

ANNUAL REPORT 2024

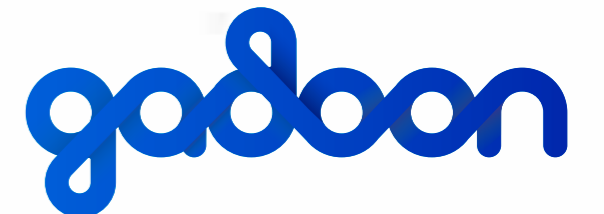
Hues of Resilience



Gadoon Textile Mills Limited

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Abdul Aziz Haji Hashim Tabba Street
Karachi 75350 Pakistan

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Cover Story

Here at Gadoon, progress is not just a destination but a vibrant journey. The theme for this year's report, "Shades of Progress," encapsulates our Company's ongoing evolution, where every shade symbolizes a different aspect of our growth, resilience, and excellence. Through the psychology of colors, we illustrate the diverse nature of progress—from the hues of innovation that fuel our creativity to the hues of tomorrow that guide our forward-thinking strategies.

This year's narrative captures the transformation, showcasing how we have evolved from our traditional roots to embrace a future that is rich with modern technology and sustainable practices. Whether it's through the adoption of innovation or the cultivation of inclusive cultures, our progress is a testament to our dedicated vision.

At the core of this transformation are key factors such as innovation, creativity, cultures, diversity, and communities. Every decision we make is guided by a deep sense of responsibility towards the environment and the communities we touch. Our focus on sustainability is not merely an add-on—it is a core principle that influences every aspect of our operations. We have taken deliberate steps to integrate sustainable practices into our business model, ensuring that our growth contributes to a better future for all stakeholders.

As we share this annual report, we welcome you to explore into the spectrum of our enriched journey. Every page showcases how our commitment to growth, and social responsibility has shaped our business and contributed to a more inclusive and sustainable future. This is the essence of our journey— a vibrant and expanding spectrum that continually enriches and inspires the world around us.





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Hues of Influence

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Company Information

Board of Directors

Mr. Muhammad Ali Tabba (Chairman)
Mr. Muhammad Sohail Tabba (CEO)
Mr. Imran Yunus Tabba (Non-Executive Director)
Mr. Jawed Yunus Tabba (Non-Executive Director)
Ms. Zulekha Tabba Maskatiya (Non-Executive Director)
Mr. Muhammad Hassan Tabba (Non-Executive Director)
Syed Muhammad Shabbar Zaidi (Independent Director)
Mr. Moin M. Fudda (Independent Director)

Audit Committee

Syed Muhammad Shabbar Zaidi (Chairman)
Mr. Moin M. Fudda
Mr. Muhammad Ali Tabba
Mr. Jawed Yunus Tabba

HR & Remuneration Committee

Mr. Moin M. Fudda (Chairman)
Mr. Jawed Yunus Tabba
Ms. Zulekha Tabba Maskatiya

Budget Committee

Mr. Muhammad Ali Tabba (Chairman)
Mr. Muhammad Sohail Tabba
Mr. Jawed Yunus Tabba
Syed Muhammad Shabbar Zaidi

Executive Director Finance

Mr. Abdul Sattar Abdullah

Chief Operating Officer

Mr. Imroz Iqbal

Chief Financial Officer

Mr. Muhammad Imran Moten

Chief Internal Auditor

Mr. Haji Muhammad Mundia

Company Secretary

Mr. Muhammad Umair

Auditors

Yousuf Adil
Chartered Accountants
Independent correspondent firm to
Deloitte Touche Tohmatsu Limited

Registered Office

200-201, Gadoon Amazai Industrial Estate,
Distt. Swabi, Khyber Pakhtunkhwa.
Phone: 093-8270212-13
Fax: 093-8270311
E-mail: secretary@gadoontextile.com

Head Office

7-A, Muhammad Ali Society, Abdul Aziz Haji
Hashim Tabba Street, Karachi 75350.
Phone: 021-35205479-80
Fax: 021-34382436

Liaison Office

Office No. 401, 4th Floor, Tri Tower, Opposite Sahrhad
University, Ring Road, Peshawar.

Factory Locations

- 200-201, Gadoon Amazai Industrial Estate,
Distt. Swabi, Khyber Pakhtunkhwa.
- 57 km on Super Highway, near Karachi.

