

37th Annual Report 2023

BILAL
FIBRES LIMITED

ANNUAL REPORT 2023

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COMPANY INFORMATION

Chief Executive

Mr. Naeem Omer

Chairman

Mr. Muhammad Omer

Directors

Mr. Naeem Omer
Mr. Anwaar Abbass
Mr. Muhammad Asghar
Mr. Muhammad Aslam Bhatti
Mr. Muhammad Kashif
Mr. Muhammad Omer
Mr. Shahid Iqbal

Audit Committee

Chairman

Mr. Muhammad Aslam Bhatti

Member

Mr. Anwaar Abbass

Member

Mr. Muhammad Omer

Human Resource & Remuneration Committee

Chairman

Mr. Muhammad Kashif

Member

Mr. Muhammad Asghar

Member

Mr. Shahid Iqbal

Company Secretary

Mr. Ijaz Shahid

Auditors

M/S Mushtaq & Co.
Chartered Accountants
19-B, Block G, Gulberg-III
Lahore.

Bankers

The Bank of Punjab
MCB (NIB) Bank Limited
Sik Bank Limited

Share Registrar

M/S Corplink (Pvt) Ltd
Wings Arcade, J-K, Commercial
Model Town, Lahore

Legal Advisor

Aakif Majid Butt
9-G, Mustaq Gurmiani Road,
Gulberg II, Lahore

Head Office

109-A, Street No.3 Cavalry Ground,
Lahore Cantt Lahore, Pakistan
Ph: +92 42 36672423-26
Fax No: +92 42 37175482
Email: fin@bilalfibres.com
Web site: www.bilalfibres.com

Registered Office

3rd Floor, Plot No. 91, Sharif Plaza, Hassan
Commercial Zone, Al Rehman Garden, Phase-2,
Saggian Bypass, Lahore

Mills

38th KM, Sheekhupura Road,
Tehsil Jaranwala, District Faisalabad

CORORATE VISION / MISSION STATEMENT**VISION**

To be a customer oriented company having wide and diversified customer base with the team of professional working together to add value to all stakeholders and contributing to society to help build a strong and progressive Pakistan.

MISSION

To be a distinctive yarn seller with international presence delivering best quality yarn through innovative techniques and effective resource management by maintaining high ethical and professional standards.

To accomplish excellent financial results which can benefit all the stakeholders including members and employees of the Company.

To fulfil obligations toward the society, being a good corporate citizen.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 37th Annual General Meeting of Members of the Company will be held on Friday 27th October, 2023 at 09:00 A.M. at Bilal Fibres Limited, 3rd Floor, Plot No. 91 Sharif Plaza, Hassan Commercial Zone, Al Rehman Garden, Phase-2, Saggian Bypass, Lahore to transact the following business:-

1. To confirm the minutes of the Last Annual General Meeting held on October 27, 2022
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2023 together with the Directors' and Auditors Report thereon.
3. To appoint auditors and fix their remuneration for the next year June 30, 2024.
4. To consider any other business with the permission of the Chief.



By order of the Board
(Muhammad Ijaz Shahid)
Company Secretary

Lahore.
Dated: October 05, 2023

NOTES:

- 1) The Share Transfer Books of the Company will remain closed from October 21st, 2023 to October 27th, 2023 (both days inclusive).
- 2) A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy. Proxies, in order to be effective must be received at the registered office of the company not less than 48 hours before the time for holding the meeting. A proxy must be a member of the company.
- 3) For the identification, CDC account holders who wish to attend the annual general meeting are requested to please bring with them original/attested copy of their computerized National Identity card along the participant ID number and their account number in Central Depository Company of Pakistan to facilitate identification at Annual General Meeting. In case of proxy, an attested copy proxy's Identity card, accounts & participants ID number be enclosed. In case of corporate entity, the BOD, Resolution/Power of attorney with specimen signature of the nominee shall be provided at the time of the meeting (unless it has been provided earlier).
- 4) Due to the current COVID-19 situation, the Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No. 5 of 2020 issued on March 17, 2020 has advised companies to modify their usual planning for general meeting for the safety and wellbeing of shareholder and the public at large. Considering the SECP's directives, the company has decided to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consider their attendance at the AGM through proxies.
- 5) In terms of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the Annual General Meeting. The request for Video-link facility shall be received by the Share Registrar at the address given hereunder at least 7 days prior to the date of the meeting on the standard Form placed in the Annual Report which is also available on the website of the company.
- 6) The shareholders are requested to notify any change in their addresses, if any, immediately to our share registrar, M/S Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial Model Town, Lahore.
- 7) The audited financial statement of the Company for the year ended June 30, 2023 have been placed at the Company's website : www.bilalfibres.com

اطلاع برائے سالانہ اجلاس عام

اعتراف کی جاتی ہے کہ سمجھنے کے راستے میں سالانہ اجلاس سے 27 اکتوبر 2023 کو صبح 9:00 بجے منعقد ہو گا جو ال فائبرز لمیٹڈ، قیسری منزل، پلاٹ نمبر 91 شریف پلازہ، حسن کمرشل سٹیٹ، لاہور میں منعقد ہو گا۔

1. 27 اکتوبر 2023 کو منعقد ہونے والا سالانہ اجلاس کے اجلاس کے لیے
2. 30 جون 2023 کو ختم ہونے والے سال کے لیے سمجھنے کے ایکٹ شیڈول میں توسیع کرنے اور اجلاس کے لیے
3. 30 جون 2024 کے لیے سالانہ اجلاس کے اجلاس کے لیے
4. سالانہ اجلاس کے اجلاس کے لیے

(Signature)

اساتذہ
محترمین
کلیں

تاریخ: 05 اکتوبر 2023

1. 27 اکتوبر 2023 سے 21 اکتوبر 2023 تک سالانہ اجلاس منعقد ہو گا۔
2. اگر کسی سالانہ اجلاس میں شرکت کرنے کی ضرورت ہے تو اس کا اطلاع دینا ضروری ہے۔
3. سالانہ اجلاس میں شرکت کرنا چاہنے والوں سے درخواست کی جاتی ہے کہ وہ تمام اہم سٹاک ہولڈرز کو مطلع کر دیں اور ان کی شرکت کی ضرورت ہے۔
4. COVID-19 کی صورتحال کی وجہ سے پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن (SECP) نے 17 اگست 2020 کو جاری کردہ سپر گائیڈ لائنز کے مطابق کمپنی کو اجلاس منعقد کرنے کے لیے اجلاس کی ضرورت ہے۔
5. سالانہ اجلاس کی ضرورت ہے۔
6. سالانہ اجلاس کے اجلاس کے لیے
7. سالانہ اجلاس کے اجلاس کے لیے



DIRECTORS' REPORT**Dear Shareholders**

The Directors of your Company welcome you to the 37th Annual General Meeting and present the annual report together with Audited Accounts of the Company for the financial year ended June 30, 2023.

The business conditions of Pakistan were not favorable due to political instability, inflation and all time high fuel prices.

FINANCIAL PERFORMANCE

Operations of the company remained closed during the financial year under review. Due to depreciation of Rupees 20.345 million and certain adjustment of Statement of Financial Position items the company declared a net loss after tax of Rupees 23,466 million in the current period as compared to net loss after tax of Rupees 55,557 million in the previous year.

The financial results are summarized hereunder: -

Particulars	2023 Rs.	2022 Rs.
Sales	-	-
Cost of sales	-	-
Gross loss	-	-
Operating loss	(18,440,629)	(5,705,741)
Finance Cost	(5,025,841)	(49,852,829)
Net Loss before tax	(23,466,470)	(55,557,970)
Net Loss after tax	(23,466,470)	(55,557,970)
Loss per shares	(1.66)	(3.94)

OPERATING PERFORMANCE

The Company is in litigation with the banking companies whereas the factory remained closed for operations during the year. The complete details of the litigation cases are fully disclosed in note 24 of the financial statements.

The management is confident that with the blessing of Allah (SWT) the company will overcome these problems soon.

FUTURE PROSPECTS

Under the prevailing circumstances, the most important factor is to negotiate with the banking companies. However, the management is hoping that as the political situation of the country will be improved, the textile sector will regain its vigorous position.

AUDITOR'S REPORT

The auditors have observations on the following areas in their report:

- a) We did not observe the counting of the Physical inventory of stock in trade, property, plant and equipment amounting and right of use assets to Rs.57.873 million, Rs. 336.690 million and Rs. 46.823 million respectively as at June 30, 2023. The management informed us that the stocks are pledged with the banking Companies and are under litigation, while the factory is on lease now with the third party.

The related preparations count not be made because we are in litigation with our banks whereas the stock figures reflected in books are unchanged since closure of the factory.

- b) At the reporting date the Company has not carried out revaluation of property, plant and equipment note 5 (except for factory equipment, office and electric equipment and furniture and fixture) which was due on June 30, 2022 due to discontinuity of operations. Previous revaluation was carried out on June 28, 2019. Therefore, we are unable to determine whether any adjustments were necessary in this regard.

Our first priority is to deal and settle the matter with our banks since all the machinery is under lien/pledge with the banks. However, we are aware of this non-compliance with International Accounting standard 16 and once the relevant arrangements are made with the banking companies, the compliance will be made accordingly.

- c) The Company has the policy to value Investment property at fair value in accordance with the requirements of IAS-40 "Investment Property". At the reporting date the company has not determined the fair value of Investment property as stated in the note 7 of these financial statements. Therefore, we are unable to determine whether any adjustments were necessary in this regard.

The related requirement of IAS-40 will be implemented as the company started its operations.

- d) The stocks are carried out in the statement of financial position at Rs.57.873 million i.e., at cost. Management has not stated the inventories at lower of cost or net realizable value as required by the financial reporting standards as applicable in Pakistan, which constitutes a departure from applicable financial reporting standards. Therefore, we are unable to determine whether any adjustments were necessary in this regard.

The related preparations could not be made because of litigation with the banking companies whereas the stock figures reflected in books are unchanged since closure of the factory.

- e) Management has not provided to us the data and records for verification of other receivables as note in 11.2 having reported carrying value of Rs. 9.903 million. We remain unable to verify these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustment to these amounts were necessary.

Because of the suspension of operations of the company all the employees has left the Job that is why we are unable to find out the relevant record.

- f) We have not received the reply of Bank confirmations amounting to Rs. 0.419 million as on reporting date, as shown in note 13 of these financial statements.

We have sent all the confirmations to the banks but till the date of finalization of accounts, the banks confirmations still not received.

- g) As explained in note 24 to the financial statements, the company is in litigation with the banking companies.

The banks have not confirmed the balances of Long-Term financing, as shown in note 16, amounting Rs.493.145 million, liabilities against assets subject to finance lease, as shown in note 18, amounting Rs.108.306 million and short-term borrowings, as shown in note 23, amounting Rs.136.365 million.

The banks have not confirmed the balances of accrued mark up on long term financing, liabilities against assets subject to finance lease and short-term borrowings, note 21, sum of Rs. 97.520 million.

The Company had not worked out and provided the amount of markup on long term borrowings from financial institutions, Liabilities against assets subject to finance lease and short-term borrowings, as shown in note 21, in these financial statements. Due to the unavailability of record, we were unable to determine whether any adjustments were necessary in this regard.

We hope that the matters will be settled aptly with the banks. The relevant resultants will be incorporated.

- h) As mentioned in note 24 we have not received reply of confirmation request from banks in respect of bank guarantees amounting to Rs. 8.675 million in aggregate and bank guarantee margin note 10 amounting to Rs. 2.925 million, to verify the correctness of contingency and trade deposits and short-term prepayments. We were also unable to satisfy ourselves as to the correctness of the reported balances by performing other alternate auditing procedures.

Although the prevailing circumstances are not very supportive, we eagerly believes the venture as a going concern since it has successfully managed to provide employment to many families working in the leased factory. The business have been going through the worst challenging situation resulting in the closure of many textile mills. Yet, the company is hoping that government will surely take up this matter on an emergency basis and necessary steps will be taken towards the revival of the textile sector. On the other hand, the company has always ensured timely compliance with all its corporate and statutory obligations.

- i) We did not receive reply of confirmations to Legal and Tax Advisors. Therefore, we were unable to determine the impact of expected outcome of outstanding litigations as mentioned in note 24 of the financial statements and any tax assessments as on the reporting date. Furthermore, we cannot ascertain the effect and outcome of any undisclosed litigation as on reporting date.

Confirmation to our legal advisor sent but no response from the Legal advisor

- j) The Company has not complied with the requirements of Section 244 of the Companies Act, 2017.

Compliance will be made as the company started its operations again

- k) At the reporting date the Company has accumulated losses amounting to Rs.521.559 million and its current liabilities exceed its current assets by Rs.926.613 million.

Although the prevailing circumstances are not very supportive, we eagerly believes the venture as a going concern since it has successfully managed to provide employment to many families working in the leased factory. The business have been going through the worst challenging situation resulting

in the closure of many textile mills. Yet, the company is hoping that government will surely take up this matter on an emergency basis and necessary steps will be taken towards the revival of the textile sector. On the other hand, the company has always ensured timely compliance with all its corporate and statutory obligations.

CODE OF CORPORATE GOVERNANCE:

The auditors have drawn attention to following the areas in their report.

