Borrowing cost are charged to income as and when incurred except costs that are directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

3.18 Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded at Pak Rupees by applying the foreign exchange rate ruling on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the statement of financial position date except for balances covered under forward exchange contracts, which are converted at the contracted rates. Exchange differences are included in profit and loss account.

Note 3 - Summary of Material Accounting Policies ... Contd.

3.19 Related party transactions

Related parties from the Company's perspective comprise, associated undertakings, key management personnel (including chief executive and directors) and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out on permissible basis and agreed terms.

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company).

3.21 Dividend

Dividends are recognized as a liability in the period in which these are approved.

3.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When applicable, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basis EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

Note 4
Issued, Subscribed and Paid Up Capital

2024	2023	2024	2023
No. of Shares		Rupees	Rupees
136,000,000	136,000,000	1,360,000,000	1,360,000,000
Ordinary shares of Rs. 10 each fully paid in cash			

During the last year the director's long term loan had been converted into ordinary shares with the approval of Securities and Exchange Commission of Pakistan.

4.1 Reconciliation of the number of shares outstanding as at the beginning and at the end of the year is as under:

Opening balance	136,000,000	90,000,000
Issued during the year	-	46,000,000
Closing balance	136,000,000	136,000,000

4.2 All the shares were issued to sponsor director Khawaja Muhammad Nadeem.

Note 5
Loan from directors

	2024	2023
	Rupees	Rupees
Opening balance	14,476,264	449,106,400
Add: Loan received during the year	34,176,000	25,369,864
Less: Loan converted in issued, subscribed and paid up capital	-	(460,000,000)
Closing balance	48,652,264	14,476,264

These interest free loans were obtained from the Directors / Sponsors of the Company to meet working capital requirements of the Company. These are not measured at amortized cost, rather these are treated as equity at face value in accordance with the guideline provided through TR 32 - "Accounting Directors' Loan" as issued by the Institute of Chartered Accountants of Pakistan.

Note 6
Surplus on revaluation of property, plant & equipment

Latest revaluation of freehold land has been carried out as at June 30, 2024 by M/s. Dimensions Evaluators & Consultants (Private) Limited on the basis of their professional assessment of present market value, based on enquiries made about the cost of land of similar nature, size and location.

Note 7
Long Term Loan

	Note	2024	2023
		Rupees	Rupees
Banking companies - Secured			
Demand Finance	7.1	-	-
Less: Current and overdue portion shown under current liabilities	13	-	-
		-	-

7.1 This represents outstanding term finance obtained from the Bank of Punjab to meet the working capital requirements of the company. This loan had been rescheduled/restructured by the Bank of Punjab in 2020-21 as total demand finance facility is repayable in 26 quarterly installments carries markup at 6%. The facility is secured against exclusive charge over sponsor's residential and agricultural property, ranking charge over fixed and current assets of the Company and personal guarantees of directors of the Company. Last quarter installment has been paid subsequent to year end due to which long term loan has been classified as current liability.

Note 8
Lease liabilities

	2024	2023
	Rupees	Rupees
Opening balance	40,193,006	58,512,049
Add: Additions during the year	-	-
Add: Interest expense	1,198,110	1,255,213
Less: Impact of remeasurement	13,325,026	(10,103,074)
Less: Payments made	(9,695,974)	(9,471,182)
Gross liability	45,020,168	40,193,006
Less: Current portion	(8,806,523)	(7,282,810)
Closing balance	<u>36,213,645</u>	<u>32,910,196</u>

8.1 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

			2024	2023
	Included in	Note	Rupees	Rupees
Carrying amount of ROU assets	Statement of financial position	17	56,082,708	47,599,355
Depreciation charge	Cost of sales	29	4,841,673	2,916,460
Interest expense	Finance cost	33	1,198,110	1,255,213

8.2 Maturity analysis of contractually undiscounted cash flows

	Within One Year	Between Two to Five Years	Later than Five Years
	----- (Rupees) -----		
As at June 30, 2024	9,906,360	41,952,606	90,742,344

8.3 Nature of leasing activities

8.3.1 The Company acquired 1850 kWp solar system under finance lease arrangement, for a period of 15 years. Present value of lease payments has been discounted using interest rate ranging from 3 months KIBOR with a spread of up to 2% (to be revised annually). Rentals are paid in monthly instalments whereas repair & maintenance costs are borne by the Company. In case of earlier termination, the Company will be required to pay entire rentals for remaining period of lease agreement.

8.3.2 There are no variable lease payments in the lease contracts. There are no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

8.3.3 The remaining lease term of the lease contract is 12.6 years (2023: 13.6) for which lease liability is recorded.

Note 9
Deferred Liabilities

		2024	2023
	Note	Rupees	Rupees
Gratuity payable	9.1	16,761,990	18,157,529
9.1 Gratuity payable			
9.1.1 Net liability recognized in the statement of financial position			
Present value of defined benefit obligations		<u>16,761,990</u>	<u>14,069,822</u>

Note 9 - Deferred Liabilities ... Contd.

9.1.2 Movement in the net liability recognized in the statement of financial position

Net liability as at 1st July	14,069,822	47,637,641
Opening Benefits payable	4,087,707	-
Expense recognized in the income statement	5,144,840	5,140,509
Benefits paid during the year	(4,105,458)	(33,514,801)
Closing Benefits payable	(1,465,000)	(4,087,707)
Actuarial (Gains) / Losses	(969,921)	(1,105,820)
Net liability as at 30th June	<u>16,761,990</u>	<u>14,069,822</u>

9.1.3 Movement in the present value of defined benefit obligation is as follows:

Present value of defined benefit obligation as at 1st July	14,069,822	47,637,641
Opening Benefits payable	4,087,707	-
Current service cost	2,978,967	1,319,688
Interest cost	2,165,873	3,820,821
Benefit paid	(4,105,458)	(33,514,801)
Closing Benefits payable	(1,465,000)	(4,087,707)
Remeasurement of obligation	(969,921)	(1,105,820)
Present value of defined benefit obligation as at 30th June	<u>16,761,990</u>	<u>14,069,822</u>

9.1.4 Amount charge to profit and loss account

Current service cost	2,978,967	1,319,688
Interest cost	2,165,873	3,820,821
	<u>5,144,840</u>	<u>5,140,509</u>

9.1.5 Allocation of charge for the year

Cost of sales	29	1,238,827	1,741,971
Administrative expenses	31	3,906,013	3,398,538
		<u>5,144,840</u>	<u>5,140,509</u>

9.1.6 Amount recognized in other comprehensive income are:

Actuarial loss due to experience adjustments	<u>(969,921)</u>	<u>(1,105,820)</u>
--	------------------	--------------------

9.1.7 Estimated charge for the next year - 2024 to 2025

Current service cost	3,448,358
Interest on defined benefit liability	<u>2,472,394</u>
	<u>5,920,752</u>

9.1.8 Key actuarial assumptions used:

The company operates a defined benefit plan which comprises an unfunded gratuity scheme for its permanent employees. The scheme defined the amounts of the benefit that an employee will receive on or after retirement subject to minimum qualifying period of service under the scheme. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out on June 30, 2024 using Projected Unit Credit method by an approved actuary.