Bankers

Al Baraka Bank Limited
Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited (Islamic Banking)
Bank AL Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank Pakistan Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Development Financial Institution

Pak Kuwait Investment Company (Private) Limited

E-Communication

Website: www.gadoontextile.com
Facebook:
www.facebook.com/Gadoontextile
LinkedIn:
www.linkedin.com/company/gadoontextilemillslimited
YouTube:
www.youtube.com/@GadoonTextileMillsLimited1988

Share Registrar/Transfer Agent

CDC Share Registrar Services Limited
CDC House 99-B, Block B, S.M.C.H.S.
Main Shahrh-e-Faisal, Karachi.
Toll-Free: 0800 23275

Gadoon at a Glance

Our Story

In the late '80s, the Government invited the corporate sector of Pakistan to set up industrial units in the Gadoon Amazai area of District Swabi, Khyber Pakhtunkhwa, to eradicate prevalent poppy cultivation and provide an alternative source of employment.

The Yunus Brothers Group (YBG), considering this corporate social responsibility, participated towards this noble cause, collaborating with the Government and laid the foundations of Gadoon Textile Mills Limited (GTML) in 1988. The Company continued its operations, despite the unilateral withdrawal of incentive, offered by the Government for setting up industrial units, in 1991.

With an aim to achieve its goal through a sustainable strategy and principle of no poverty and zero hunger, GTML made further expansion and growth, as an additional production facility was set up in Karachi, followed by a merger with Fazal Textile Mills Limited (FTML). This timeless effort and devotion towards society made GTML "one of the largest spinning units of Pakistan."

Our Business

GTML primarily engaged in the textile industry of Pakistan operates in the B2B segment. Involved in the fiber spinning and value added sector markedly, its production facilities have the capacity of spinning and processing all categories of cotton and manmade fiber. Further, the Company also deals in the manufacturing and sales of knitted bedding products and dyeing services.

With reference to our enormous business performance over the decades, we are dedicated in creating a clear-cut difference among the textile industry of Pakistan. The innovative and quality products and ethical and professional standards have helped maintain a customers' centric portfolio, comprising some of the industry's greatest names at home and abroad. These connections have been strengthening the fabric of relationship for the last thirty six years.

After marking a strike within the textile industry, the Company also operates in the dairy segment where the prime business is the production and sale of milk with a current herd size of over 1300 animals.

Product Portfolio

The Company offers a diverse product portfolio mentioned as follows:

Yarns

- Autocoro Yarn
- Compact Yarn
- Core Spun Yarn
- CVC Yarn
- Fancy Yarn
- Man-Made / Cellulose Yarn
- Melange Yarn / Heather Grey Yarn
- Murata Jet Spun Yarn
- Murata Vortex Spun Yarn
- Neppy Yarn
- Open-End Yarn
- Poly / Cotton Yarn
- Recycle Polyester
- S twist Yarn
- Siro Yarn
- Slub Yarn
- TFO Yarn
- Tri-blend
- Zero twist Yarn

Knitted Bedding Products

- Grey and Dyed Fabrics
- Institutional and Hospital Laundry Sheet
- Jersey Duvet Sets
- Jersey Pillowcases
- Knitted Fitted Sheet
- Mattress Covers
- Molten Fitted Sheets
- Nursery Kids Sheets
- Single Jersey Knitted Fitted Sheets
- Sheet Sets with Fitted / Flat Sheets & Pillowcases
- Therapeutic Pillow
- Terry Fitted Sheets