- a. The Board has not setup an internal audit function as required by regulation 31 of Chapter X of Listed Companies Code of Corporate Governance regulations 2019.
- b. Presently, The Boar has not appointed a female director as required by regulation 7 of chapter II of Listed Companies Code of Corporate Governance regulations, 2019
- c. The same person simultaneously hold office of chief financial officer and the company secretary of a listed company which is not allowed as required by regulation 24 of chapter VII of Listed Companies Code of Corporate Governance regulations, 2019.

The company operations are currently suspended and all the employees have left the company. So once the business operations are resumed then this compliance will be made accordingly.

PRESENTATION OF FINANCIAL STATEMENTS

The financial statements, prepared by the management of the company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity.

BOOKS OF ACCOUNTS

The company has maintained proper books of accounts.

ACCOUNTING POLICIES

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

INTERNATIONAL ACCOUNTING STANDARDS (IAS)

International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements.

ACCOUNTING YEAR

The accounting year of the company is from 1st July to 30th June.

DIVIDEND

Due to Accumulated losses of the company, directors do not recommend any dividend for the year ended June 30, 2023.

AUDITORS

The present Auditors M/s Mushtaq & Co., Chartered Accountants, being due for retirement has offered themselves for reappointment for the next year ending June 30, 2024.

CORPORATE & FINANCIAL REPORTING FRAME WORK

In compliance to new listing regulations of stock exchanges and as required under the Companies Act, 2017, your directors are pleased to state as under: -

- a) The system of internal control is sound in design and has been effectively implemented and monitored.
- b) Board is satisfied with the Company's ability to continue as a going concern.
- c) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations of the Stock Exchanges.

- d) Significant deviations from last year operating results of the Company and reasons thereof have been explained.
- e) There are no statutory payments on account of taxes, duties, levies and charges those are outstanding as on June 30, 2023 except for those disclosed in the financial statements.
- f) There are no significant plans for corporate restructuring, business expansions till the settlement of the court cases.
- g) Key operating and financial data for the last six years in summarized form is included in this annual report.
- h) Statement showing "Pattern of shareholding" June 30, 2023 is also enclosed herewith.

RELATED PARTY TRANSACTIONS

At each board meeting the Board of Directors approves Company's transactions with Associated Companies / Related parties. All the transactions executed with related parties are on arm's length basis.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Corporate Social Responsibility (CSR) is about business giving back to society. As a routine, we strive to safeguard the health and well-being of our employees, neighbors and customers, as well as the communities in which we live, work and operate. The Company continuously takes initiatives for CSR activities as mentioned in paragraphs to follow.

ACKNOWLEDGEMENT

The Directors of the company cordially acknowledge the valued services rendered by the company's executives and staff. The directors are also thankful to the banking companies for their cooperation and support.

DIRECTORS' MEETINGS

During the year four meetings of the Board of Directors were held. Attendance by each director is as follows:

<u>Name of Director</u>	<u>Number of Meetings attended</u>
Mr. Naeem Omer	04
Mr. Anwaar Abbass	04
Mr. Shahid Iqbal	03
Mr. Muhammad Omer	04
Mr. Muhammad Asghar	04
Mr. Muhammad Aslam Bhatti	03
Mr. Muhammad Kashif	04

For and on behalf of the
Board of Directors



Chief Executive



Director

Lahore
Dated: October 5, 2023

کارپورٹ سوشل ذمہ داریاں (CSR)

کارپورٹ سوشل ذمہ داریاں (CSR) سوشل ریسپانسیبلٹی کو کاروبار اور ایسے دینے کے بارے میں ہے۔ ایک معمول کے طور پر، ہم اپنے ملازمین، پیمانہ کاروں اور گاہکوں کے ساتھ ساتھ ان کی بہبود کی حالت کو دیکھنے کے لیے عمل کرتے ہیں جن میں ہم سب سے زیادہ کام کرتے ہیں اور کام کرتے ہیں۔ کچھ ہی ایسے آرکی سرگرمیوں کے لیے مسلسل پائل کرتی ہے جیسا کہ ذیل میں بتایا ہے۔

معیاری

معیاری کے ذریعہ کمپنی کے کارپوریٹ سوشل ریسپانسیبلٹی کے بارے میں جاننے والی تمام معلومات کو فراہم کرنے کے لیے ہم نے ایک جامع اور شفاف طریقہ کار کو اختیار کیا ہے۔ اس کے نتیجے میں کمپنی کے تمام شعبوں کے تعاون اور تعاون پر عمل درآمد ہوا ہے۔

کارپوریٹ سوشل

میل کے ذریعہ ہر سال کارپوریٹ سوشل ریسپانسیبلٹی کے بارے میں ہر شعبہ کارپوریٹ سوشل ریسپانسیبلٹی کے بارے میں جاننے والی تمام معلومات کو فراہم کرنے کے لیے ہم نے ایک جامع اور شفاف طریقہ کار کو اختیار کیا ہے۔ اس کے نتیجے میں کمپنی کے تمام شعبوں کے تعاون اور تعاون پر عمل درآمد ہوا ہے۔

میلنگ کی تعداد	کارپوریٹ سوشل
04	کارپوریٹ سوشل
04	کارپوریٹ سوشل
03	کارپوریٹ سوشل
04	کارپوریٹ سوشل
04	کارپوریٹ سوشل
03	کارپوریٹ سوشل
04	کارپوریٹ سوشل

ہر سال کارپوریٹ سوشل ریسپانسیبلٹی کے بارے میں جاننے والی تمام معلومات کو فراہم کرنے کے لیے ہم نے ایک جامع اور شفاف طریقہ کار کو اختیار کیا ہے۔ اس کے نتیجے میں کمپنی کے تمام شعبوں کے تعاون اور تعاون پر عمل درآمد ہوا ہے۔


 کارپوریٹ سوشل


 کارپوریٹ سوشل

2023 مارچ تا دسمبر

کھیتی کے کام فی ایبل سٹریٹس سے تعلق ہے۔ ہم تمام ممالک میں کھیتی چھوڑ چکے ہیں۔ اس لیے ایک ہر جب کاروباری سرگرمیاں دوبارہ شروع ہو جائیں گی تو اس کے مطابق کھیتی کی جائے گی۔

مقامی سیاست کی پیشگامی

کھیتی کی ترقی کے لیے، چند گمراہ مقامی سیاست دانوں کی حمایت اس کے کاموں کے نتائج کو نظر انداز کر کے دی جاتی ہیں جو سونے والی ٹیڑھیوں کو منصفانہ طور پر پیش کرتے ہیں۔

اقتصادی ترقی

کھیتی کے ممالک کی ترقی کے لیے

اقتصادی پالیسی

مقامی حکومتوں کی طرف سے اس میں سب کا اقتصاد اور مسکنوں کو مسلسل ترقی دینا کی کیا ہے اور حکومت کی نئی مہمیں پیش کرتے ہیں۔

بین الاقوامی تجارت (IAS)

بین الاقوامی تجارت میں سب سے زیادہ ترقی دینا ہے۔ اس کے لیے بین الاقوامی سطح پر کام کرنا ہے۔

اقتصادی عمل

کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔

زیادہ تر

کھیتی کے شعبے میں ترقی کے لیے، چند گمراہ مقامی سیاست دانوں کی حمایت اس کے کاموں کے نتائج کو نظر انداز کر کے دی جاتی ہیں جو سونے والی ٹیڑھیوں کو منصفانہ طور پر پیش کرتے ہیں۔

آئی آر ڈی

ووٹ ڈالنے والے افراد کے لیے، چند گمراہ مقامی سیاست دانوں کی حمایت اس کے کاموں کے نتائج کو نظر انداز کر کے دی جاتی ہیں جو سونے والی ٹیڑھیوں کو منصفانہ طور پر پیش کرتے ہیں۔

کاروبار سے تعلق اور کھیتی کے ممالک

اس کے لیے، چند گمراہ مقامی سیاست دانوں کی حمایت اس کے کاموں کے نتائج کو نظر انداز کر کے دی جاتی ہیں جو سونے والی ٹیڑھیوں کو منصفانہ طور پر پیش کرتے ہیں۔

(a) کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔

(b) کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔

(c) کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔

(d) کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔

(e) کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔

(f) کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔

(g) کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔

حفظ کرنے کے لیے

کھیتی کے ممالک میں 30 سے زیادہ ممالک ہیں۔ اس کے لیے، چند گمراہ مقامی سیاست دانوں کی حمایت اس کے کاموں کے نتائج کو نظر انداز کر کے دی جاتی ہیں جو سونے والی ٹیڑھیوں کو منصفانہ طور پر پیش کرتے ہیں۔

تفکون نے فریل وائی فائبرگ پر بیج شہدادک اپ کے پٹنٹس، فائبرس لیز سے مشروط پٹنٹوں کے خلاف واجبات اور مختصر مدت کے قرضے، نوٹ 21-97.520 ملین روپے کی رقم کی تصدیق نہیں کی ہے۔

کچن نے باہمی طوروں سے فریل وائی فائبرگ اپ کی رقم، فائبرس لیز اور قبیل وائی فائبرس کے ساتھ مشروط پٹنٹوں کے خلاف واجبات، جیسا کہ ان مالی بیانات میں نوٹ 21 میں دکھایا گیا ہے، فراہم نہیں کیا تھا۔ پکارڈ کی مدد، سٹیبلٹی کی وجہ سے، ہم یہ یقین کرنے سے قاصر تھے کہ آیا اس سلسلے میں کوئی ایڈجسٹمنٹ ضروری ہے۔

ہمیں امید ہے کہ تفکون کے ساتھ معاملات مناسب طریقے سے حل پائیں گے۔ مختلف کام کو مکمل کیا جائے گا۔

(b) جب کہ نوٹ 24 میں بیان کیا ہے کہ ہمیں روپے کی بیلنگ گرانٹی کے سلسلے میں تفکون سے تصدیقی درخواست کا جواب موصول نہیں ہوا ہے۔ مجموعی طور پر 8.675 ملین اور بیلنگ گرانٹی میں نوٹ 10 میں رقم ہے۔ 2.925 ملین، بیلنگ اور تجارتی اخراجات اور قبیل وائی فائبرس کی ادائیگی کی درخواست کی تصدیق کے لیے، ہم دوسرے متبادل آڈیٹنگ کے طریقے کا کوئی کام نہیں کرتے، پر پٹنٹس کی درخواست کے بارے میں خود کو مطمئن کرنے سے بھی قاصر تھے۔

اگرچہ موجودہ حالات بہت زیادہ مستحکم نہیں ہیں، لیکن ہم اس منصوبے کو ایک ہدایتی فنڈنگ کے طور پر دیکھتے ہیں کہ گلوبل لیز وائی فائبرس میں کام کرنے والے بہت سے فنڈوں کو مددگار فراہم کرنے میں کامیابی سے کامیاب ہو سکتا ہے۔ کاروبار پر مزید توجیہ و تامل سے گزر رہا ہے جس کے نتیجے میں کئی لیکسٹائل نہیں بن سکے۔ اس کے باوجود کچن امید کر رہی ہے کہ حکومت اس معاملے کو بھاری ہاتھوں پر اٹھائے گی اور لیکسٹائل سیکڑ کی بحالی کے لیے ضروری اقدامات کیے جائیں گے۔ دوسری طرف، کچن نے اپنی اپنی تمام کارپوریشن اور قانونی اداروں کی بروقت تعمیل کو یقینی بنایا ہے۔

(c) ہمیں قانونی اور ٹیکس مشیروں کی تصدیق کا جواب موصول نہیں ہوا۔ تاہم، قانونی اداروں کی مدد سے اس کے نتائج کا ایک اثرات کا یقین کرنے سے قاصر تھے جیسا کہ باہمی بیانات کے نوٹ 24 میں بیان کیا گیا ہے۔ اس کے مطابق کئی ٹیکس کے پوائنٹوں میں کار کیا گیا ہے، مزید، آئی ایم پی آر ٹیک کی تاریخ کے مطابق کئی ٹیکس کا معلوم قانونی پورا کرنے کے لیے اور کام کو نہیں کھینچتے۔

عدالت قانونی مشیر کو تصدیق بھی کی لیکن قانونی مشیر کی طرف سے کوئی جواب نہیں آیا

(d) کچن نے اپنی ایکٹ 2017 کے سیکشن 244 کے دائرہ میں تعمیل نہیں کی ہے۔

جب کچن نے وہ کام شروع کیا تو تعمیل کی جائے گی۔

(e) ریورٹ کی تاریخ کچن نے 521.559 ملین روپے کے اثاثات بیان کیے ہیں، اس کی سہولت و سہولتوں اس کے سہولتوں سے 926.613 ملین روپے سے زیادہ ہے۔

اگرچہ موجودہ حالات بہت زیادہ مستحکم نہیں ہیں، لیکن ہم اس منصوبے کو ایک ہدایتی فنڈنگ کے طور پر دیکھتے ہیں کہ گلوبل لیز وائی فائبرس میں کام کرنے والے بہت سے فنڈوں کو مددگار فراہم کرنے میں کامیابی سے کامیاب ہو سکتا ہے۔ کاروبار پر مزید توجیہ و تامل سے گزر رہا ہے جس کے نتیجے میں کئی لیکسٹائل نہیں بن سکے۔ اس کے باوجود کچن امید کر رہی ہے کہ حکومت اس معاملے کو بھاری ہاتھوں پر اٹھائے گی اور لیکسٹائل سیکڑ کی بحالی کے لیے ضروری اقدامات کیے جائیں گے۔ دوسری طرف، کچن نے اپنی اپنی تمام کارپوریشن اور قانونی اداروں کی بروقت تعمیل کو یقینی بنایا ہے۔