	2024	2023
Discount rate	14.75%	16.25%
Expected rate of salary increase	13.75%	15.25%
Retirement age	60 Years	60 Years

9.1.9 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation to changes in the weighted principle assumption is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	+ - by 100 bps	15,634,403	17,971,299
Salary increase	+ - by 100 bps	17,970,901	15,634,211

Note 9 - Deferred Liabilities ... Contd.

9.2 Deferred tax liability - Net

- 9.2.1 Deferred tax asset amounting to Rs. 10.374 million arising due to brought forward losses amounting to Rs. 35.773 million has not been recognized in the current year, as the attributable temporary differences are not expected to reverse in the foreseeable future.

Note 10

Trade and Other Payables

	Note	2024 Rupees	2023 Rupees
Creditors - Unsecured		257,937,952	87,641,541
Contract liabilities		5,089,852	3,940,519
Accrued liabilities	10.1	254,370,055	235,053,533
Withholding tax payable		3,795,225	3,445,155
Sales tax payable		-	4,047,062
Workers' (profit) participation fund		3,586,161	3,586,161
Workers welfare fund		843,047	843,047
Other liabilities		5,572,804	5,527,464
		<u>531,195,096</u>	<u>344,084,482</u>

- 10.1 This mainly includes salaries & wages payable and utility bills payable as at reporting date.

Note 11

Accrued Mark up

	Note	2024 Rupees	2023 Rupees
Long term loan		15,867,677	16,418,326
Short term borrowings	11.1	115,445,800	115,445,800
Workers' (profit) participation fund		403,443	-
		<u>131,716,920</u>	<u>131,864,126</u>

- 11.1 The principal amount of the short term borrowings is Rs. 392.204 million which is under litigation, the cost of funds is to be determined by Banking Court, at the current reporting date therefore no mark-up is charged for the year on the said borrowings.

Note 12

Short Term Borrowings

	Note	2024 Rupees	2023 Rupees
Banking companies - Secured			
- Running finance / packing credit / cash finance	12.1	392,204,386	392,204,386
Related parties - Unsecured			
- Loan from directors	12.2	219,441,093	217,443,188
		<u>611,645,479</u>	<u>609,647,574</u>

12.1 Terms and conditions of borrowings

- Purpose

These facilities were obtained to meet working capital requirements of the Company.

- Securities

These facilities are secured against pledge of raw material stocks, registered hypothecation charge over fabrics and yarn stocks, imports documents, irrevocable L/Cs and export bills, charges over fixed and current assets of the Company and personal guarantees of sponsoring directors of the Company.

- 12.2 This represents interest free funds obtained from directors to meet working capital requirements of the Company.

Note 13
Current and Overdue Portion of Non Current Liabilities

	Note	2024 Rupees	2023 Rupees
Long term loans	7	39,523,562	53,896,153

- 13.1 Long term loan has been classified as current liability due to Company's inability to pay loan's last installment on due date as per agreed schedule of the bank, however it has been paid subsequent to reporting date.

Note 14
Provision for Taxation

	2024 Rupees	2023 Rupees
Opening balance	50,009,317	54,844,202
Add: Charge for the current year	6,595,501	10,762,923
Add: Charge for the previous year	-	1,507,590
	56,604,818	67,114,715
Less: Payment / adjustments against advance tax	(10,762,923)	(17,105,398)
	45,841,895	50,009,317

- 14.1 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. The comparison of estimated provision for taxation and actual tax assessed as per income tax return filed for previous years can be analyzed as follows:

	2021 Rupees	2022 Rupees	2023 Rupees
Provision for Taxation	10,912,787	15,597,808	10,762,923
Tax assessed			

Note 15
Contingencies and Commitments

Contingencies

- 15.1 National Bank of Pakistan Limited filed a suit against the Company and Others before the Lahore High Court vide COS No.96/2016, wherein the bank demanded repayment of Rs. 112.654 million inclusive of principal and mark up. In this suit an interim decree for an amount of Rs. 77.467 million against cash finance facilities and mark-up accrued thereon up to December 31, 2014, was passed on January 21, 2019, execution whereof is also pending vide Ex.App. No.9787/2019. The Court has ordered that mark-up beyond December 31, 2014 is declined and un-claimable. The Company has also filed an appeal vide RFA No.19723/2019 against said interim decree, which is also pending. For remaining claim of the bank in respect of outstanding inland LC facility amounting to Rs. 18.868 million, leave to defend has been granted. The amount involved in this case is the same as claimed by the bank. The case is being vigorously contested by the Company and there are good chances of a favorable outcome in this case.
- 15.2 The Company filed a suit against National Bank of Pakistan Limited, before the Lahore High Court vide COS No.14450/2018, wherein along with other prayers recovery of Rs. 409.662 million has also been claimed. This suit is still pending adjudication. There is no scope of any loss to the Company in the instant matter.
- 15.3 Habib Metropolitan Bank Limited filed a suit against the Company and Others before the Lahore High Court vide COS No.173949/2018, wherein the Bank demanded recovery of Rs. 313.500 million inclusive of principal and mark up. This suit is still pending adjudication. The amount involved in this case is the same as claimed by the Bank. This case is being vigorously and diligently contested by the Company and there are good chances of a favorable result in this case.
- 15.4 The Company filed a suit against Habib Metropolitan Bank Limited, before the Lahore High Court vide COS No.219124/2018, wherein along with other prayers recovery of Rs. 578.318 million has been claimed. This suit is still pending adjudication. There is no scope of any loss to the Company in the instant matter.
- 15.5 The Company has filed appeal before the Appellate Tribunal Inland Revenue, Lahore, with reference to proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2021. The appeal is a pending adjudication and decision is likely to be in favor of the Company.