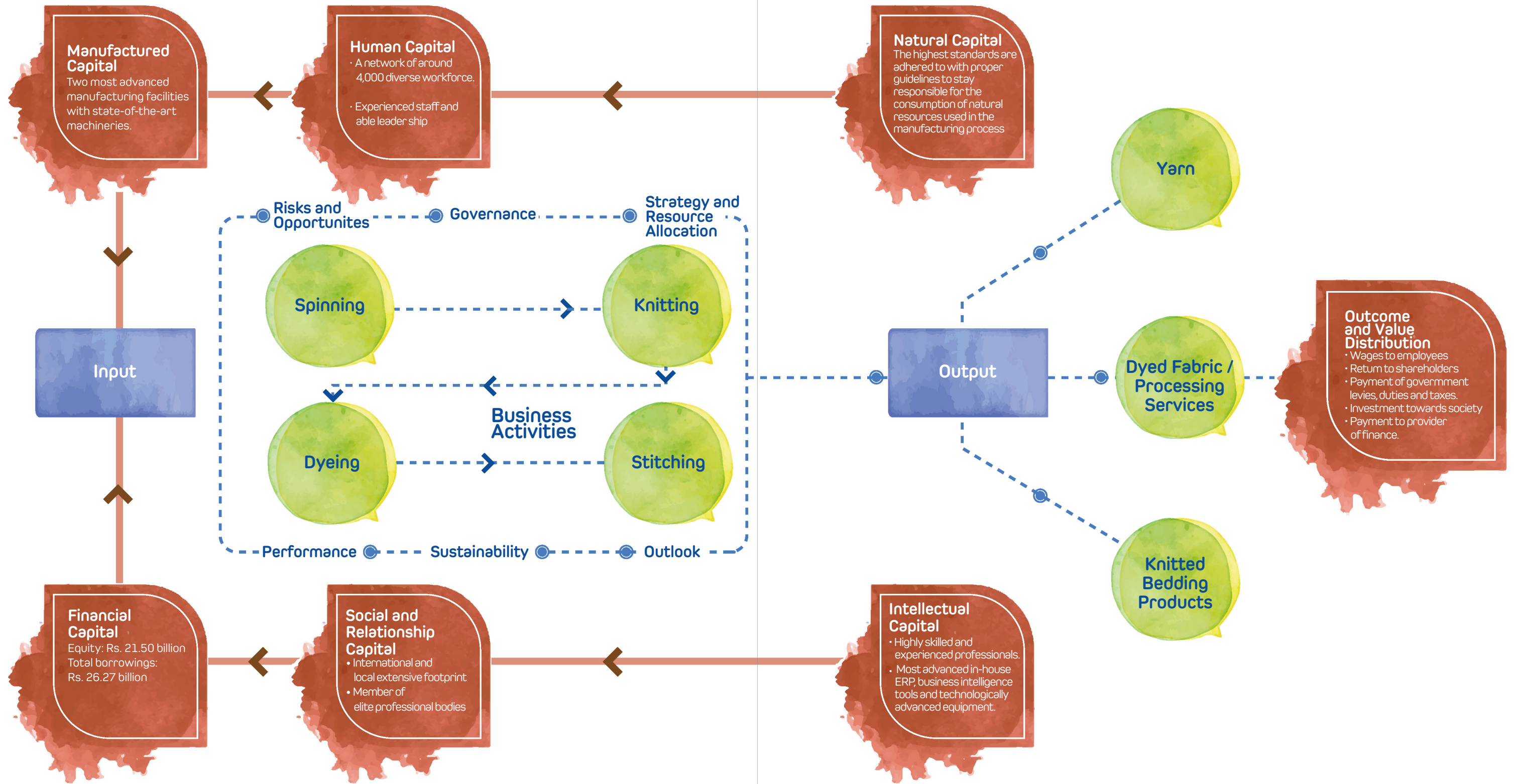
Dyeing Services

- Disperse Reactive
- Disperse Vat
- Disperse Acid
- CDP Dyeing
- Nylon Dyeing
- Bleach

Our Brands

Koyal and Peach are our two brands having a significant prominence in the market.

Business Model



Product Gallery

Yarn



Dyed Fabric



Knitted Bedding Products



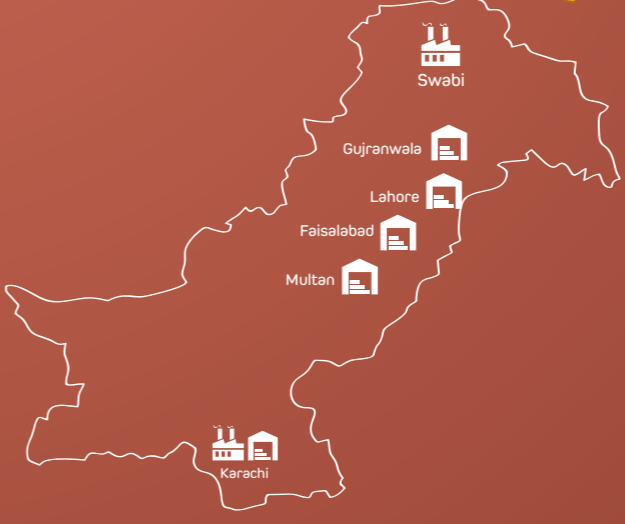
Geographical Spread



Belgium
 Bulgaria
 China
 Croatia
 Denmark
 Dominican Republic
 Egypt
 El Salvador
 France
 Germany
 Guatemala