کوالٹی کنٹرول گورننس:

انڈیا کے ایک ریگولیشن میں، مقامی شعبوں کی طرف سے مینڈاٹ کرالی ہے:

(a) بورڈ کے اعلیٰ اہل ذمہ داریوں کو ایک سال میں ایک بار ملٹری کوالٹی کنٹرول کارپوریشن گورننس گائیڈ لائنز 2019 کے باب X کے ضابطہ 31 کے مطابق ہے۔

(b) اعلیٰ اہل ذمہ داریوں کے ملٹری کوالٹی کنٹرول کارپوریشن گورننس گائیڈ لائنز 2019 کے باب II کے ضابطہ 7 کے مطابق کئی قانونی اداروں کا انکار نہیں کیا گیا ہے۔

(c) ایک ہی شخص ایک وقت ایک ہی اعلیٰ اہل ذمہ داری کے ملٹری کوالٹی کنٹرول کارپوریشن گورننس گائیڈ لائنز 2019 کے باب VII کے ضابطہ 24 کے مطابق۔

آڈیٹرز رپورٹ آڈیٹرز نے اپنی رپورٹ میں درج ذیل شعبوں پر مشاہدات کیے ہیں:

ہم نے قیمت چارجوں، پستوں اور نوٹ کی رقموں، استعمال کے حق کے چارجوں میں اسٹاک کی فزیکل انویسٹری کی 57,873 ملین روپے کی کمی کا مشاہدہ نہیں کیا۔ 336,690 ملین روپے 30 جون 2023 تک باقی رہے۔ 46,823 ملین روپے انکشاف نے ہمیں بتایا کہ اسٹاک ایکٹنگ کمپنیوں کے پاس گروی ہیں اور قانونی چارہ جوئی کے تحت ہیں، جبکہ فیکٹری اپ تحریک سے فریق کے پاس ہیں۔

حفاظت چارجوں کو چھ نہیں کیا جاتا ہے کیونکہ ہم اپنے دیگروں کے ساتھ قانونی پارہ جوئی میں ہیں جب کہ فیکٹری کے بند ہونے کے بعد سے اسٹاک کے اعداد و شمار میں کوئی تبدیلی نہیں ہوئی ہے۔

(b) روپے ایکٹنگ کے لئے کھلیے جانے والے پانچ نوٹوں (30 جون 2023 کے لئے) کے آڈیٹرز اور برقی آلات اور فرنیچر اور گھڑی کے (کی دوبارہ تصفیہ نہیں کی ہے) 30 جون 2022 کو چارج نہیں ہوئے کی وجہ سے جو 7 اگست 2019 کو کیا گیا تھا۔ لہذا ہم یہ یقین کرنے سے قاصر ہیں کہ آپ اس مسئلے میں کوئی ایڈجسٹمنٹ ضروری تھی۔

عدالتی ترمیم ہے کہ ہم اپنے دیگروں کے ساتھ حفاظت کو نشانہ کیونکہ ہم مشینری دیگروں کے ساتھ لینا اگر وہی کے تحت ہے۔ تاہم، ہم بین الاقوامی اکاؤنٹنگ سٹینڈرڈ 16 کے ساتھ اس عدم یقین سے آگاہی اور ایک بار جب ایکٹنگ کمپنیوں کے ساتھ حفاظت انکشافات کیے جائیں گے، تو اس کے مطابق یقین کی جانے گی۔

(c) کھلیے گئے اس IAS-40 "موجودہ نہ ہوئی" کے تحت اس کے مطابق سرمایہ کاری کی جائے ہوگی تو، مناسب قیمت پر کرنے کی پالیسی ہے۔ یہ اسٹاک کی تاریخ پر کھلیے گئے سرمایہ کاری کی جائے ہوگی کیونکہ اس کا بین الاقوامی قوانین کے تحت 7 ملین 80 لاکھ ہے۔ لہذا ہم اس بات کا یقین کرنے سے قاصر ہیں کہ آپ اس مسئلے میں کوئی ایڈجسٹمنٹ ضروری تھی۔

IAS-40 کی حفاظت صورت کوہا گیا ہے کیونکہ کھلیے گئے اسٹاک فرم کیا ہے۔

(d) اسٹاک اپنی پوزیشن کے تحت میں 57,873 ملین روپے کھلیے گئے حساب سے لگے جاتے ہیں۔ انکشافات کے بارے میں لاگت لگائی گئی ہے اسٹاک کے مفاد امتداد کے مطابق کم قیمت پائرس قابل سوال ہے بلکہ اسٹاک کو اسٹاک کے مفاد امتداد کے مفاد امتداد سے چھوڑا گیا ہے۔ لہذا ہم اس بات کا یقین کرنے سے قاصر ہیں کہ آپ اس مسئلے میں کوئی ایڈجسٹمنٹ ضروری تھی۔

ایکٹنگ کمپنیوں کے ساتھ قانونی پارہ جوئی کی وجہ سے حفاظت چارجوں میں کمی کی جا سکتی ہے۔ فیکٹری بند ہونے کے بعد سے کتابوں میں ظاہر ہونے والے اسٹاک کے اعداد و شمار میں کوئی تبدیلی نہیں ہوئی ہے۔

(e) اسٹاک ہمارے ہمیں دیگر مسائل کی تصدیق کے لئے (بند اور پھر) فراہم نہیں کیا ہے جو اسٹاک 11.2 ملین نوٹ ہے، اس میں روپے کی ایکٹنگ کی اطلاع دی گئی ہے۔ 9,903 ملین۔ ہم اسٹاک کے مفاد امتداد کے طریقہ کار کو اسٹاک کے ان مسائل کی تصدیق کرنے سے قاصر رہتے ہیں کیونکہ ہمیں معلومات فراہم نہیں کی گئی تھیں۔ نتیجتاً ہم یہ یقین کرنے سے قاصر تھے کہ آپ اس قسم میں کوئی ایڈجسٹمنٹ ضروری ہے۔

کھلیے گئے آپ پھر مسئلے ہونے کی وجہ سے ہم چارجوں نے لاکھ بھاری ہے۔ اسی لئے ہم حفاظت چارجوں کو کھلیے گئے سے قاصر ہیں۔

(f) ہمیں روپے کی ایکٹنگ کے مسائل کا جواب سوسل میں ہے۔ یہ اسٹاک کی تاریخ کے مطابق 0.419 ملین ہے، اس میں ان بین الاقوامی قوانین کے تحت 13 ملین دکھایا گیا ہے۔

ہم نے ہم کھلیے گئے دیگروں کو چھ نہیں کیا ہے اس کی وجہ سے کہ اسٹاک کی تصدیق میں کمی ہو سکتی ہے۔

(g) اسٹاک 24 ملین بین الاقوامی قوانین کی حفاظت کی گئی ہے۔ کھلیے گئے اسٹاک کمپنیوں کے ساتھ قانونی پارہ جوئی میں ہے۔

دوسروں نے فریق کو اسٹاک کے مسائل کی تصدیق نہیں کی ہے، جو اسٹاک 16 ملین دکھایا گیا ہے، جس کی رقم 493,145 ملین روپے ہے، مالیاتی پوزیشن سے مشروط ہونے کے خلاف، جو اسٹاک 18 ملین دکھایا گیا ہے، 108,306 ملین روپے کی رقم اور حفاظت کے لئے، جو اسٹاک 23 ملین دکھایا گیا ہے، جس کی رقم 136,365 ملین روپے ہے۔

ڈائریکٹرز رپورٹ

یاد سے شیئر ہولڈرز

آپ کی کمپنی کے ڈائریکٹرز آپ کو 37 ویں سالانہ جنرل میٹنگ میں خوش آمدید کہتے ہیں اور 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آؤٹ
ٹیمہ افائنس کے ساتھ سالانہ رپورٹ پیش کرتے ہیں۔

یہ رپورٹ ۲۰۲۳-۲۴ کے ختم ہونے والے سال کی صورت حال پر توجہ دیتی ہے اور اس کے ساتھ ساتھ مالی سالانہ رپورٹ پیش کرتے ہیں۔

مالیاتی کارکردگی

انٹرنیشنل سال کے دوران کمپنی کے کام بہتر رہے۔ 20,343 ملین روپے کی آمد میں کیلور سٹینٹ آف ڈیٹکس پوزیشن آئٹمز کی کمپنی نے موجودہ
دست میں 23,466,470 ملین روپے کے ٹیکس کے بعد خالص نقصان کا اعلان کیا جبکہ گزشتہ سال 55,557,970 ملین روپے کے ٹیکس کے بعد خالص نقصان ہوا۔

مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

2022 جون	2023 جون	تفصیل
روپے	روپے	
-	-	فروقت
-	-	مجموعی نقصان
(5,705,741)	(18,440,629)	آپریٹنگ نقصان
(49,852,829)	(5,025,841)	مالی اخراجات
(55,557,970)	(23,466,470)	ٹیکس سے پہلے خالص نقصان
(55,557,970)	(23,466,470)	ٹیکس کے بعد خالص نقصان
(3.94)	(1.66)	نقصان فی شیئر

آپریٹنگ پر کارمنس

کمپنی ہنگامہ بندیوں کے ساتھ کاروباری پیداوار میں ہے جبکہ گزشتہ سال کے دوران کام کے لیے نئے کاروباری پارٹنرز کی تلاش اور نئے کاروباری مواقع کے لیے 24
میں عمل میں لاہور کی گئی۔

انکسپن کو کم کرنے کے لیے کاروباری عمل سے کمپنی ہنگامہ بندیوں کو روکنے کی

مستقبل کے امکانات

موجودہ حالات میں سب سے اہم عنصر ہنگامہ بندیوں کے ساتھ کاروبار کو روکنے کا ہے۔ تمام اہم کاموں کو روکنے کے لیے کاروبار کی بنیادی امور کو بحال رکھنے کے ساتھ ساتھ کاروبار کو
دوبارہ اپنی سرگرمیوں میں بحال کرنے کا

Chairman's Review

I welcome to you the 37th Annual General Meeting of your Company and present on behalf of the Board of Directors, the Audited Statements of Accounts for the year ended 30 June 2023 along with my review on the performance of your Company.

Industry overview:

Over the years higher input cost due to increased raw materials prices and minimum wage rate affected its operational viability and gross margins of industry were very thin in the year. Due to unfavorable business environment the base of conventional industry has weakened in general as was evident from consistent plunge of Pakistan's share of textile in global market.

Company's performance

The management of the company also dealing with the litigation cases with their bankers in the court of law and our legal counsel are confident for a amicable settlement with them in due course of time.

Future Prospects

Currently, giving the factory on lease for production of textile product is the most feasible option. Also we are looking for the amicable settlement with our banker in due course of time and then to plan it accordingly.

Acknowledgement

On my and on behalf of the board of directors of your company I take this opportunity of acknowledging the devoted and sincere services of employees of the Company. I am also grateful to our bankers, shareholders and the government organizations.

قائمین کی ہائپر پورٹ

میں 37 ویں سالانہ جنرل میٹنگ میں آپہنچاؤں آمد پر گورنر اور آف ڈائریکٹرز کی طرف سے 30 جون 2023 کو قائم ہونے والے مالی سال کے لئے کمپنی کے اعلیٰ ترین شعبہ معاملات کے ساتھ ساتھ آپہنچاؤں کی کارکردگی پر ہائپر پورٹ کا شکریہ ادا کرتا ہوں۔

مستحق ہائپر

سال کے دوران ہائپر کی ذمہ داری اٹھانے پر گورنر اور آف ڈائریکٹرز کی ہمت و ہمتی کی بے انتہا تعریف اور شکر ہے۔ ہمتی اور ہمتی کی بے انتہا تعریف اور شکر ہے۔ ہمتی اور ہمتی کی بے انتہا تعریف اور شکر ہے۔ ہمتی اور ہمتی کی بے انتہا تعریف اور شکر ہے۔

کمپنی کی کارکردگی

کمپنی کی تجارتی پے ڈیٹوں کے ساتھ ساتھ ہمتی اور ہمتی کی بے انتہا تعریف اور شکر ہے۔ ہمتی اور ہمتی کی بے انتہا تعریف اور شکر ہے۔ ہمتی اور ہمتی کی بے انتہا تعریف اور شکر ہے۔

مستحق کے امکانات

بی ایبل، گرانڈ مل، سٹوراج کی پورٹ کے لئے گھڑی کو تیار کرنا اس سے زیادہ گوارا دینا ہے۔ گوارا دینے کے ساتھ ساتھ ہمتی اور ہمتی کی بے انتہا تعریف اور شکر ہے۔ ہمتی اور ہمتی کی بے انتہا تعریف اور شکر ہے۔

(Handwritten Signature)

(18)

قائمین

MUSHTAQ & CO. CHARTERED ACCOUNTANTS

Head Office: 407, Commerce Centre, Haatrah Mohani Road, Karachi. Tel: 021-3263821-4
Email Address: audit.kh@mushdaqandco.com; info@mushdaqandco.com



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Bilal Fibres Limited on the Statement of Compliance with the Code of Corporate Governance

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 Bilal Fibres Limited (the Company) for the year ended June 30, 2021, 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 a part of our audit of 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.