Commitments

There are no commitments as at reporting date.

Note 16
Property, Plant and Equipment

Operating fixed assets	Note	2024	2023
		Rupees	Rupees
16.1 Operating fixed assets	16.1	<u>1,108,252,054</u>	<u>896,649,227</u>

Description	2024							Total
	Land Freehold	Factory & Colony Building on Freehold Land	Plant & Machinery	Tools & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	
Cost	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2023	397,300,000	181,663,215	1,438,745,813	5,345,946	17,527,946	6,831,464	2,749,027	2,050,163,411
Additions	-	-	-	-	-	-	239,800	239,800
Revaluation adjustment	245,960,000	-	-	-	-	-	-	245,960,000
Deletions	-	-	-	-	-	-	(827,990)	(827,990)
Balance as at June 30, 2024	<u>643,260,000</u>	<u>181,663,215</u>	<u>1,438,745,813</u>	<u>5,345,946</u>	<u>17,527,946</u>	<u>6,831,464</u>	<u>2,160,837</u>	<u>2,295,535,221</u>
Accumulated Depreciation								
Balance as at July 01, 2023	-	149,758,900	973,894,912	4,835,205	16,991,519	5,710,018	2,323,630	1,153,514,184
Charge for the year	-	1,595,215	32,539,563	51,074	107,285	112,145	86,990	34,492,272
Deletions	-	-	-	-	-	-	(723,289)	(723,289)
Balance as at June 30, 2024	-	<u>151,354,115</u>	<u>1,006,434,475</u>	<u>4,886,279</u>	<u>17,098,804</u>	<u>5,822,163</u>	<u>1,687,331</u>	<u>1,187,283,167</u>
Written Down Value as at June 30, 2024	<u>643,260,000</u>	<u>30,309,100</u>	<u>432,311,338</u>	<u>459,667</u>	<u>429,142</u>	<u>1,009,301</u>	<u>473,506</u>	<u>1,108,252,054</u>
16.1.2 Depreciation rates		5%	7%	10%	20%	10%	20%	

Note 16 - Property, Plant and Equipment ... Contd.

		2023							
Description	Land Freehold	Factory & Colony Building on Freehold Land	Plant & Machinery	Tools & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total	
									Rupees
16.2.1 Owned assets									
Cost									
Balance as at July 01, 2022	397,300,000	181,663,215	1,431,111,813	5,345,946	17,527,946	6,831,464	2,733,627	2,042,514,011	
Additions	-	-	7,634,000	-	-	-	159,930	7,793,930	
Deletions	-	-	-	-	-	-	(144,530)	(144,530)	
Balance as at June 30, 2023	397,300,000	181,663,215	1,438,745,813	5,345,946	17,527,946	6,831,464	2,749,027	2,050,163,411	
Accumulated Depreciation									
Balance as at July 01, 2022	-	148,079,725	939,008,653	4,768,495	16,857,412	5,585,413	2,253,009	1,116,552,707	
Charge for the year	-	1,679,175	34,886,259	66,710	134,107	124,605	82,505	36,973,361	
Deletions	-	-	-	-	-	-	(11,884)	(11,884)	
Balance as at June 30, 2023	-	149,758,900	973,894,912	4,835,205	16,991,519	5,710,018	2,323,630	1,153,514,184	
Written Down Value as at June 30, 2023									
	397,300,000	31,904,315	464,850,901	510,741	536,427	1,121,446	425,397	896,649,227	
16.2.2 Depreciation rates									
		5%	7%	10%	20%	10%	20%		

Note 16 - Property, Plant and Equipment ... Contd.

16.3 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location / Address	Usage of immovable property	Total Area (In Kanal)	Covered Area (In sq. ft.)
49-Km, Multan Road, Bhai Phero	Production unit	106.8	194,000
7-Km, Multan Road, Pattoki	Production unit	118.3	163,893

16.4 Allocation of depreciation charge

Depreciation charge for the year has been apportioned as follows:

	Note	2024 Rupees	2023 Rupees
Cost of sales	29	34,185,852	36,632,144
Administrative expenses	31	306,420	341,217
		<u>34,492,272</u>	<u>36,973,361</u>

16.5 As per the valuation report of independent valuer as of June 30, 2024, the forced sales value of freehold land is Rs. 529.026 million.

16.6 Had there been no revaluation, the cost of revalued asset would have amounted to Rs. 11.737 million as at reporting date.

16.7 The table below analyses the assets carried at fair value, by valuation method. The different levels have been defined as

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

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Land Freehold	-	643,260,000	-	<u>643,260,000</u>

16.8 Disposal of Property, plant and equipment

16.8.1 There is / was no disposal during the current / last year whose net book value exceeds Rs. 500,000 or more.

Note 17
Right-of-Use Assets

		2024	2023
	Note	Rupees	Rupees
Solar System			
Opening balance		47,599,355	60,618,889
Add: Additions during the year		-	-
Add / Less: Impact of remeasurement		13,325,026	(10,103,074)
Less: Depreciation charge for the year	29	(4,841,673)	(2,916,460)
Closing balance		<u>56,082,708</u>	<u>47,599,355</u>

17.1 The Company has lease contract for purchase of solar system having lease term of 15 years. The Company's obligations under its leases are secured by the lessor's title to the solar system.

Note 18
Intangible Assets

		2024	2023
	Note	Rupees	Rupees
Net carrying value			
Opening balance of net book value		119,146	148,932
Amortization	29	(23,829)	(29,786)
Net book value as at June 30		<u>95,317</u>	<u>119,146</u>
Gross carrying value			
Cost		3,630,520	3,630,520
Accumulated amortization		(3,535,203)	(3,511,374)
Net book value		<u>95,317</u>	<u>119,146</u>
Amortization rate per annum		<u>20%</u>	<u>20%</u>

18.1 Amortization charge for the year has been allocated to cost of sales.

18.2 Intangible assets include ERP system and other software implemented and used by the Company.

Note 19
Long Term Loans

		2024	2023
	Note	Rupees	Rupees
Loans to employees - (Secured - considered good)			
- Due from executives	19.1	6,467,688	6,030,088
- Due from other employees		4,455,362	4,455,362
		10,923,050	10,485,450
Less: Current portion			
- Due from executives	24	-	-
- Due from other employees		-	-
		<u>10,923,050</u>	<u>10,485,450</u>
19.1 Reconciliation of carrying amount of loan to executives:			
Opening balance		6,030,088	5,857,088
Disbursement during the year		-	-
		6,030,088	5,857,088
Disbursement during the year		437,600	173,000
Closing Balance		<u>6,467,688</u>	<u>6,030,088</u>

19.2 This represents interest free loans given to executives and other employees for construction of houses and other purposes as per the Company's policy. These loans are secured against gratuity balances.