Honduras
 Hong Kong
 Italy
 Japan
 Kazakhstan
 Malaysia
 Netherlands
 Pakistan
 Poland
 Portugal
 South Korea

Switzerland
 Sri Lanka
 Slovenia
 Spain
 Sweden
 Taiwan
 Turkey
 USA
 UK
 Vietnam



	Manufacturing Plant
	Major Market
	International Market

Vision, Mission, Culture & Core Values

Vision

To be the textile manufacturer of the first choice for customers at home and abroad, doggedly pursuing sustained leadership in the markets where it competes and making its valuable contribution to the Country's exports.

Mission

Our mission is to manage a textile business entity aimed at producing quality yarns through innovative technology and effective resource management, maintaining high ethical and professional standards, and coming up to the expectations of all our customers.

We persevere to achieve the highest possible operating efficiencies and lowest costs and expand the business through selective expansion so that we are able to deliver maximum value to stakeholders.

Culture

GTML embraces a culture that is driven by a people-oriented approach and empowers a collaborative environment for employees. The management is committed to promoting a coherent

culture and facilitating effective teamwork at the workplace; thus, our strong belief in cultivating open communication is reflected in all that we do. Frequent feedback and performance evaluation on various levels are ensured to sustain equity and transparency of employees, which supplement mutual trust and respect among employees and with management.

Core Values

- **Total Quality Management**
To maintain the quality throughout the value chain.
- **Ethical Practices**
To synergize and promote equity among all stakeholders.
- **Environmentally Conscious**
To cover the maximum aspects of sustainability and corporate social responsibility.
- **Innovation**
To build and enhance the future of innovation within the industry.

Business Conduct & Code of Ethics

Statement of Intent

The Company ensures that ethical standards are highly maintained and observed in the conducting of business functions. The Code of Conduct policy has been devised to provide direction to the Company's employees in meeting the standards of professional and personal integrity and guiding them towards the proficient conduct. The Human Resource department serves its purpose in ensuring that the employees are well aware of the guidelines. Following are the salient features of Code of Conduct:

Compliance with Laws and Regulations

Each employee must comply with all the applicable laws and regulations. Further, it is also imperative to ensure that the rights of all stakeholders are being protected.

Conflict of Interest

Employees are required to avoid engaging in activities that conflict with the Company's best interest. In case an employee or their close relatives are suppliers or competitors of the Company, it shall be disclosed upon the date of joining, as it might result in a situation of conflict of interest. Under the sustainable goal of peace, justice and strong institution, GTML strongly condemns the abuse of position to achieve any sort of self-interest.

Anti-Bribery and Anti-Corruption

Employees are required to conduct business operations fairly and honestly to maintain the Company's integrity and reputation. Involvement in the acts of bribery or corruption for business or financial gain is prohibited and must be reported.

The Company does not associate itself or is involved with any political party. Thereby, all employees are instructed to refrain from utilizing the assets of the Company in indulgence and appearance for any political activities by any means.

Confidentiality

Confidential information must not be disclosed to unauthorized personnel or used for personal benefit by the employees. Disclosure of sensitive data is permissible in the provision of written approval from authorized individuals, or the information is required by the court, regulatory body, or governmental agency. Confidentiality of the Company information shall be adhered to throughout the employment period, and even after leaving the Company.

Property Protection

The Company expects its employees to abide by the laws of refraining from any embezzlement of its property, both tangible and intangible assets, entrusted to them, and handle them responsibly.

Fair and Respectful Workplace

Providing a positive work environment for its employees is the utmost priority. The Company has high intolerance for disrespect, gender discrimination, favoritism, harassment, and misuse of authority. GTML is an equal opportunity employer and encourages diversity and gender equality in the workforce.

The Company expects its employees to withhold similar principals while conducting business functions decently, as employees are representatives of the Company.

Health, Safety, and Environment

Ensuring the health and safety of its employees and environmental protection is the focus of GTML. In this regard, the Company has adopted measures to offer a safe working environment and minimize its environmental impact.

The possession of firearms or other weapons or any other dangerous or illegal articles on Company premises or while on Company business, with the exception of employment / job requirement in the Company operations, is strictly prohibited.