Following instances of non-compliance with the requirements of the code were observed:

Paragraph reference	Description
01	Presently, The Board has not appointed a female director as required by regulation 7 of chapter II of Listed Companies Code of Corporate Governance regulations, 2019. However, in the next financial year the compliance of the said Regulation will be ensured.
10	The same person simultaneously holds office of chief financial officer and the company secretary of a listed company. Which is not allowed as required by regulation 24 of chapter VII of Listed Companies Code of Corporate Governance regulations, 2019.
15	The Board has not set up an internal audit function as required by regulation 31 of Chapter X of Listed Companies Code of Corporate Governance regulations, 2019.

Based on our review, except for the above instances of non-compliance, 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 Regulations as applicable to the Company for the year ended June 30, 2023.

Karachi
Dated: October 6, 2023
UDIN: CR202310724GUOVq8SF6

Mushtaq & Co
Chartered Accountants
Engagement Partner
Zahid Hussain Zahid, FCA

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

Name of company: Bilal Fibres Limited
Year ending: June 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
 - a. Male: 7
 - b. Female: -

2. The composition of board is as follows:

Category	Names
Independent Directors	1. Mr. Muhammad Kashif 2. Mr. Muhammad Aslam Bhatti
Other Non Executive Directors	1. Mr. Anwaar Abbass 2. Mr. Muhammad Omer 3. Mr. Shahid Iqbal 4. Mr. Muhammad Asghar
Executive Director	1. Mr. Naeem Omer (Chief Executive)
Female Director	-

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;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensure that complete record of particulars of the significant policies along with their date of approval or updating is maintained by company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by 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 his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training Program for the following:

Presently no director has participated in the training program required as per Regulation, however in the next financial year the compliance of the said Regulation will be ensured;

10. There were no new appointment of chief financial officer, company secretary and head of internal audit due to no business activity and the function of chief financial officer and company secretary performed by the same person;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:

Committees	Composition/Names
Audit Committee	<p>Chairman: Mr. Muhammad Aslam Bhatti (Independent Director)</p> <p>Members: Mr. Anwaar Abbas Mr. Muhammad Omer</p>
HR & Remuneration Committee	<p>Chairman: Mr. Muhammad Kashif</p> <p>Members: Mr. Muhammad Asghar Mrs. Shahid Iqbal</p>

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 committee were as per following:-

Committees	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2023
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2023

15. Due to no business activity presently the Board has not set up an effective internal audit function and there are no staff for the purpose;
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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan 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 regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the Regulations 3, 6, 8, 27, 32, 33 and 36 of the Regulation have been complied with; and



Muhammad Omer

Chairman

Lahore: October 05, 2023

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

Head Office: 407, Commerce Centre, Hazrat Mohani Road, Karachi. Tel: 021-32638521-4

Email Address: audit.khi@mushtaqandco.com; info@mushtaqandco.com

*Independent auditor's report to the members of Bilal Fibres Limited**Report on the audit of the financial statements**Disclaimer of Opinion*

We were engaged to audit the financial statements of **BILAL FIBRES LIMITED** ("the **Company**"), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matters described in Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

- a) We did not observe the counting of the Physical inventory of stock in trade, property, plant and equipment amounting and right of use assets to Rs.57,873 million, Rs. 336,690 million and Rs. 46,823 million respectively as at June 30, 2023. The management informed us that the stocks are pledged with the banking Companies and are under litigation, while the factory is on lease now with the third party.
- b) At the reporting date the Company has not carried out revaluation of property, plant and equipment note 5 (except for factory equipment, office and electric equipment and furniture and fixture) which was due on June 30, 2022 due to discontinuity of operations. Previous revaluation was carried out on June 28, 2019. Therefore, we are unable to determine whether any adjustments were necessary in this regard.
- c) The Company has the policy to value Investment property at fair value in accordance with the requirements of IAS-40 "Investment Property". At the reporting date the company has not determined the fair value of Investment property as stated in the note 7 of these financial statements. Therefore, we are unable to determine whether any adjustments were necessary in this regard.

- d) The stocks are carried out in the statement of financial position at Rs.57.873 million i.e., at cost. Management has not stated the inventories at lower of cost or net realizable value as required by the financial reporting standards as applicable in Pakistan, which constitutes a departure from applicable financial reporting standards. Therefore, we are unable to determine whether any adjustments were necessary in this regard.
- e) Management has not provided to us the data and records for verification of other receivables as note in 11.2 having reported carrying value of Rs. 9.903 million. We remain unable to verify these balances by applying other alternate audit procedures as the information was not provided to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
- f) We have not received the reply of Bank confirmations amounting to Rs. 0.419 million as on reporting date, as shown in note 13 of these financial statements.
- g) As explained in note 24 to the financial statements, the company is in litigation with the banking companies.

The banks have not confirmed the balances of Long-Term financing, as shown in note 16, amounting Rs.493.145 million, liabilities against assets subject to finance lease, as shown in note 18, amounting Rs.108.306 million and short-term borrowings, as shown in note 23, amounting Rs.136.365 million.

The banks have not confirmed the balances of accrued mark up on long term financing, liabilities against assets subject to finance lease and short-term borrowings, note 21, sum of Rs, 97.520 million.

The Company had not worked out and provided the amount of markup on long term borrowings from financial institutions, Liabilities against assets subject to finance lease and short-term borrowings, as shown in note 21, in these financial statements. Due to the unavailability of record, we were unable to determine whether any adjustments were necessary in this regard.

- h) As mentioned in note 24 we have not received reply of confirmation request from banks in respect of bank guarantees amounting to Rs. 8.675 million in aggregate and bank guarantee margin note 10 amounting to Rs. 2.925 million, to verify the correctness of contingency and trade deposits and short-term prepayments. We were also unable to satisfy ourselves as to the correctness of the reported balances by performing other alternate auditing procedures.
- i) We did not receive reply of confirmations to Legal and Tax Advisors. Therefore, we were unable to determine the impact of expected outcome of outstanding litigations as mentioned in note 24 of the financial statements and any tax assessments as on the reporting date. Furthermore, we cannot ascertain the effect and outcome of any undisclosed litigation as on reporting date.

- j) The Company has not complied with the requirements of Section 244 of the Companies Act, 2017.
- k) At the reporting date the Company has accumulated losses amounting to Rs.521.539 million and its current liabilities exceed its current assets by Rs.926.613 million.

The Company has suspended its operations since June 16, 2016 and has leased out the factory. Further, financial results show adverse key financial ratios, and the decision of the court cases is still uncertain, whether it will be in favor of the company or otherwise.

The conditions mentioned in points 'a' to 'k' along with adverse key financial ratios, the Company's inability to comply with loan agreements and pay debts on due dates and discontinuance of operations indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. At present, there is no formal approved business Plan for future periods.

These conditions and events indicate material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern as stated in note 2.2 in the financial statements and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management of the company has prepared these financial statements on going concern basis. Because of the circumstances and events as mentioned herein, in our opinion, the company cannot be considered to be a going concern and thus the preparation of these financial statements on going concern basis is inappropriate. In our opinion the financial statements should reflect adjustments to reduce the value of assets to their recoverable amount and to provide any further liabilities that may arise. These adjustments are likely to be substantial, and in view of further qualifications discussed in paragraphs (a) to (k) above we are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy.

Responsibilities of Management and the 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 the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. 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.

Report on Other Legal and Regulatory Requirements

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion to whether:

- 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 other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not 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) in our opinion, no Zakat was deductible at source under the Zakat and Usher Ordinance 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Nouman Arshad, ACA**.


Mushtaq and Co
Chartered Accountants

Karachi
Dated: October 6, 2021
UDIN: AR202310724/Rd/gv/4y/01

KEY OPERATING AND FINANCIAL DATA FOR LAST SIX YEARS

Description	Year Ended 30th June:					
	2023	2022	2021	2020	2019	2018
ASSETS EMPLOYED						
Property, plant and equipment	383,513	465,860	425,292	447,873	471,666	850,431
Investment property	372,997	372,997	376,369	342,740	342,740	-
Long term deposit	1,136	1,136	1,136	1,136	1,136	3,536
Current Assets:	82,576	82,698	85,773	92,542	102,185	102,478
Total assets employed	1,040,242	1,066,711	1,066,530	1,084,313	1,117,747	1,058,296
FINANCED BY						
Shareholder's equity	(380,559)	(360,560)	(308,607)	(307,100)	(281,136)	(280,303)
Surplus on revaluation of fixed assets	404,081	407,520	411,124	454,964	418,903	293,056
	23,492	46,960	102,517	107,863	137,767	12,713
Loan from directors/sponsors	-	-	95,919	111,021	117,307	110,439
Deferred Liability	7,561	7,561	7,420	6,376	6,376	60,766
	7,561	7,561	103,339	117,397	123,683	170,893
Current Liability	1,009,199	1,066,191	1,040,671	858,543	859,737	852,682
Total funds invested	1,040,242	1,066,712	1,066,530	1,084,312	1,117,747	1,058,298
PROFIT & LOSS						
Turnover (net)	-	-	-	-	-	95,148
Revenue-Income	-	-	-	-	-	1,500
	-	-	-	-	-	66,542
Gross (Loss)	-	-	-	-	19,319	56,319
Operating (Loss) / profit	(18,440)	(5,766)	(3,472)	(27,754)	(45,000)	33,409
Finance Cost	(9,073)	(8,852)	(7,824)	(7,750)	(13,201)	17,171
(Loss) / Profit before taxation	(27,460)	(14,618)	(11,296)	(35,504)	(58,201)	50,580
(Loss) / Profit after taxation	(27,460)	(14,618)	(11,296)	(35,504)	(58,201)	50,580
Earning per Share (Rs.)	(1.660)	(0.920)	(0.380)	(2.120)	(0.620)	(1.900)
Number of spindle installed	-	-	-	-	-	28,016
Number of spindle worked	-	-	-	-	-	-
Number of shift per day	-	-	-	-	-	-
Actual production converted into 20's count (Kgs in million)	-	-	-	-	-	-

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	June 30, 2023	June 30, 2022
Note	Rupees	Rupees
NON-CURRENT ASSETS		
Property, plant and equipment	336,690,005	254,570,907
Right of use assets	46,823,373	49,286,929
Investment Property	572,997,737	572,997,737
Long term deposits	1,156,130	1,156,130
	987,668,245	978,011,703
CURRENT ASSETS		
Stock in trade	57,873,747	57,873,747
Trade deposits and short term prepayments	2,428,763	2,428,763
Other receivables	37,002,975	37,120,975
Sales tax refundable	818,786	818,786
Tax Refunds Due From Government	3,515,444	3,515,444
Cash and bank balances	440,730	440,730
	82,079,247	82,698,967
	1,069,747,492	1,060,710,739
SHARE CAPITAL AND RESERVES		
Authorized share capital		
15,000,000 (June 30, 2022: 15,000,000) Ordinary shares of Rs. 10 each	150,000,000	150,000,000
Issued, subscribed and paid up capital		
14,100,000 (June 30, 2022: 14,100,000) Ordinary shares of Rs. 10 each	141,000,000	141,000,000
Accumulated loss	(521,258,729)	(501,364,754)
Surplus on revaluation of property, plant and equipment	404,051,436	407,323,922
	23,492,708	46,959,178
NON CURRENT LIABILITIES		
Long term financing from Banking Companies - Secured	-	-
Long term financing from directors and associates	-	-
Liabilities against assets subject to finance lease	-	-
Deferred liabilities	7,562,030	7,562,030
	7,562,030	7,562,030
CURRENT LIABILITIES		
Trade and other payables	45,843,236	42,494,235
Unclaimed dividend	233,776	233,776
Accrued Interest/Mark up payable	97,320,033	97,320,033
Loan from directors and associates	128,172,951	128,122,951
Short term borrowings	136,363,534	136,363,534
Provision for Taxation	-	-
Current portion of:		
Long term financing from Banking Companies	493,145,381	493,145,381
Liabilities against assets subject to finance lease	106,306,731	106,306,731
	1,009,199,844	1,006,190,542
Contingencies and commitments	-	-
	1,069,747,492	1,060,710,739

The dividend stated here part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
Sales	25	-	-
Cost of sales	26	-	-
Gross loss		-	-
Distribution cost	27	-	-
Administrative expenses	28	(24,440,629)	(25,672,871)
Other operating expenses	29	-	(2,722,127)
Other income	30	6,000,000	22,689,257
Finance cost	31	(5,025,841)	(49,852,229)
		(23,466,470)	(55,557,970)
Loss before taxation		(23,466,470)	(55,557,970)
Taxation	32	-	-
Loss after taxation		(23,466,470)	(55,557,970)
Earning / (Loss) per share - basic and diluted	33	(1.66)	(3.94)

The annexed notes form part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
	<u> </u>	<u> </u>
Loss after taxation	(23,466,470)	(55,557,970)
Other comprehensive income	-	-
	<u> </u>	<u> </u>
Total comprehensive income / (loss) for the year	<u>(23,466,470)</u>	<u>(55,557,970)</u>

The annexed notes form part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

	Share capital	Revenue Reserve	Capital Reserve	Total
		Accumulated loss	Surplus on revaluation of fixed assets	
(Rupees)				
Balance as on June 30, 2021	141,000,000	(449,607,092)	411,124,240	102,517,148
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	3,600,308	(3,600,308)	-
Net Profit/(loss) for the year	-	(23,337,970)	-	(23,337,970)
Other comprehensive income for the period	-	-	-	-
Balance as on June 30, 2022	141,000,000	(501,364,754)	407,523,932	46,659,178
Transfer from surplus on revaluation on account of incremental depreciation - net of tax	-	3,472,496	(3,472,496)	-
Net Profit/(loss) for the year	-	(23,466,470)	-	(23,466,470)
Other comprehensive income for the period	-	-	-	-
Balance as on June 30, 2023	141,000,000	(521,358,728)	404,051,436	23,692,708