19.3 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 6.467 million (2023: Rs. 6.030 million)

19.4 Long term loans have been carried at cost as the effect of carrying these balances at amortized cost would not be material.

Note 20
Long Term Deposits

	2024	2023
	Rupees	Rupees
Security deposits against utilities	<u>51,467,222</u>	<u>51,632,222</u>

Note 21
Stores and Spares

	2024	2023
	Rupees	Rupees
Stores and spares	<u>10,628,559</u>	<u>12,240,228</u>

21.1 No identifiable stores and spares were held for specific capitalization.

Note 22
Stock in Trade

	2024	2023
	Rupees	Rupees
Raw materials	135,898,277	-
Work in process	11,931,831	20,252,882
Finished goods	<u>451,606,800</u>	<u>402,146,772</u>
	<u>599,436,908</u>	<u>422,399,654</u>

22.1 Short term borrowings availed by the Company are secured by way of hypothecation charge on present and future current assets of the Company (including stock in trade) as per detail given in note 12 to these financial statements.

Note 23
Trade Debts

	2024	2023
	Rupees	Rupees
Local - Unsecured		
Trade debts (Considered good)	<u>9,675,823</u>	<u>2,793,074</u>

23.1 Trade debts do not include any amount due from related parties.

Note 24
Loans and Advances

		2024	2023
		Rupees	Rupees
Current portion of loan to employees:	Note		
- Due from executives	19	-	-
- Due from other employees		-	-
Advances - Considered good:			
- Suppliers and contractors	24.1	216,733	3,452,188
- Employees	24.2	<u>23,498,814</u>	<u>16,030,457</u>
		<u>23,715,547</u>	<u>19,482,645</u>

24.1 Advances to suppliers and contractors do not include any amount given to related parties.

24.2 This represents interest-free loans given to employees as per the Company's policy. These loans are recoverable from salary in installments and are secured against their gratuity balances of employees. Advances to employees do not include any amount given to directors of the Company.

Note 25
Trade Deposits and Other Receivables

	2024	2023
	Rupees	Rupees
Security deposits	185,000	212,000
Margin against letter of credit	5,396,901	5,396,901
	<u>5,581,901</u>	<u>5,608,901</u>

Note 26
Tax Refunds Due from Government

	2024	2023
	Rupees	Rupees
Tax deducted at source and advance tax	33,283,213	43,989,730
Sales tax refundable	4,700,573	-
	<u>37,983,786</u>	<u>43,989,730</u>

Note 27
Cash and Bank Balances

	2024	2023
	Rupees	Rupees
Cash in hand	621,852	413,038
Cash at bank - in current accounts	9,000,841	4,299,145
	<u>9,622,693</u>	<u>4,712,183</u>

Note 28
Sales

	2024	2023
	Rupees	Rupees
Local		
- Grey cloth	262,162,056	579,153,284
- Processing income	422,724,547	439,127,101
Sales tax	684,886,603	1,018,280,385
Commission	(157,246,533)	(157,246,533)
Net sales	-	(208,450)
	<u>527,640,070</u>	<u>860,825,402</u>

28.1 Revenue has been recognized at a point in time for local sales made during the year.

Note 29
Cost of Sales

		2024	2023
	Note	Rupees	Rupees
Raw materials consumed	29.1	-	407,768,634
Fuel and power		349,380,876	495,292,513
Salaries, wages and other benefits	29.2	122,451,059	199,818,815
Stores, spares and chemicals consumed		36,204,979	43,836,337
Repairs and maintenance		14,332,432	11,070,369
Packing material		3,440,064	5,169,291
Insurance		770,678	2,763,574
Miscellaneous		96,880	499,198
Amortization	18	23,829	29,786
Depreciation	16.4 , 17	39,027,525	39,548,604
		<u>565,728,322</u>	<u>1,205,797,121</u>

Note 29 - Cost of Sales ... Contd.

Work in process:

- Opening work in process	20,252,882	40,536,150
- Closing work in process	(11,931,831)	(20,252,882)
	8,321,051	20,283,268

Cost of goods manufactured

574,049,373	1,226,080,389
-------------	---------------

Finished goods:

- Opening finished goods	402,146,772	25,826,293
- Closing finished goods	(451,606,800)	(402,146,772)
	(49,460,028)	(376,320,479)

524,589,345	849,759,910
-------------	-------------

29.1 Raw materials consumed:

- Opening stock	-	167,507,744
- Purchases	135,898,277	239,239,062
- Purchase expenses	-	1,021,828
	135,898,277	407,768,634
- Closing stock	(135,898,277)	-
	-	407,768,634

29.2 This includes Rs. 1.239 million (2023: Rs. 1.742 million), approximately, in respect of employee benefits - gratuity scheme.

Note 30

Distribution Costs

	2024 Rupees	2023 Rupees
Salaries, wages and other benefits	4,985,160	6,188,500
Commission, claims and promotion	-	2,397,333
	<u>4,985,160</u>	<u>8,585,833</u>

Note 31

Administrative Expenses

		2024 Rupees	2023 Rupees
Salaries, wages and other benefits	31.1	20,602,803	32,706,263
Electricity and gas		4,531,871	4,054,519
Fees and subscriptions		4,258,435	2,952,430
Vehicles' running and maintenance		3,683,737	3,649,497
Communications		823,335	1,326,056
Entertainment		590,069	581,454
Miscellaneous		540,834	106,860
Repairs and maintenance		304,360	359,915
Traveling and conveyance		191,650	197,795
Printing and stationery		166,916	216,810
Advertisement		53,000	119,000
Insurance		47,011	190,745
Legal and professional charges		-	2,481,660
Rent, rates and taxes		-	100,000
Depreciation	16.4	306,420	341,217
		<u>36,100,441</u>	<u>49,384,221</u>

31.1 This includes Rs. 3.906 million (2023: Rs. 3.398 million), approximately, in respect of employee benefits - gratuity scheme.