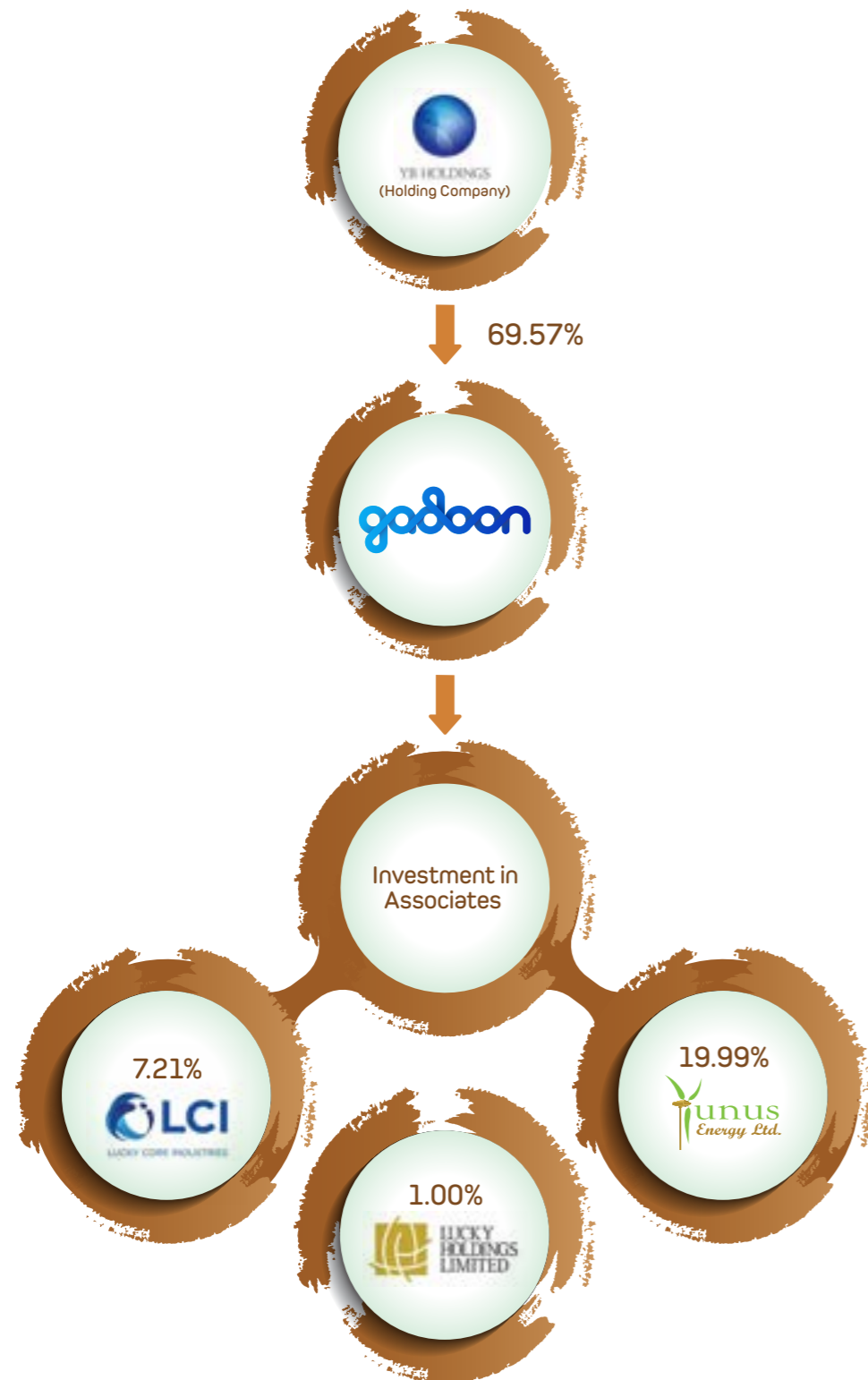
Quality Assurance

Product quality is the core focus of GTML. The Company is committed to discovering, developing, manufacturing high-quality products without compromising on the contractual or agreed quality of the product.

Separation from the Company's Employment

Employees must ensure that on leaving the Company's employment due to any reason, the charge and all Company belongings are duly handed over to the satisfaction of management. All the material, electronic equipment, computer and accessories, mobile set and SIM card, soft or hard copies of Company documents, or any other Company information or property in any shape or form is returned.