The annexed notes form part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(23,466,470)	(55,557,970)
Adjustment for non-cash and other related items:		
Depreciation on operating fixed assets	17,880,903	18,839,823
Depreciation on right of use assets	2,464,346	2,994,048
Notional income / (expense) on interest free loans	-	49,477,084
Fair value gain on Investment property	-	(16,689,257)
Finance cost	943	143
Sales tax written off	-	2,722,127
Interest on staff retirement benefits	-	141,000
Cash flow (used in) / generated from operating activities before working capital changes	(3,120,300)	1,527,000
Effect on cash flow due to working capital changes :		
(Increase) / decrease in current assets:		
Other receivables	118,000	(1,825,000)
Increase / (decrease) in current liabilities:		
Increase in trade and other payables	2,948,501	8,010,856
Net cash generated from / (used in) working capital	3,066,501	6,185,856
Cash (used in) / generated from operations	(53,879)	7,712,856
Finance cost	(943)	(143)
Net cash (used in) / generated from operating activities	(54,720)	7,712,711
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in short term borrowings - net	-	(7,100,000)
Increase/(decrease) in financing from directors and associates	50,000	(750,000)
Net cash (used in) financing activities	50,000	(7,850,000)
Net (decrease)/increase in cash and cash equivalents	(4,720)	(177,290)
Cash and cash equivalents at the beginning of the period	445,250	622,540
Cash and cash equivalents at the end of the period	440,530	445,250

The annexed notes form part of these financial statements



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The company is limited by shares, incorporated in Pakistan on April 13, 1987 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017) and the shares of the company are listed on Pakistan Stock Exchange Limited. The principal business of the company is manufacture and sale of yarn. The geographical location and address of the company's business units including plant as follows:

Business Unit	Geographical location and address
Registered office	3rd Floor, Plot No. 91, Sharif Plaza, Hassan Commercial Zone, Al Rehman Garden, Phase-2, Saggian Bypass, Lahore
Manufacturing Plant	38 KM, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad

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 of:

- International Financial Reporting Standards (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 Standards, the provisions of directives issued under the Companies Act, 2017 have been followed.

2.2 Going Concern Assumption

The Company has incurred a loss for the year ended June 30, 2023 of Rs. 23,466 million (June 30, 2022: Rs. 25,558 million) and as of that date, reported accumulated loss of Rs. 821,559 million as at June 30, 2023 (June 30, 2022: Rs. 501,263 million) against the issued, subscribed and paid up capital of Rs. 141 million (June 30, 2022: Rs. 141 million). The current liabilities exceeds the current assets by Rs. 926,613 million (June 30, 2022: Rs. 923,492 million). Further the company has not been able to obtain enough finance to revive its operations. These circumstances give rise to significant uncertainty as to the ability of the company to continue operations as going concern in the foreseeable future. However, these financial statements do not include any adjustment relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the company be unable to continue as a going concern.

2.3 Basis of Measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below:

Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Key Judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- useful lives, residual values and depreciation method of property, plant and equipment (Refer to Note 5);
- Provision for slow moving inventories;
- Obligation of defined benefit plans for employees;
- Estimate of provision for warranty if any;
- Estimate of current and deferred tax;
- Estimate of contingent liabilities;
- Impairment loss of non-financial assets other than inventories.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company.

		Effective date (annual reporting periods)
		beginning on or after
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
		& January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance Contracts (Amendments)	January 1, 2023
IFRS 9	Financial Instruments: Disclosures (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

3.2 Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance contracts
IFRIC 12	Service concession arrangements

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, Plant and equipment

a Owned assets

The Company has adopted revaluation model for its property, plant and equipment, except for factory equipment, office and electric equipment and furniture and fixtures. Property, plant and equipment except for capital work-in-progress are stated at cost/revaluation less accumulated depreciation and impairment loss, if any. Freehold land has been transferred to investment property and is stated at fair value.

Depreciation charged on all depreciable assets is charged to statement of profit or loss account on the reducing balance method over its estimated useful life at annual rates mentioned in note of fixed assets after taking into account their residual values. Depreciation on additions is charged from the month in which asset is available for use and on disposal before the month of disposal. Residual values and the useful lives of the assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs including major renewals and improvements are included in the carrying amount of the asset or are recognized as separate asset as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the company and cost can be measured reliably. The carrying amount of the replaced part is derecognized at the time of replacement. Normal repair and maintenance and day to day servicing are charged to the statement of profit or loss as incurred.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods. Disposal of an item of property, plant and equipment is recognized when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gain and loss on disposal is determined by comparing the carrying amount of that asset with the sales proceeds and is recognized within 'other income / other operating expenses' in the statement of profit or loss.

b Leased Assets

At the inception of a contract, the company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options. Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company. The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liabilities are subsequently measured at amortised cost using the effective interest rate. Right-of-use assets are initially measured based on the initial amount of the lease liabilities, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on reducing balance method. The carrying amount of the right of use asset is also reduced by impairment losses if any. At transition, the the company recognizes right to use assets equal to the present value of lease payments. Payments associated with short term leases and leases of low value assets are recognized on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of less than 12 Months.

4.2 Capital Work In Progress

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

4.3 Stock In Trade

Stock In trade have been stated at cost. Raw material in hand is measured at weighted average cost and raw material in transit is measured at cost comprising invoice value plus other charges incurred thereon.

4.4 Stores, Spares and Loose tools

Stores, spares and loose tools are stated at lower of cost and net realisable value. The cost of inventory is based on weighted average cost. Items in transit are stated at cost accumulated up to the reporting date. The company reviews the carrying amounts of stores, spares and loose tools on an on-going basis and provision is made for obsolescence if there is any change in usage.

4.5 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of 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.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous year's arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

4.6 Trade debts and other receivables

Trade debts and other receivables are classified as financial assets at amortized cost according to IFRS 9. Under IAS 39, trade and other receivables were previously classified as loans and receivables. Trade debts are initially recognized at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful debts. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company estimates the credit losses using a provision matrix, where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Bad debts are written off with the approval of board of directors when identified.

4.7 Cash and Cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position. For the purpose of cash flow statement cash and cash equivalent consists of cash in hand and balances with banks.

4.8 Trade and other Payables

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

4.9 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortized cost using effective interest method.

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

4.10 Financial assets

The details of new accounting policies after the application of IFRS 9 is as follows. The new IFRS effectively eliminated loans and receivables category of the previous IAS 39.

4.10.1 Classification

Financial assets are classified into following categories: financial assets at amortized cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income as per the requirements of IFRS-9. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

a. Financial assets at amortized cost

A financial asset shall be classified as financial asset at amortized cost if both of the following conditions are met:
-the assets held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
-Contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income

Debt instruments where contractual cash flows are solely payments of principal and interest and the objective of the company is achieved by both collecting cash flows and selling the financial assets.

Equity investments that are not held for trading and the company made an irrevocable election at initial recognition to measure it at fair value with only dividend income recognized in profit or loss.

c. Financial assets at fair value through Profit or loss

Financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

A debt instrument can be classified as financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring from measuring assets or liabilities or recognizing the gains or losses on them on different basis.

4.10.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date -- the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. After initial recognition, financial assets are measured at

amortized cost. Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'other income / other operating expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss as part of 'other income' when the Company's right to receive payments is established. Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognized in other comprehensive income with only dividend income recognized in profit or loss. The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the statement of profit or loss. Impairment losses recognized in the statement of profit or loss on equity instruments are not reversed through the statement of profit or loss.

4.11 Offsetting of financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on either the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

4.12 Derivatives, financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, if so, the nature of the item being hedged. The Company designates certain derivatives as either fair value hedge or cash flow hedge.

a Fair Value Hedge

A hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment or a component of any such item that is attributable to a particular risk and could affect profit or loss.

b Cash Flow Hedge

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss.

4.13 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset.

4.14 Provision

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying 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 current best estimate.

4.15 Foreign currency Transactions

Transactions in foreign currencies are accounted for in Pakistan rupees at monthly average rates. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the reporting date. Exchange gain or losses are charged to profit or loss account.

4.16 Impairment of Non-Financial assets

Non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.17 Revenue Recognition

The company is involved in manufacturing and sale of yarn. According to the core principles of IFRS-15, the company recognizes the revenue from sale of yarn when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

Income from different sources other than above is recognized on the following basis:

- Interest income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.
- Rental income is recognized in the profit or loss on a straight-line basis over the lease term.

Unrealized gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.

Unrealized gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

4.18 Related Party Transactions

The company enters into transactions with related parties on arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the board of directors it is in the interest of the company to do so.

4.19 Staff Retirement Benefits

The company has adopted IAS 19, (Revised) "Employee Benefits". The amendments in the revised standard require the company to eliminate the corridor approach and recognize all actuarial gains and losses (now called 'remeasurements', that result from the remeasurement of defined benefits obligations and fair value of plan assets at the balance sheet date) in other comprehensive income as they occur, immediately recognize all past service costs and replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefits liability / asset.

The company had operated an unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

There was only four employee entitled for gratuity, therefore the management believed that it is unreasonable to conduct actuarial valuation as required by IAS 19 "(Revised) Employee Benefits".

4.20 Depreciation

Assets acquired under a finance lease are depreciated in the same manner and at the same rates used for similar owned assets, so as to depreciate these assets over their estimated useful lives in view of certainty of ownership of these assets at the end of lease term. Depreciation of the leased assets is charged to income.

4.21 Deferred Income

Income arising from sale and lease back transaction, if any, which results in finance lease, is deferred and amortized equally over the lease period.

4.22 Investment property

Properties comprising leasehold land and building which are not occupied by the Company and are held for capital appreciation or to earn rental income are classified as investment property in accordance with the requirements of International Accounting Standard (IAS)-40 'Investment Property'. These properties are carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties will be carried out with sufficient regularity.

4.23 Dividend and appropriations

Dividend is recognized as liability in period in which it is declared. Appropriations of profit are reflected in the statement of changes in equity in the period in which appropriations are approved.

4.24 Earning per Share

The company presents earning per share data for its ordinary shares. 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 period.

5. Property, Plant and Equipment

5.1 Operating Fixed Assets

PARTICULARS	2023								
	COST				Rate %	DEPRECIATION			WDV As at June 30, 2023
	As at July 01, 2022	Additions (Disposal)	As at June 30, 2023	As at July 01, 2022		For the Period	As at June 30, 2023		
Plant and machinery	410,000,000	-	410,000,000	5	58,476,250	17,576,187	76,052,437	331,947,563	
Factory equipment	129,250	-	129,250	10	132,256	1,706	133,962	18,703	
Office & electric equipment	10,869,612	-	10,869,612	10	8,406,000	246,361	8,652,361	2,217,251	
Furniture and fixture	3,533,809	-	3,533,809	10	2,966,678	56,713	3,023,391	510,418	
June 30, 2023	424,532,671	-	424,532,671		69,981,764	17,880,967	87,862,731	336,669,940	

PARTICULARS	2022								
	COST				Rate %	DEPRECIATION			WDV As at June 30, 2022
	As at July 01, 2021	Additions (Disposal)	As at June 30, 2022	As at July 01, 2021		For the Period	As at June 30, 2022		
Plant and machinery	410,000,000	-	410,000,000	5	26,975,000	18,501,250	45,476,250	361,523,750	
Factory equipment	129,250	-	129,250	10	110,346	1,496	111,842	17,408	
Office & electric equipment	10,869,612	-	10,869,612	10	8,132,932	275,668	8,408,600	2,460,912	
Furniture and fixture	3,533,809	-	3,533,809	10	2,966,683	63,013	3,029,696	504,113	
June 30, 2022	424,532,671	-	424,532,671		38,124,961	19,439,827	57,564,788	366,967,883	

5.2 Depreciation charge for the year on operating fixed assets and assets subject to finance lease has been allocated as follows:

	June 30, 2023	June 30, 2022
Administrative expenses		Rs
Operating Fixed Assets	\$1	17,880,967
Right of use assets	\$	2,464,346
	20,345,313	21,435,071

5.3 The Company had revalued its Plant and Machinery. Revaluation of the assets was carried out by the independent valuers, M/S Inquire (Pvt.) Ltd. on June 28, 2019. The forced sale value of plant & machinery as per the valuation report was Rs. 507.50 million.