Note 32
Other Operating Charges

	Note	2024 Rupees	2023 Rupees
Auditors' remuneration	32.1	800,000	800,000
Exchange loss		-	1,367,760
		<u>800,000</u>	<u>2,167,760</u>
32.1 Auditors' remuneration			
Audit fee		550,000	550,000
Certification and reviews		<u>250,000</u>	<u>250,000</u>
		<u>800,000</u>	<u>800,000</u>

Note 33
Finance Cost

	2024 Rupees	2023 Rupees
Mark up on:		
- Long term loan	2,907,913	3,761,763
- Lease liability	1,198,110	1,255,213
- Workers' (profit) participation fund	403,443	-
Bank charges and commissions	<u>130,547</u>	<u>114,454</u>
	<u>4,640,013</u>	<u>5,131,430</u>

Note 34
Other Operating Income

	2024 Rupees	2023 Rupees
Gain on disposal of property, plant and equipment	<u>865,299</u>	<u>7,354</u>

Note 35
Levies and Taxation

	2024 Rupees	2023 Rupees
Levies		
- Minimum Tax	6,595,501	10,762,923
- Prior year adjustment	-	1,507,590
	6,595,501	12,270,513
Taxation		
- Current	-	-
- Deferred	-	-
	<u>6,595,501</u>	<u>12,270,513</u>

35.1 This represents final tax under section 154 and minimum tax under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

35.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the statement of profit or loss, is as follows:

Current tax liability for the year as per applicable tax laws	6,595,501	12,270,513
Portion of current tax liability as per tax laws, representing income tax under IAS 12	-	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(6,595,501)	(12,270,513)
Difference	<u>-</u>	<u>-</u>

35.3 The Company is not presenting the tax charge reconciliation because the Company has incurred tax loss during the year and the company has recognized levy for the year which represents minimum tax at the rate of 1.25% of turnover (2023: 1.25% of turnover) under section 113 of the Income Tax Ordinance, 2001.

Note 36
Loss per Share

	2024	2023
	Rupees	Rupees
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	124,960,000	90,000,000
Loss for the Year	(49,205,091)	(66,466,911)
Loss per share - basic (Rupees per share)	(0.39)	(0.74)

36.1 There is no dilution effect on the basic earnings per share of the Company as the Company has no such commitment that would result in dilution of earnings of the Company.

Note 37
Cash Generated from Operations

	2024	Restated 2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(49,205,091)	(66,466,911)
Adjustments for:		
- Depreciation	39,333,945	39,889,821
- Levies	6,595,501	12,270,513
- Provision for gratuity	5,144,840	5,140,509
- Finance cost	4,640,118	5,131,430
- Long term deposits written off	165,000	-
- Amortization of intangible asset	23,829	29,786
- Gain on disposal of property, plant and equipment	(865,299)	(7,354)
- Exchange loss	-	1,367,760
	55,037,934	63,822,465
Operating profit / (loss) before working capital changes	5,832,843	(2,644,446)
(Increase) / decrease in current assets		
- Stores and spares	1,611,669	1,025,895
- Stock in trade	(177,037,254)	(188,529,467)
- Trade debts	(6,882,749)	165,387,685
- Loans and advances	(4,232,902)	11,941,454
- Trade deposits and other receivables	27,000	-
- Tax refund due from government	(8,747,635)	8,017,685
(Decrease) / increase in current liabilities		
- Trade and other payables	191,157,676	43,779,823
	(4,104,195)	41,623,075
Cash generated from operations	1,728,648	38,978,629

Note 38
Liabilities Arising from Financing Activities

	As at Jul 01, 2023	Non-Cash Changes	Cash Flows (Net)	As at June 30, 2024
	----- Rupees -----			
Long term loan	53,896,153	-	(14,372,591)	39,523,562
Lease liabilities	40,193,006	-	4,827,162	45,020,168
Short term borrowings	392,204,386	-	-	392,204,386
Total liabilities from financing activities	<u>486,293,545</u>	-	<u>(9,545,429)</u>	<u>476,748,116</u>
	----- Rupees -----			
	As at Jul 01, 2022	Non-Cash Changes	Cash Flows (Net)	As at June 30, 2023
Long term loan	67,258,461	-	(13,362,308)	53,896,153
Lease liabilities	58,512,049	-	(18,319,043)	40,193,006
Short term borrowings	392,204,386	-	-	392,204,386
Total liabilities from financing activities	<u>517,974,896</u>	-	<u>(31,681,351)</u>	<u>486,293,545</u>

Note 39

Remuneration of Chief Executive and Executives

The aggregate amounts charged in the accounts for the year as remuneration and benefits to the chief executive, executive director and executives of the Company are as follows:

	Chief Executive		Executives	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	5,250,000	12,600,000	14,389,200	11,298,000
House rent allowance	1,875,000	4,500,000	5,139,000	4,035,000
Utilities	375,000	900,000	1,027,800	807,000
Car allowance and others	1,462,607	2,165,070	347,797	435,858
	<u>8,962,607</u>	<u>20,165,070</u>	<u>20,903,797</u>	<u>16,575,858</u>
Number of persons	1	1	9	6

39.1 No meeting fee has been paid to any director of the Company.

39.2 Chief executive and certain executives are provided with free use of Company maintained vehicles.

39.3 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 40

Transaction with Related Parties

Related parties and associated undertaking comprise related group companies, associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	2024	2023
	Rs. '000'	Rs. '000'
Associates and related parties		
Long term loan obtained from director	34,176	25,370
Short term funds availed from directors	1,998	23,058
Expenses paid on behalf of Chakwal Spinning Mills Limited	-	(6,346)
Long term loan of director converted in issued, subscribed and paid up capital	-	460,000

There were no transactions with key management personnel other than undertaken as per terms of their employment as disclosed in Note 39.

Sale and purchase transactions have been carried out on commercial terms and conditions as per Company's policy.

Note 41
Segment Reporting

For management purposes, the activities of the Company are organized into two operating segment i.e., weaving and spinning. The Company operates in the said reportable operating segments based on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements related to the Company's reportable segment.

Information regarding the Company's reportable segment is presented below:

41.1 Segment revenues and results

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
<i>For the year ended June 30, 2024</i>			
Sales - net	527,640,070	-	527,640,070
Cost of sales	(520,418,844)	(4,170,501)	(524,589,345)
Gross Profit / (Loss)	7,221,226	(4,170,501)	3,050,725
Distribution cost	(4,985,160)	-	(4,985,160)
Administrative expenses	(36,073,633)	(26,808)	(36,100,441)
Operating Loss	(41,058,793)	(26,808)	(41,085,601)
	(33,837,567)	(4,197,309)	(38,034,876)
Other operating charges	(800,000)	-	(800,000)
Finance cost	(4,640,013)	-	(4,640,013)
Other operating income	865,299	-	865,299
Loss before Levies & Taxation	(38,412,281)	(4,197,309)	(42,609,590)
Levies			(6,595,501)
Loss before Taxation			(49,205,091)
Taxation			-
Loss for the Year			(49,205,091)
<i>For the year ended June 30, 2023</i>			
Sales - net	860,825,402	-	860,825,402
Cost of sales	(845,284,776)	(4,475,134)	(849,759,910)
Gross Profit / (Loss)	15,540,626	(4,475,134)	11,065,492
Distribution cost	(8,585,833)	-	(8,585,833)
Administrative expenses	(49,351,405)	(32,816)	(49,384,221)
Operating Loss	(57,937,238)	(32,816)	(57,970,054)
	(42,396,612)	(4,507,950)	(46,904,562)
Other operating charges	(2,167,760)	-	(2,167,760)
Finance cost	(5,131,430)	-	(5,131,430)
Other operating income	7,354	-	7,354
Loss before Levies & Taxation	(49,688,448)	(4,507,950)	(54,196,398)

Note 41 - Segment Reporting ... Contd.

Levies	(12,270,513)
Loss before Taxation	(66,466,911)
Taxation	-
Loss for the Year	<u>(66,466,911)</u>

41.1.1 Revenue reported above represents revenue generated from external customers. Inter-segment sales during the year is Rs. Nil (2023: Nil)

41.1.2 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 3 to the financial statements.

41.2 Entity-wide disclosures regarding single reportable segment are as follows:

- *Information about products*

One product of the weaving segment comprises 35.68% (2023: 63.15%) of total sales for the year.

One product of the spinning segment comprises 0% (2023: 0%) of total sales for the year.

- *Information about major customers*

One customer of the weaving segment accounts for 80.92% (2023: 84.87%) of total sales for the year.

One customer of the spinning segment accounts for 0% (2023: 0%) of total sales for the year.

- *Information about geographical area*

All non-current assets of the Company are located in Pakistan as at the reporting date. Revenue from export sale is Nil. (2023: Nil).

41.3 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
<i>As at June 30, 2024</i>			
Segment assets for reportable segments	1,672,072,177	213,409,605	1,885,481,782
Unallocated assets			37,983,786
Total assets as per balance sheet			<u>1,923,465,568</u>
Segment liabilities for reportable segments	978,746,689	229,574,713	1,208,321,402
Unallocated liabilities			216,630,724
Total liabilities as per balance sheet			<u>1,424,952,126</u>
<i>As at June 30, 2023</i>			
Segment assets for reportable segments	1,368,515,171	105,206,914	1,473,722,085
Unallocated assets			43,989,730
Total assets as per balance sheet			<u>1,517,711,815</u>
Segment liabilities for reportable segments	764,660,454	229,415,446	994,075,900
Unallocated liabilities			257,023,303
Total liabilities as per balance sheet			<u>1,251,099,203</u>

Note 41 - Segment Reporting ... Contd.

For the purposes of monitoring segment performance and allocating resources between segments

- all assets are allocated to reportable segments other than those directly relating to corporate and tax assets; and
- all liabilities are allocated to reportable segments other than current and deferred tax liabilities.

41.4 Other Segment Information

	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
<i>For the year ended 30 June 2024</i>			
Capital expenditure	239,800	-	239,800
Depreciation and amortization	35,160,465	4,197,309	39,357,774
Non-cash items other than depreciation and amortization - net	9,784,958	-	9,784,958
<i>For the year ended 30 June 2023</i>			
Capital expenditure	7,793,930	-	7,793,930
Depreciation and amortization	35,411,657	4,507,950	39,919,607
Non-cash items other than depreciation and amortization - net	10,271,939	-	10,271,939

Note 42
Financial Risk Management

42.1 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 policies focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). 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 and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

(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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Since there have been no foreign currency receivables and payables as at reporting date therefore the Company is not exposed to currency risk with respect to foreign receivables and payables.

(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. The Company is not exposed to equity and commodity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing and short term borrowings. As the borrowings are obtained at variable rates, these expose the Company to cash flow interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was as follows:

	2024	2023
	Rupees	Rupees
Floating rate instruments		
Financial liabilities		
Long term loan	39,523,562	53,896,153
Lease liabilities	45,020,168	40,193,006
Short term borrowings	611,645,479	609,647,574
Financial assets		
Bank balances - saving accounts	-	-

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date, fluctuate by 1% higher / lower with all other variables held constant, profit/(loss) before taxation for the year would have been Rs. 7.047 million (2023: Rs. 7.037 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at balance sheet dates were outstanding for the whole year.

Note 42 - Financial Risk Management ... Contd.

(b) 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. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	Rupees	Rupees
Long term loans	10,923,050	10,485,450
Long term deposits	51,467,222	51,632,222
Trade debts	9,675,823	2,793,074
Short term loans to employees	23,498,814	16,030,457
Trade deposits and other receivables	185,000	212,000
Bank balances	9,000,841	4,299,145

The aging of trade debts at balance sheet date is as follows:

	2024	2023
	Rupees	Rupees
1 - 30 days	7,132,360	199,704
31 - 60 days	272,704	142,557
61 - 120 days	-	307,872
120 days and above	2,270,759	2,142,941
	<u>9,675,823</u>	<u>2,793,074</u>

The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of parties and trade debts are subject to specific credit ceilings based on customer credit history.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rate:

Agency	Rating	
	Short Term	Long Term
Allied Bank Limited	PACRA A1+	AAA
Bank Alfalah Limited	PACRA A1+	AA+
Habib Metropolitan Bank Limited	PACRA A1+	AA+
Meezan Bank Limited	JCR - VIS A-1+	AAA
MCB Bank Limited	PACRA A1+	AAA
United Bank Limited	JCR - VIS A1+	AA+
Bank Of Punjab	PACRA A1+	AA+
Bank Al Habib Limited	PACRA A1+	AAA

Due to company's long standing business relationship with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligation to the company. Accordingly, the credit risk is minimal.