5.4 No operating fixed assets disposed off during the year.

5.5 Particulars of Immovable Fixed Assets of the Company are as follows:

Location	Area of Land	Covered area of Building
3rd Floor, Plot No. 91, Sharif Plaza, Hassan Commercial Zone	4 Nails	1000 square feet
Al Rehman Garden, Phase 2, Saiglan Bypass, Lahore		
Chak No. 60-61, R.B. 38 KM Shekhupura road	154.7 Kanals	250,349 square feet
Tehsil, Ferozshah, District, Faisalabad		

5.6 Had there been no revaluation, the carrying amount of the specific class of assets would have been as follows:

	June 30, 2023	June 30, 2022
Plant and machinery	331,947,563	329,674,751
	331,947,563	329,674,751

6. Right of Use assets

PARTICULARS	2023								
	COST				Rate %	DEPRECIATION			WDV As at June 30, 2023
	As at July 01, 2022	Additions	As at June 30, 2023	As at July 01, 2022		For the Period	As at June 30, 2023		
Plant and machinery	93,369,822	-	93,369,822	5	43,076,963	2,464,346	45,541,309	47,828,513	
June 30, 2023	93,369,822	-	93,369,822		43,076,963	2,464,346	45,541,309	47,828,513	

PARTICULARS	2022								
	COST				Rate %	DEPRECIATION			WDV As at June 30, 2022
	As at July 01, 2021	Additions	As at June 30, 2022	As at July 01, 2021		For the Period	As at June 30, 2022		
Plant and machinery	93,369,822	-	93,369,822	5	40,484,835	2,544,648	43,029,483	50,340,339	
June 30, 2022	93,369,822	-	93,369,822		40,484,835	2,544,648	43,029,483	50,340,339	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023 Rupees	June 30, 2022 Rupees
7 INVESTMENT PROPERTY			
Opening net book value		372,997,757	254,308,500
Fair Value Gain	38	-	16,884,257
Closing net book value		372,997,757	371,192,757
7.1	Investment property represents the fair value of land and building leased out by the company to MCB Spinning Mills Limited since April 21, 2017. The fair value of investment property is determined by the M/s Akram Enterprises independent valuer as at July 11, 2022 having relevant professional experience. The fair market value was determined from market based evidence in accordance with the market value of similar land and building existing in near vicinity.		
	There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
7.2	Forced Sale Value		
	The forced sale value of Land and Building is 249,240 and 237,807 million respectively.		
8 LONG TERM DEPOSITS	Note	June 30, 2023 Rupees	June 30, 2022 Rupees
Utilities		1,158,180	1,158,180
		<u>1,158,180</u>	<u>1,158,180</u>
9 STOCK IN TRADE			
Raw Material		37,328,875	37,328,875
Waste		143,872	143,872
		<u>37,472,747</u>	<u>37,472,747</u>
9.1	It includes carrying value of pledged stock amounting to Rs. 37,872 million (June 30, 2022: Rs. 37,872 million)		
10 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Bank Guarantee Margin		2,925,765	2,925,765
		<u>2,925,765</u>	<u>2,925,765</u>
11 OTHER RECEIVABLES			
M/s Spinning Mills Ltd, Ptd - Unsecured considered doubtful		3,400,000	3,215,000
M/s Spinning Mills Ltd, Ptd - Secured considered good		7,100,000	375,000
Other receivables - considered doubtful	11.2	9,462,975	9,462,975
		<u>19,962,975</u>	<u>17,052,975</u>
Less: Provision for doubtful debt receivable / expected credit losses	11.1	(17,400,000)	(175,000)
		<u>2,562,975</u>	<u>17,128,975</u>
11.1	Provision for doubtful debt receivable / expected credit losses		
Balance as at July 01		375,000	-
Provision charged during the year		1,025,000	375,000
Provision reversed during the year		-	-
Balance written off during the year		-	-
Balance as at June 30		<u>1,400,000</u>	<u>375,000</u>
11.2	This represents late payment surcharge and tariff adjustment claimed by the Northern Gas Pipelines Limited (NNGPL) against the orders of the Honorable Lahore High Court, Lahore while uncollecting bank guarantee by SSB Bank Limited. The Company has filed suit against the NNGPL for recovery of this amount which is pending adjudication. This case is fully disclosed in Note 24.7.		
12 TAX REFUNDS DUE FROM GOVERNMENT		June 30, 2023 Rupees	June 30, 2022 Rupees
Advance Income Tax		3,515,444	3,515,444
		<u>3,515,444</u>	<u>3,515,444</u>
13 CASH AND BANK BALANCES			
Cash in hand		21,604	113,644
Cash at banks - Current accounts		418,976	333,600
		<u>440,580</u>	<u>447,244</u>

	Note	June 30, 2023	June 30, 2022
		Rspees	Rspees
14 AUTHORIZED SHARE CAPITAL			
15,000,000 (June 30, 2022: 15,000,000) Ordinary shares of Rs. 10 each		150,000,000	150,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
14,100,000 (June 30, 2022: 14,100,000) Ordinary shares of Rs. 10 each Paid in cash	14.1	141,000,000	141,000,000
		141,000,000	141,000,000
14.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction. There is no movement in share capital during the year.			
	Note	June 30, 2023	June 30, 2022
		Rspees	Rspees
15 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Opening balance		485,473,540	486,467,896
15.1 Less: Transferred to unappropriated profit			
Incremental depreciation for the period		3,472,496	3,690,306
Related deferred tax liability		1,418,344	1,470,548
		4,890,840	5,160,854
		480,582,699	481,307,042
15.2 Less: Related deferred tax liabilities on			
Opening balance		77,699,108	79,268,629
Incremental depreciation for the year		(1,418,344)	(1,470,548)
		76,280,764	77,798,081
		404,301,935	403,508,961
16 LONG TERM FINANCING FROM BANKING COMPANIES - SECURED			
Demand Finance - Under mark up arrangements			
Demand finance - Settled amount	16.1	123,137,000	123,137,000
Demand finance - II	16.2	3,697,000	3,697,000
Demand finance - III	16.3	6,977,063	6,977,063
Demand finance - IV	16.4	174,170,823	174,170,823
Demand finance - IV (unserviceable)	16.5	62,820,000	62,820,000
Demand finance - VIII	16.6	19,934,937	19,934,937
Fixed demand finance	16.7	10,936,830	10,936,830
Frozen mark up			
Demand finance - II	16.8	252,000	252,000
Demand finance - III	16.9	140,000	140,000
Demand finance - IV	16.10	89,609,132	89,609,132
Demand finance - VIII	16.11	1,466,485	1,466,485
		493,145,381	493,145,381
Less: Current portion of long term loans Due to decrease by the banking companies		(493,145,381)	(493,145,381)
		-	-
16.1 Demand finance - Settled amount			
Gross amount payable	16.1.1	123,137,000	123,137,000
Present value adjustment - deferred national income	16.1.2	-	-
Present value of settled amount		123,137,000	123,137,000
16.1.1 During the year ended June 30, 2023 the Company had restructured its Demand Finance - Financed in Rs. 99,075 million, Term finance-I amounted to Rs. 18,639 million, Term finance-III amounted to Rs. 7,336 million, Term finance-IV amounted to Rs. 40,500 million, Frozen mark-up on demand finance-I amounted to Rs. 137 million and existing finance amounted to Rs. 9,800 million in the demand finance facility aggregating to Rs. 166,197 million with HBL Bank limited (now MCB Bank limited). As per the terms of revised agreement, the restructured loan is repayable in 106 monthly instalments, commencing from June 12, 2023 and expired on March 27, 2025. The restructured loan is secured against existing activities of the respective bank (i.e. against joint post paid charge over land, building and machinery for Rs. 402.67 million/MCB bank's share in charge of Rs. 208.87 million); specific / exclusive charge of Rs. 124,236 million on machinery and 3 gas generators, second charge of Rs. 100 million over stocks and receivables and personal guarantee of the sponsoring director of the company. The amount is settled as a result of court order passed by the court in favor of the bank and against the principal borrower and the guarantor for Rs. 250,011 million the basis of restructuring agreement. Restructuring agreement states that non payment of any dues			

consecutive instalments towards adjustment of the settled amount as required in terms of the rescheduled agreement shall be considered as a failure to satisfy the decree. In event of default, the bank shall be entitled to cancel / revoke any of the arrangement including waiver of mark-up under the rescheduling agreement and the principal borrower and the guarantor shall become immediately liable to pay to the bank forthwith the entire decretal amount less any payments made there under and the bank disregarding any arrangement shall immediately forthwith be entitled to continue execution of proceedings for recovery of decretal amount less any payments made against by the principal borrower and the guarantor.

- 16.1.2** This represent the difference between amortized cost and face value of interest free loan (rescheduled during the year ended on June 30, 2023) from NIB Bank Limited. Amortized cost has been determined using effective interest rate of 10.00% per annum being the rate prevailing in the market. Movement of the present value adjustments is as follows. This represent the difference between amortized cost and face value of interest free loan (rescheduled during the year ended on June 30, 2023) as explained in note 16.1.1 above) from NIB Bank Limited. Amortized cost has been determined using effective interest rate of 10.00% per annum being the rate prevailing in the market. Movement of the present value adjustments is as follows:

	June 30, 2023	June 30, 2022
	Rupees	Rupees
Present value adjustments		
Opening balance	-	(5,481,301)
Amortized during the period	-	(10,483,203)
	-	-

- 16.2** The loan was obtained to finance fixed assets of the company. The loan is subject to mark up at the rate of 10 percent per annum payable quarterly (June 30, 2022: 10 percent per annum payable quarterly). The loan was repayable in thirty two quarterly instalments, commencing from March 31, 2010 which expired on December 31, 2017. The loan is secured against first registered specific charge for Rs. 33,513 million over the textile machinery, first registered pari passu charge for Rs. 60.00 million over all present and future fixed assets (including land, building and machinery) of the company.
- 16.3** The loan was obtained to adjust the existing RS facility of the company. The loan is subject to mark up at the rate of 10 percent per annum (June 30, 2022: 10 percent per annum) payable quarterly. The loan was repayable in thirty two quarterly instalments, commencing from March 31, 2010 which expired on December 31, 2017. The loan is secured against first registered specific charge for Rs. 33,513 million over the textile machinery, first registered pari passu charge for Rs. 60.00 million over all present and future fixed assets (including land, building and machinery) of the company.
- 16.4** The loan was rescheduled and merged in one Demand finance, previously disclosed as DF-IV amounting to Rs.25 million, DF-V amounting to Rs. 70 million, DF-VI amounting to Rs.17 million, DF-VII amounting to Rs. 67,208 million and lease finance facility amounting to Rs.6,925 million. The loan is subject to mark-up at the rate of 3 months average KIBOR of quarter (June 30, 2022: 3 months average KIBOR %). The loan was repayable in 30 instalments payable quarterly commencing from September 30, 2009 which expired on December 31, 2017. The loan is secured against registered joint pari passu charge of Rs.190 million on the present and future fixed assets (including land, building, plant and machinery) of the company valuing Rs. 472 million (already registered with SEC/P), additional second charge on a plot amounting to Rs. 40 million (currently mortgaged with Mezzan Bank Limited), ranking charge on fixed assets of the company of Rs. 29,933 million, ranking charge on fixed assets (including land, building and machinery) of the company of Rs. 34,660, exclusive hypothecation charge over plant and machinery amounting to Rs. 50,350 million, floating charge over plant and machinery amounting to Rs. 23,140, Exclusive hypothecation over plant and machinery amounting to Rs. 2,598 and personal guarantee of sponsoring director.
- 16.8** Overdue markup was converted into demand finance facility amounting to Rs. 63,825 million. The facility was repayable in 24 quarterly instalments starting from September 30, 2009 which ended on December 31, 2017. The loan is secured against ranking charge on fixed assets of the company to cover markup for Rs. 63,825 million.
- 16.6** The loan was obtained to finance imported polyester subsequently converted as demand finance. The loan was repayable in 22 quarterly instalments commencing from March 31, 2010 which expired on December 31, 2017. The loan is secured against registered specific charge for Rs. 33,513 million, registered pari passu charge of Rs.60 million on all present and future fixed assets of the company and accepted drafts and TRs.
- 16.7** This represents the fixed loan created by NIB Bank on encashment of bank guarantee by Sri Northern Gas Pipe Lines Limited.
- 16.8** Deferred mark up on demand finance II for Rs. 0,272 million (June 30, 2022: Rs. 0,272 million) frozen and converted into long term financing. Frozen markup was payable in 24 equal quarterly instalments of Rs. 0,019 million and 5 instalments Rs. 0,020 million commencing from December 2009.
- 16.9** Deferred mark up on demand finance III as disclosed above of Rs. 0,140 million (June 30, 2022: Rs. 0,140 million) froze and converted as to long term financing. Frozen markup was payable in 33 equal quarterly instalments of Rs. 0,017 million commencing from December 2009.
- 16.10** Deferred mark up on demand finance IV of Rs. 89,009 million (June 30, 2022: Rs. 89,009 million) frozen and converted in to long term financing. Frozen markup was due to be paid in lump sum on December 31, 2017.
- 16.11** Deferred mark up on demand finance VII as disclosed above for Rs. 1,060 million (June 30, 2022: Rs. 1,060 million) froze and converted into long term financing. Frozen markup was payable in 33 quarterly instalments of Rs. 0,114 million commencing from December 2009.
- 16.12** The long term financing from banking companies have been shown under the current liabilities in view of suits for recovery and execution applications filed by the banking companies under the Honourable Lahore High Court.

	Note	June 30, 2023	June 30, 2022
		Rspees	Rspees
17 LONG TERM FINANCING FROM DIRECTORS AND ASSOCIATES - UNSECURED			
Interest free loan	17.1	128,122,951	128,122,951
Present value adjustment	17.2	-	-
Loan transferred to current liabilities	22	(128,122,951)	(128,122,951)
		-	-

17.1 The directors of the Company have provided interest free loan to the Company that were utilised to meet working Capital Requirements. As at June 30, 2015, the management of the Company entered into an agreement with directors and associates and decided repayment terms of the interest free and unsecured loan (previously repayment terms of the loans were not determinable). The payment of loan was rescheduled on June 30, 2021 and according to the agreement, loan from directors and associates will be paid on July 31, 2024. These loan have been recognized at amortized cost using effective discount rate of 10 percent. The resulting difference has been charged to profit or loss account and will be amortized over the remaining life of loan. During the year ended June 30, 2023, the agreement was revised and the loan is payable on demand of directors and associates. This loan is accounted for in accordance with the Technical Release-32 issued by ICAI.