(c) 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 and the availability of funding through an adequate amount of committed credit facilities. As at the balance sheet date, the Company had Rs. 906.568 million (2023: Rs. 906.568 million) worth short term borrowing limits available from financial institutions and Rs. 9.623 million (2023: Rs. 4.712 million) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Note 42 - Financial Risk Management ... Contd.

Contractual maturities of financial liabilities as at June 30, 2024:

Description	Carrying Amount	On Demand	Contractual cash flows	Within 1 Year	1-2 Years	2-5 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term loan	39,523,562	-	39,523,562	-	14,372,000	25,151,562
Lease liabilities	45,020,168	-	142,601,310	9,906,360	41,952,606	90,742,344
Trade and other payables	517,397,859	-	517,397,859	517,397,859	-	-
Accrued mark up	131,716,920	-	131,716,920	131,716,920	-	-
Short term borrowings	611,645,479	611,645,479	-	-	-	-
	<u>1,345,303,988</u>	<u>611,645,479</u>	<u>831,239,651</u>	<u>659,021,139</u>	<u>56,324,606</u>	<u>115,893,906</u>

Contractual maturities of financial liabilities as at June 30, 2023:

Description	Carrying Amount	On Demand	Contractual cash flows	Within 1 Year	1-2 Years	2-5 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Long term loan	53,896,153	-	53,896,153	14,372,000	14,372,000	25,152,153
Lease liabilities	40,193,006	-	152,300,580	9,690,560	41,022,640	101,587,380
Trade and other payables	326,635,593	-	326,635,593	326,635,593	-	-
Accrued mark up	131,864,126	-	131,864,126	131,864,126	-	-
Short term borrowings	609,647,574	609,647,574	-	-	-	-
	<u>1,162,236,452</u>	<u>609,647,574</u>	<u>664,696,452</u>	<u>482,562,279</u>	<u>55,394,640</u>	<u>126,739,533</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30th June. The rates of interest / mark up have been disclosed in Note 7, 8 and 12 to these financial statements.

(d) Fair value of financial instruments

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 market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2024 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other financial assets and liabilities are not considered to be significantly different from their carrying values.

The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

42.2 Financial instruments by categories

Financial asset as at amortized cost

	2024	2023
	Rupees	Rupees
Long term loans	10,923,050	10,485,450
Long term deposits	51,467,222	51,632,222
Trade debts	9,675,823	2,793,074
Short term loans to employees	23,498,814	16,030,457
Trade deposits and other receivables	185,000	212,000
Cash and Bank Balance	9,622,693	4,712,183
	<u>105,372,602</u>	<u>85,865,386</u>

Financial liabilities at amortized cost

	2024	2023
	Rupees	Rupees
Long term loan	39,523,562	53,896,153
Lease liabilities	45,020,168	40,193,006
Trade and other payables	517,397,859	326,635,593
Accrued mark up	131,716,920	131,864,126
Short term borrowings	611,645,479	609,647,574
	<u>1,345,303,988</u>	<u>1,162,236,452</u>

42.3 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 43
Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchase shares, if possible, selling surplus property, plant and equipment without affecting the optimal operating level, and regulate its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

As on the balance sheet date, the gearing ratio of the Company was as under:

	2024	2023
	Rupees	Rupees
Total borrowings	651,169,041	663,543,727
Cash and bank balances	(9,622,693)	(4,712,183)
Net Debt	641,546,348	658,831,544
Equity	498,513,442	266,612,612
Total capital employed	1,140,059,790	925,444,156
Gearing Ratio	56%	71%

Note 44
Plant Capacity and Production

	2024	2023
Air Jet Looms installed	264	264
Installed capacity converted into 50 picks based on 364 days (Sq. Meters approximately)	60,694,000	60,694,000
Actual production converted into 50 picks - (Sq. Meters)	25,068,566	32,390,261
Number of spindles installed	17,976	17,976
Installed capacity in 20's count (Kgs) - approximately	8,853,756	8,853,756
Actual production after conversion into 20's count (Kgs)	-	-

44.1 Under utilization of installed capacities is mainly due to non availability of sufficient liquid funds.

Note 45
Number of Employees

		2024	2023
Average number of employees during the year	Note	353	491
Number of Employees as at June 30,	45.1, 45.2	351	354
45.1 This includes factory employees as at June 30,		339	344

45.2 This includes 45 permanent employees who are eligible for gratuity.

Note 46
Authorization of Financial Statements

These financial statements were authorized for issue on October 07, 2024 by the Board of Directors of the Company.

Note 47
General

Figures in the financial statements have been rounded-off to the nearest rupees except stated otherwise.

CHIEF EXECUTIVE OFFICER

DIRECTOR



CHIEF FINANCIAL OFFICER

YOUSAF WEAVING MILLS LIMITED

KEY FINANCIAL DATA OF LAST FIVE YEARS

	2023	2022	2021	2020	2019
	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'	Rs. '000'
Sales	860,825	1,244,911	723,253	415,495	1,325,506
Gross Profit / (Loss)	11,065	97,627	84,138	(31,506)	8,262
Profit / (Loss) Before Taxation	(54,196)	37,977	28,092	(69,177)	(63,939)
Tax	(12,271)	(15,598)	(10,913)	(6,304)	(10,352)
Profit / (Loss) After Taxation	(66,467)	22,379	17,180	(75,481)	(74,291)
Total Assets	1,923,131	1,517,712	1,153,897	985,723	1,056,393
Current Liabilities	(1,371,976)	(1,200,032)	(1,166,897)	(1,267,310)	(1,306,686)
	551,155	317,680	(13,000)	(281,588)	(250,293)

Issued, subscribed and paid up share capital	1,360,000	1,360,000	900,000	900,000	900,000
Long term loan from directors	48,652	14,476	106,600	37,640	-
Accumulated loss	(1,541,996)	(1,493,427)	(1,440,717)	(1,455,492)	(1,375,617)
Surplus on revaluation of land	631,523	385,563	385,563	203,833	203,833
Equity	498,179	266,612	(48,554)	(314,018)	(271,784)
Long term loan	-	-	-	-	-
Lease liabilities	36,214	32,910	-	-	-
Deferred Liability	16,762	18,158	35,553	32,431	21,491
	551,155	317,680	(13,000)	(281,588)	(250,293)