17.2 This represent the difference between amortized cost and face value of interest free loan. Amortized cost has been determined using effective interest rate of 10 % per annum being the weighted average rate of return prevailing in the market. Movement of the deferred national income is as follows:

	June 30, 2023	June 30, 2022
	Rspees	Rspees
Movement in present value		
Opening balance	-	32,945,763
Amortized during the period/ Loan accretion	-	(32,945,763)
	-	-

18 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Overdue installments	155,582,331	155,582,331
Upto one year	-	-
Minimum lease payments	155,582,331	155,582,331
Less: Finance charges for future years	(47,376,000)	(47,376,000)
Present value of minimum lease payments	108,206,331	108,206,331
Less: current maturity of lease liability	(108,206,331)	(108,206,331)
	-	-

18.1 The lease was obtained under sale and lease back transaction of plant and machinery from bank of Punjab. The total lease rentals due under the lease agreements were payable in 33 quarterly installments commencing from December 31, 2009. The present value of minimum lease payments has been discounted at interest rate implicit in the lease, which equates to an interest rate of 3 months average SIBOR of the last day of quarter. The cost of repairs and insurance are borne by the lessee. The liability is secured by a lease agreement lien on leased assets, first receipts to be executed in bank's favor and 33 post-dated cheques for complete adjustment of principal.

18.2 Amount of lease liability includes an amount of Rs. 22.645 million (June 30, 2022: Rs. 22.645 million) deferred markup transferred to income account. The deferred markup was payable in 16 quarterly installments starting from March 31, 2014 which ended on December 31, 2027. The breakup of the present value of minimum lease payment is given below.

	Note	June 30, 2023	June 30, 2022
		Rspees	Rspees
Break up of minimum lease payments			
Lease liability		85,661,821	85,661,821
Deferred markup		22,644,510	22,644,510
		108,306,331	108,306,331
18.3 Current maturity of the lease liability			
Over due installments		108,206,331	108,206,331
Payable within one year		-	-
		108,206,331	108,206,331
19 DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	19.1	7,561,818	7,561,818
Deferred taxation	19.2	-	-
		7,561,818	7,561,818

19.1 The scheme provides the retirement benefits for all permanent employees who complete qualifying period of services with the company at varying percentages of last drawn salary. The percentage depends on the number of service years with the company. Annual provision is based on actuarial valuation, which was carried out as on June 30, 2023.

There was only four employees entitled for gratuity, therefore the management believed that it is unreasonable to conduct actuarial valuation as required by IAS 19 "Employee Benefits". Provision is made on the basis of last drawn salary of the employees in employment.

19.2 Deferred Taxation

	June 30, 2023 Rupees	June 30, 2022 Rupees
Deferred tax assets on deductible temporary differences		
Provision for gratuity	(2,192,660)	(2,192,660)
Tax losses-Previous Period	(82,246,665)	(74,464,913)
Provision for doubtful debts	(1,398,000)	(108,750)
Leased Liability	(31,408,876)	(31,408,876)
Deferred tax liability on taxable temporary differences		
Property, Plant and Equipment	83,076,427	80,695,689
Right of use asset	13,578,548	14,293,207
	<u>(28,739,141)</u>	<u>(7,985,196)</u>
	<u>54,337,286</u>	<u>72,710,493</u>
Tax rate used	29%	29%

During the year net deferred tax asset amounting to Rs. 21,470 million (2022: Rs. 7,985 million) has not been recognized because it is not probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

	June 30, 2023 Rupees	June 30, 2022 Rupees
20 TRADE AND OTHER PAYABLES		
Trade creditors	18,755,348	18,951,348
Accrued liabilities	26,707,688	23,598,187
	<u>45,463,036</u>	<u>42,549,535</u>
21 ACCRUED INTEREST/MARK UP PAYABLE - SECURED FINANCES		
Long term financing from banking companies	43,782,571	43,782,571
Liabilities against assets subject to finance lease	26,650,427	26,650,427
Short term borrowings	27,067,637	27,067,637
	<u>97,500,635</u>	<u>97,500,635</u>

21.1 It includes overdue markup of Rupees 43.78 million (June 30, 2022: Rupees 43.78 million) Rupees 26.65 million (June 30, 2022: Rupees 26.65 million) and Rupees 27.08 million (June 30, 2022: Rupees 27.08 million) on long term financing from banking companies, liabilities against assets subject to finance lease and on short term borrowings from banking companies respectively.

22 LOAN FROM DIRECTORS AND ASSOCIATES - UNSECURED

	June 30, 2023 Rupees	June 30, 2022 Rupees
Mian Nazim Omer	82,622,951	82,622,951
Mian Muhammad Saboun Omer	11,000,000	11,000,000
Mrs. Sareya Begum	1,500,000	1,500,000
Mrs. Farah Nazam	23,000,000	23,000,000
	<u>128,122,951</u>	<u>128,122,951</u>

22.1 During the year ended June 30, 2022, the agreement was revised and the loan is payable on demand of directors and associates. Detail of loan initially provided is fully disclosed in note 17.1 of these financial statements.

	June 30, 2023 Rupees	June 30, 2022 Rupees
23 SHORT TERM BORROWINGS - SECURED		
Cash finance from banking companies	136,365,534	136,365,534
	<u>136,365,534</u>	<u>136,365,534</u>

23.1 The aggregate of credit limits available for short term borrowings from banking companies were Rs. 272 million. These above facilities have expired on various dates by June 30, 2023.

23.2 These are secured against pledge of cotton bales @ 10 percent margin, imported cotton @ invoice value, polyester/yarn @ 15 percent margin under lock and key of banks' approved warehouse, four year power charge term land, building and machinery, exclusive charge on machinery, securities and personal guarantees of sponsoring directors.

These are subject to mark up ranging between 3 months KIBOR plus 3 percent (June 30, 2022: 3 months KIBOR plus 3 percent).

24 CONTINGENCIES AND COMMITMENTS

- 24.1** The Honorable Lahore High Court, while disposing the suit C.O.S No. 55/2012 passed a decree of Rupees 419.608 million together with the cost and the cost of funds in favour of the Bank of Punjab. The company has filed a regular first appeal no. 1012/2016 on August 09, 2016 before the Honorable Lahore High Court, Lahore. The outcome of the case is not ascertainable as at June 30, 2023. The legal counsel is hopeful that the outcome of the case will be decided in favour of the company.
- 24.2** The Bank of Punjab has filed execution petition no 82/2016 dated September 19, 2016 with the honorable Lahore High Court, Lahore for execution of decree dated January 28, 2016 of Rs. 419.608 million together with the cost and the cost of fund in the favor of Bank of Punjab which is pending adjudication till the financial statements date.
- 24.3** The NBS Bank Limited (now MCB) has filed suit C.O.S No. 85/2009 before Honorable Lahore High court, Lahore against the company for recovery of Rupees, 297,403 million as outstanding dues against the banking facilities provided by the bank. Consent decree was passed on September 16, 2013 by the court in favor of the bank and against the principal borrower and the guarantor for Rs. 250.011 million on the basis of resettlement agreement dated September 04, 2013. Resettlement agreement states that non payment of any three consecutive installments towards adjustment of the settled amount as required in terms of the rescheduled agreement shall be considered as a failure to satisfy the decree. In event of default, the bank shall be entitled to cancel / revoke any of the arrangement including waiver of standby under the rescheduling agreement and the principal borrower and the guarantor shall become immediately liable to pay to the bank forthwith the entire decretal amount less any payments made there under and the bank disregarding any arrangement shall immediately forthwith be entitled to continue execution of proceedings for recovery of decretal amount less any payment made against by the principal borrower and the guarantor, however, consent decree have been implemented. As required in resettlement agreements company had applied to the court to withdrawal of its suit C.O.S No. 99/2009 filed against the bank and the case is disposed off by the honorable judge of the Lahore High Court, Lahore.
- 24.4** The Silk Bank Limited has filed a suit C.O.S 67/2016 before Honorable Lahore High Court, Lahore against Company for recovery of Rupees 80.89 million as outstanding dues against the banking facilities provided by the bank. The case was shifted to the Banking Court by the Lahore High Court. This suit was decreed on 08.02.2021. Against said Decree, the Company has filed an appeal vide RFA No. 10508/2021 before the Division Bench of Lahore High Court Lahore which is still pending adjudication. The Company has also filed a suit against the bank before the Banking Court Lahore claiming recovery of Rs 89.156 million. The outcome of the case is not ascertainable as at June 30, 2023. However, legal counsel is hopeful that the outcome of the case will be decided in favor of the Company.
- 24.5** The Company has filed a writ petition before the Honorable Lahore High Court, Lahore against the illegal levy of license permit fee to the tune of Rs. 200,000 by the District Govt. Faisalabad. Legal counsel of the company is of the view that this similar of petition had already been decided by the Honorable Lahore High Court, Lahore in favour of petitioner. legal counsel is hopeful that the outcome of the case will be decided in favour of the company.
- 24.6** The Company has filed a suit against The Bank of Punjab before the Lahore High Court vide COB No.14/2012 for the recovery of losses amounting to Rs. 475.665 million accrued to the company with the breaches of contractual obligations by The Bank of Punjab. The outcome of the case is not ascertainable as at June 30, 2023. However company is hopeful that the outcome of the case will be decided in the favour of the Company.
- 24.7** The suit was filed by Silk Bank Limited, against Bilal Fibres Ltd., and others before the Banking Court Lahore, wherein the Bank claimed recovery of Rs. 10,160 million on the basis of an alleged guarantee. This suit was decreed on 08.02.2023. Against said Decree, the Company has filed an appeal vide RFA No. 19512/2021 before the Division Bench of Lahore High Court Lahore which is still pending adjudication. This case is being vigorously and diligently contested by the company. The Bank has also filed Execution petition, which is also pending adjudication. The final outcome of this case shall be subjected to decision of Appeal.

	June 30, 2023 Rupees	June 30, 2022 Rupees
24.8 Claims not acknowledged in view of pending appeals before appellate authorities / high court	100,000	100,000
24.9 Indemnity bonds issued against exemption of sales tax and custom duty on import of machinery and local procurement of raw material	17,537,477	17,537,477
24.10 Bank guarantee issued in favor of Sri Northern Gas Pipelines Limited for supply of gas	6,000,000	6,000,000
24.11 Bank guarantee issued in favor of Collector of custom Karachi	2,475,000	2,475,000
24.12 Commitments outstanding	-	-
	<hr/>	<hr/>
	June 30, 2023 Rupees	June 30, 2022 Rupees
28 SALES		
Subs	-	-
	<hr/>	<hr/>

26	COST OF SALES			
	Cost of goods manufactured	26.1	-	-
	Finished Goods:			
	Opening stock		343,872	343,872
	Closing stock		(343,872)	(343,872)
			-	-
	Cost of goods sold		-	-
26.1	Cost of goods manufactured			
	Raw material consumed	26.1.1	-	-
			-	-
	Work in process:			
	Opening stock		-	-
	Closing stock		-	-
			-	-
			-	-
26.1.1	Raw material consumed			
	Opening stock		37,328,875	37,328,875
	Closing stock		(37,328,875)	(37,328,875)
			-	-
26.1.2	It represents the stock pledged and under custody of the bank and the cases are under litigation in the court of law.			
		Note	June 30, 2023	June 30, 2022
			Rupees	Rupees
27	DISTRIBUTION COST			
	Selling and distribution expenses		-	-
			-	-
28	ADMINISTRATIVE EXPENSES			
	Directors' remuneration		1,500,000	1,500,000
	Staff salaries and benefits		1,913,580	1,978,000
	Staff retirement benefits		-	141,000
	Repair and Maintenance General		-	-
	Fee and subscriptions		122,000	-
	Auditors' remuneration	28.1	340,000	340,000
	Depreciation	5.2	29,345,249	21,433,871
			24,449,829	25,672,871
		Note	June 30, 2023	June 30, 2022
			Rupees	Rupees
28.1	Auditor's Remuneration			
	Annual audit fee		300,000	300,000
	Half yearly review		40,000	40,000
			340,000	340,000
29	OTHER OPERATING EXPENSES			
	Sales tax written off	29.1	-	2,722,127
			-	2,722,127
29.1	During the year the management has assessed that sales tax adjustments will not affect other sales tax booked in financial statements.			
30	OTHER INCOME			
	Revered income		6,000,000	3,000,000
	Fair Value Gain	7	-	16,689,257
	Notional income on Director's interest free loans		-	-
			6,000,000	19,689,257
31	FINANCE COST			
	Notional charges on interest free loans		-	49,877,064
	Provision for doubtful non receivable		5,825,000	375,000
	Bank charges and commission		841	145
			6,650,841	49,877,219

32 TAXATION EXPENSES

Current tax

Current year

-

Prior year

-

Deferred tax

Current year

-

-

32.1 Relationship between tax expense and accounting profit

The relationship between tax expense and accounting profit has not been presented in these financial statements as the company has no tax expense on account of taxable loss and NIL revenue.

33 Earning / (loss) per share - basic and diluted

Profit / (loss) for the year

Rupees

June 30, 2023

Rupees

(23,466,479)

June 30, 2022

Rupees

(33,337,970)

Weighted average number of ordinary shares

Number

14,100,000

14,100,000

Earnings / (loss) per share - basic

Rupees

(1.66)

(2.36)

There is no dilutive effect on basic loss per share of the company.