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company

YOUSAF WEAVING MILLS LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2024

2.2 No. of Shareholder:	-----Shareholdings-----		Total Shares Held
	From	To	
210	1	100	6,132
362	101	500	165,377
343	501	1,000	331,401
787	1,001	5,000	2,469,234
366	5,001	10,000	3,060,308
146	10,001	15,000	1,906,830
147	15,001	20,000	2,764,133
95	20,001	25,000	2,252,552
61	25,001	30,000	1,752,322
38	30,001	35,000	1,237,576
42	35,001	40,000	1,623,681
19	40,001	45,000	816,856
62	45,001	50,000	3,070,647
18	50,001	55,000	963,630
19	55,001	60,000	1,105,001
13	60,001	65,000	819,560
9	65,001	70,000	617,510
13	70,001	75,000	959,100
6	75,001	80,000	464,000
9	80,001	85,000	744,703
5	85,001	90,000	446,000
5	90,001	95,000	464,100
48	95,001	100,000	4,783,151
6	100,001	105,000	618,395
9	105,001	110,000	969,864
5	115,001	120,000	598,000
7	120,001	125,000	868,000
3	125,001	130,000	386,500
2	130,001	135,000	267,000
8	135,001	140,000	1,108,165
7	145,001	150,000	1,050,000
2	150,001	155,000	303,055
1	155,001	160,000	160,000
3	160,001	165,000	485,000
1	165,001	170,000	167,142
2	170,001	175,000	345,500
2	180,001	185,000	363,005
1	185,001	190,000	186,000
11	195,001	200,000	2,188,500

2	200,001	205,000	406,000
1	205,001	210,000	210,000
3	210,001	215,000	634,200
1	215,001	220,000	218,000
2	220,001	225,000	450,000
1	235,001	240,000	237,000
1	240,001	245,000	245,000
1	245,001	250,000	250,000
1	250,001	255,000	250,500
2	265,001	270,000	538,646
1	270,001	275,000	274,745
1	280,001	285,000	284,000
1	295,001	300,000	300,000
1	310,001	315,000	313,717
1	315,001	320,000	316,000
1	325,001	330,000	328,869
1	350,001	355,000	353,000
2	360,001	365,000	727,000
1	365,001	370,000	370,000
1	395,001	400,000	400,000
1	410,001	415,000	412,500
1	420,001	425,000	423,000
1	445,001	450,000	450,000
3	495,001	500,000	1,500,000
1	500,001	505,000	502,200
1	520,001	525,000	525,000
2	545,001	550,000	1,096,391
1	560,001	565,000	563,000
1	595,001	600,000	600,000
1	670,001	675,000	675,000
1	750,001	755,000	753,375
1	820,001	825,000	822,030
1	850,001	855,000	855,000
1	895,001	900,000	900,000
1	935,001	940,000	938,022
1	1,060,001	1,065,000	1,061,500
1	1,125,001	1,130,000	1,126,000
1	1,145,001	1,150,000	1,150,000
1	1,155,001	1,160,000	1,156,875
1	8,095,001	8,100,000	8,100,000
1	16,205,001	16,210,000	16,205,500
1	46,185,001	46,190,000	46,190,000

2,944

136,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	62,937,200	46.2774
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	-	-
2.3.3 NIT and ICP	1,100	0.0008
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	6,267	0.0046
2.3.5 Insurance Companies	153,047	0.1125
2.3.6 Modarabas and Mutual Funds	14,700	0.0108
2.3.7 Shareholders holding 10% or more	62,933,700	46.2748
2.3.8 General Public		
a. Local	70,887,927	52.1235
b. Foreign	-	-
2.3.9 Others (to be specified)		
- Joint Stock Companies	1,874,477	1.3783
- Foreign Companies	6,700	0.0049
- Leasing Companies	6,100	0.0045
- Pension Funds	108,669	0.0799
- Others	3,813	0.0028

YOUSAF WEAVING MILLS LIMITED
Categories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

1	GOLDEN ARROW SELECTED STOCKS	1,000	0.0007
2	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	9,500	0.0070

Directors and their Spouse and Minor Children (Name Wise Detail):

1	KHAWAJA MOHAMMAD NADEEM (CDC)	46,692,200	34.3325
2	KH. SHAHZAD YOUNUS	500	0.0004
3	MRS. ALIA KHANUM	500	0.0004
4	MR. MUHAMAMD AMJAD	500	0.0004
5	SHEIKH MAQBOOL AHMED	500	0.0004
6	MR. SHUQRAN AHMAD KHAN	500	0.0004
7	MR. WASIM BAIG	500	0.0004
8	MR. ABBAS ALI	500	0.0004
9	MRS. ANDLEEB KAUSAR W/O KHAWAJA M. NADEEM (CDC)	16,241,500	11.9423

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

278,283 0.2046

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)

S. No.	NAME	Holding	%Age
1	KHAWAJA MOHAMMAD NADEEM (CDC)	46,692,200	34.3325
2	MRS. ANDLEEB KAUSAR W/O KHAWAJA M. NADEEM (CDC)	16,241,500	11.9423
3	MST. MALAIKA NADEEM (CDC)	8,100,000	5.9559

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

Sr. No.	Name	Sale / Transfer	Purchase
1	KHAWAJA MOHAMMAD NADEEM (CDC)	11,500,000	-
2	MRS. ANDLEEB KAUSAR W/O KHAWAJA M. NADEEM (CDC)	6,717,000	-

Form of Proxy - 37th Annual General Meeting

The Corporate Secretary
 Yousaf Weaving Mills Limited
 7/1, E-3 Main Boulevard Gulberg III, Lahore

Folio # / CDC A/C #.	
Participant I.D	
Account #	
Shares held	

I/We _____ of _____
 _____ being a member (s) of YOUSAF WEAVING MILLS
 LIMITED hold _____ ordinary shares hereby appoint Mr./Mrs./Miss
 _____ of _____
 _____ or failing him/her _____ of _____
 as my /our Proxy to attend and vote for me/us and on my/our behalf at the
 37th Annual General Meeting of the Company to be held on Monday, 28th
 October, 2024 at 11:00 a.m at the registered office 7/1 E-III, Main Boulevard,
 Gulberg III, Lahore.

Signed this _____ day of October 2024.

NOTE

1. This Form of proxy, duly completed and signed, must be received at the registered office of the company, at 7/1, E-3 Main Boulevard Gulberg III, Lahore Pakistan, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.

1. Witness:
 Signature _____
 Name _____
 Address _____
 CNIC _____
2. Witness:
 Signature _____
 Name _____
 Address _____
 CNIC _____



Signature _____

(Signature appended above should agree with the specimen signatures registered with the Company.)