Note

June 30, 2023

Rupees

June 30, 2022

Rupees

34 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets as per Financial Statements

Maturity upto one year:

Trade deposits and short term prepayments

2,625,765

2,625,765

Other receivables

17,002,975

17,120,975

Cash and bank balances

440,570

442,250

Maturity after one year:

Long term deposits

1,176,100

1,176,100

21,925,479

21,648,179

Financial Liabilities as per Financial Statements

Maturity upto one year:

Trade and other payables

45,443,076

42,494,575

Unclaimed dividend

235,776

235,776

Accrued interest / mark up

97,320,055

97,520,055

Short term borrowings

136,363,554

136,363,234

Current portion of Long term financing from banking companies

483,143,381

483,143,381

Liabilities against assets subject to finance lease

108,306,531

108,306,531

Loan from directors and associates

128,172,034

128,122,952

Maturity after one year:

Long term financing from directors and associates

-

-

1,006,199,044

1,006,198,542

35 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

35.1 Credit risk

35.2 Liquidity risk

35.3 Market risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

35.1 Credit risk

Exposure to credit risk

Credit risk is the risk of financial loss to the company if a counterparty or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and short term prepayments and cash and bank balances. Out of total financial assets of Rs. 26,506 million (June 30, 2023) Rs. 21,648 million financial assets which are subject to credit risk aggregate to Rs. 19,839 million (June 30, 2022) Rs. 21,267 million. The carrying amount of financial assets represents the maximum credit

exposure. The maximum exposure to credit risk at the reporting date is as follows:

	June 30, 2023	June 30, 2022
	Rspees	Rspees
Long term deposits	1,136,180	1,136,180
Trade deposits and short term prepayments	2,928,765	2,928,765
Other receivables	27,062,975	27,126,975
Cash and bank balances	448,530	448,250
	22,525,450	22,640,170

35.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

Financial liabilities

	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
Long term financing	493,145,381	493,145,381	-	493,145,381	-	-
Loan from directors and associates	128,172,951	128,172,951	128,172,951	-	-	-
Finance lease	108,306,131	108,306,131	-	108,306,131	-	-
Trade and other payables	45,443,036	45,443,036	45,443,036	-	-	-
Unclaimed dividends	235,776	235,776	235,776	-	-	-
Accrued markup / interest	97,520,055	97,520,055	-	97,520,055	-	-
Short term borrowings	136,365,534	136,365,534	136,365,534	-	-	-
	1,009,189,844	1,009,189,844	310,217,297	698,971,747	-	-

	2022					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
Long term financing	493,145,381	493,145,381	-	493,145,381	-	-
Long term loans from directors and associates	128,172,951	128,172,951	128,172,951	-	-	-
Finance Lease	108,306,131	108,306,131	-	108,306,131	-	-
Trade and other payables	42,494,535	42,494,535	42,494,535	-	-	-
Unclaimed dividends	235,776	235,776	235,776	-	-	-
Accrued markup / interest	97,520,055	97,520,055	-	97,520,055	-	-
Short term borrowings	136,365,534	136,365,534	136,365,534	-	-	-
	1,006,190,542	1,006,190,542	307,214,796	698,971,747	-	-

35.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

35.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

35.3.1 Currency risk

Exposure to currency risk

The Company is not exposed to any currency risk as at the balance sheet date (2023). Nil, therefore, no sensitivity analysis is required.

35.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from long term financing from banking companies, liabilities against assets subject to finance lease, short term borrowings and deposits to accounts with banks. At the balance sheet date the company is in obligation with the banking companies and has not providing the mark up on all borrowings. Therefore, risk of any rate not be accurately determined as the balance sheet date the interest rate profile of the company's interest bearing financial instrument is as follow:

	June 30, 2023	June 30, 2022
	Rspees	Rspees
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	32,471,576	32,471,576
Variable rate instruments		
Financial assets	-	-
Financial liabilities	789,345,678	789,345,678

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rate at the reporting date would have increased/ (decreased) profit or loss by amounts shown below. This analysis assumes that all other variables, in a particular foreign currency rate (if any), remains constant. The analysis is performed on the same basis as for the previous year:

35.3.3 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 instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

35.4 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at such reporting date.

The following table shows the carrying amounts and fair values of financial assets and liabilities. The fair value of financial assets measured at fair value is shown below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Carrying Amount		Carrying Amount		
	2023		2022		
	At amortised cost	Fair value through profit or loss	At amortised cost	Fair value through profit or loss	Fair value through other comprehensive income

-----Rspees-----

Financial assets

Long term deposits	1,156,190	-	1,156,190	-	-
Trade deposits and short term prepayments	2,909,768	-	2,909,768	-	-
Other receivables	17,602,975	-	17,602,975	-	-
Cash and bank balances	441,730	-	441,730	-	-
	21,910,663		21,910,663		

	Carrying Amount			Carrying Amount		
	2023			2022		
At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	
Financial Liabilities						
----- Rupees -----						
Long term financing	493,145,381	-	-	493,145,381	-	
Long term loans from directors & associates	-	-	-	-	-	
Liabilities against assets subject to finance lease	108,306,331	-	-	108,306,331	-	
Trade and other payables	45,443,036	-	-	40,494,333	-	
Unclaimed dividends	235,776	-	-	235,776	-	
Accrued markup / interest	97,520,035	-	-	97,520,035	-	
Loan from directors and associates	128,172,951	-	-	128,120,953	-	
Short term borrowings	136,365,334	-	-	136,365,334	-	
	1,009,189,044	-	-	1,006,190,543	-	

The basis for determining fair values is as follows:

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument. Fair value significantly approximates to carrying value.

Fair value hierarchy

The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets and liabilities
- Level 2: Observable inputs; and
- Level 3: Unobservable inputs

The Company held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
June 30, 2023				
At fair value through profit or loss	-	-	-	-
	-	-	-	-
June 30, 2022				
At fair value through profit or loss	-	-	-	-
	-	-	-	-

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values for both financial and non-financial assets and liabilities.

38.8 Off balance sheet items

Claims not acknowledged in view of pending appeals before appellate authorities / High Courts

Identifiability bonds issued against exemption of sales tax and custom duty on imports of machinery and local procurement of raw material

	June 30, 2023	June 30, 2022
	Rupees	Rupees
	100,000	100,000
	17,837,477	17,837,477

	June 30, 2023 Rupees	June 30, 2022 Rupees
Bank guarantee issued in favor of Sui Northern Gas Pipelines Limited for supply of gas	6,000,000	6,000,000
Bank guarantee issued in favor of the directors exercise and taxation, Karachi	2,675,000	2,675,000

35.6 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

36 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns to the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing from banking companies, long term financing from directors and associates, liability against asset subject to finance lease and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

		June 30, 2023 Rupees	June 30, 2022 Rupees
Borrowings	Rupees	667,940,197	667,940,197
Total equity	Rupees	23,202,706	46,970,175
Total capital employed	Rupees	691,142,903	714,910,372
Gearing ratio	Percentage	97.36	94.86

37 PLANT CAPACITY AND PRODUCTION

	2023	2022
Total number of spindles installed	29,014	29,014
Total number of spindles worked	-	-
Number of shifts per day	-	-
Installed capacity converted into 20/1 count (Kgs.)	11,889,912	11,889,912
Actual production converted into 20/1 count (Kgs.)	-	-

The company closed its business operation since late 10, 2016. Therefore no production during the year.

38 RELATED PARTY TRANSACTIONS

38.1 Transactions with related parties

	June 30, 2023 Rupees	June 30, 2022 Rupees
Loan Receipts	100,000	-
Loan Payments	50,000	740,000

The company has related party relationship with its associated undertakings, its directors and executive officers. Transactions with related parties essentially relate sale and purchase of goods and / or services or Loans from the aforementioned entities. All transactions are carried out on commercial basis.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The company considers all members of its management team, including the chief executive officer and directors to be its key management personnel.

38.2 Following are the related parties with whom the company had entered into transactions or have arrangements / agreements in place:

Sr. no.	Party Name	Basis of Relationship	Aggregate % of Share holding in the company
1.	Mian Naeem Omer	CEO	16.67%
2.	Mian Hasham Omer	Associate	N/A
3.	Mrs. Farah Naeem	Associate	24%
4.	Mian Mohammad Saleem Omer	Associate	N/A
5.	Mrs. Nareya Begum	Associate	N/A

39 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

There is no executive in the company during the year (2022-2023). There is only one chief executive and salaries and benefits amounting to Rs. 1,300,000 (2022: Rs. 1,300,000) are provided during the year. No salaries and benefits have been provided to the directors during the year.

40 CORRESPONDING FIGURES

Figures have been rearranged / reclassified in compliance with the accounting and reporting standards applicable in Pakistan wherever necessary to reflect more appropriate presentation for the purpose of comparison.

41 UN-CLAIMED DIVIDEND

This relates to un-claimed dividend, pertaining to various Past years and are still Un-claimed. This amount is being transferred to Profit bearing account and profit will be utilized for Corporate Social responsibility and other Specific Purposes.

42 NUMBER OF EMPLOYEES

Number of employees worked as at June 30
Average number of employees worked during the year

	2023	2022
Number of employees worked as at June 30	3	4
Average number of employees worked during the year	2	4

43 EVENTS AFTER THE BALANCE SHEET DATE

There are no subsequent events occurring after the balance sheet date.

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 09 Oct, 2023 by the board of directors of the company.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

FORM 34

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

1.1 Name of the Company **BILAL FIBRES LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2023**

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
184	1	100	9,374
467	101	500	200,895
148	501	1,000	139,447
252	1,001	5,000	702,579
76	5,001	10,000	650,716
30	10,001	15,000	369,218
21	15,001	20,000	387,500
10	20,001	25,000	236,000
11	25,001	30,000	300,000
10	30,001	35,000	335,500
3	35,001	40,000	117,000
4	40,001	45,000	171,500
7	45,001	50,000	345,500
3	50,001	55,000	160,600
2	55,001	60,000	115,000
2	65,001	70,000	131,000
1	75,001	80,000	77,000
3	80,001	85,000	249,000
1	85,001	90,000	88,000
2	95,001	100,000	200,000
1	100,001	105,000	104,500
1	105,001	110,000	105,500
2	110,001	115,000	230,000
1	115,001	120,000	120,000
1	140,001	145,000	143,000
1	145,001	150,000	146,500
1	150,001	155,000	151,500
1	175,001	180,000	178,500
1	185,001	190,000	187,500
1	190,001	195,000	191,000
1	205,001	210,000	209,500
1	245,001	250,000	248,500
2	255,001	260,000	514,500
2	265,001	270,000	540,000
1	290,001	295,000	295,000
1	295,001	300,000	299,000
1	345,001	350,000	347,500
1	465,001	470,000	470,000
1	520,001	525,000	523,500
1	575,001	580,000	575,497
1	665,001	670,000	669,000
1	1,090,001	1,095,000	1,094,500
1	1,765,001	1,770,000	1,769,674
			14,100,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	2,405,986	17.0637
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000
2.3.3 NIT and ICP	8,033	0.0570
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000
2.3.5 Insurance Companies	52,100	0.3695
2.3.6 Modarabas and Mutual Funds	39	0.0002
2.3.7 Shareholders holding 10% or more	2,345,171	16.6324
2.3.8 General Public:		
a. Local	11,586,314	82.1724
b. Foreign	4,000	0.0284
2.3.9 Others (to be specified)		
Joint Stock Companies	43,534	0.3088

**Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2021**

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
		-	-
Mutual Funds (Name Wise Detail)			
		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MIAN NAEEM OMER	2,345,171	16.6324%
2	MR. MUHAMMAD ASGHAR	11,015	0.0781%
3	MR. SHAHID IQBAL	10,000	0.0709%
4	MR. MUHAMMAD OMER	10,000	0.0709%
5	MR. MUHAMMAD KASHIF	10,000	0.0709%
6	MR. MUHAMMAD ASLAM BHATTI	10,000	0.0709%
7	MR. MUHAMMAD ANWAR ABBAS	9,800	0.0695%
Executives:			
		-	-
Public Sector Companies & Corporations:			
		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		52,133	0.3697%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	MIAN NAEEM OMER	2,345,171	16.6324%
2	MR. MUHAMMAD RAFIQ ZAKI (CDC)	1,094,500	7.7624%
3	MR. IMRAN (CDC)	850,000	6.0284%
4	MST. ERUM BILWANI	750,000	5.3191%

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:

S.No	NAME	SALE	PURCHASE
	Nil	Nil	Nil

PROXY FORM

Folio No. _____ CDC Participants Identity Card No. _____ A/C No. _____

I/We _____

of _____ being

a member(s) of BILAL FIBRES LIMITED, a holder of _____

of ordinary as per Registered Folio No. _____

hereby appoint _____

of _____

Shares Registered Folio No. _____

who is also member of BILAL FIBRES LIMITED, as my proxy to vote for me and my behalf at the 37th Annual General Meeting of the Company to be held on Wednesday, October 27, 2023 and at any adjournment thereof.

Signed this _____ day of _____ 2023

Witness:

1.

Please affix Revenue Stamp

2.

NOTICE:

A member entitled to vote at this meeting may appoint a proxy. Proxies in order to be effective must be received at Registered Officer of the Company duly stamped and signed not later than 48 hours before the time of meeting.