Beneficial Ownership / Group Shareholding



Group Profile



About YBG

The Yunus Brothers Group is a leading industrial conglomerate in Pakistan. Over the course of more than six decades, the conglomerate has consistently risen to prominence, solidifying its position as one of Pakistan's foremost industrial giants. Its pervasive influence extends across multiple sectors, including textiles, cement, building materials, real estate, power generation, automobiles, electronics, FMCG, entertainment, pharmaceuticals, chemicals, agricultural sciences and philanthropy; affirming its stature as a stalwart contributor to the nation's industrial and economic advancement, underscoring its commitment to comprehensive excellence and innovation. YBG's commitment extends beyond business success to social responsibility, evident in philanthropy projects for the society in education and health sectors.

Holding Company



YB Holdings (Private) Limited (YBHPL)

YBHPL was incorporated in Pakistan on August 16, 2013, as a private company limited by shares under the Companies Ordinance, 1984.

To lead Pakistan's corporate landscape with sector diversity and a focus on forward and backward integration, aiming to become the nation's top exporter, the company seize opportunities, take calculated risks, and drive growth across sectors, fostering economic expansion while prioritizing environmental sustainability.

Associates



Lucky Core Industries Limited (LCIL)

LCIL is incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited (PSX). With a rich legacy spanning over 7 decades, the LCIL is a leading Pakistan-based manufacturing and trading concern.

LCIL's diverse businesses include Polyester, Soda Ash, Pharmaceuticals, Chemicals & Agri Sciences, and Animal Health.

Through its businesses, the company deals in a wide range of products, including polyester staple fibre (PSF), soda ash, general and specialty chemicals, pharmaceuticals, nutraceuticals, animal health, and agricultural products (chemicals, field crop seeds, vegetable seeds, etc). In the nutrition segment, NutriCo Morinaga (Private) Limited, an associate of the company imports, locally manufactures, markets, and distributes selected Morinaga Milk Industry Co. Ltd, Japan products in Pakistan. GTML holds 7.21% ownership in LCIL.



Lucky Holdings Limited (LHL)

LHL is a subsidiary of Lucky Cement Limited (LCL) and was incorporated in Pakistan in the year 2012 as a public unlisted company limited by shares under the Companies Ordinance, 1984. LCL holds 75% shares of LHL. GTML holds 1.00% ownership in LHL.



Yunus Energy Limited (YEL)

YEL was incorporated as a Special Purpose Vehicle (SPV), with a corporate structure of a public unlisted company, in the year 2011, to exclusively develop a 50 MW Wind Power Project in Deh Kohistan, Jhimpir, District Thatta.

The project is equipped with state-of-the-art European technology. Wind Turbine Generators (WTGs) have been manufactured by Nordex Energy Germany, one of the top WTG manufacturers from Europe; electrical balance of plants has been supplied by Alstom France, a leading grid solution provider; whereas construction activities have been carried out by Descon Engineering Limited, the leading construction, and engineering company of Pakistan. It is a clean energy project, harnessing renewable wind resources for the generation of electric power without any carbon emissions. The project is supplying electricity to the national grid regularly post commencing commercial operations in September 2016. GTML holds 19.99% ownership in YEL.

Associated Companies



Aziz Tabba Foundation

Aziz Tabba Foundation (ATF)

ATF, established in 1987 as the CSR arm of the YBG, is a not-for-profit organization primarily funded by the commercial entities of the YBG and its owners. ATF is dedicated to providing quality healthcare services to the underprivileged, primarily through its flagship specialty hospitals, Tabba Heart Institute (THI) and Tabba Kidney Institute (TKI).

In addition to healthcare services, ATF supports various social initiatives, including providing housing and shelter for the needy, marriage support programs for parents unable to afford wedding expenses for their daughters, and monthly aid for underprivileged individuals. The foundation also offers educational assistance to deserving students who lack access to quality education and implements programs aimed at reducing poverty and inequality, such as self-employment initiatives, vocational training, and equipment support.

In addition to the above, ATF organizes regular counseling events for the youth, focusing on various aspects of personal and professional development. These events are designed to provide guidance, support, and resources to help young individuals navigate challenges and make informed decisions about their futures.



Lucky Motor Corporation Limited (LMCL)

LMCL, a subsidiary of LCL has completed 05 years of operations in June 2024. The LMCL has been divided into three business divisions, namely Automotive, Auto-Parts, and Electronics. The Automotive Division is engaged in the business of assembling, marketing, distribution and sales of 'Kia' and 'Peugeot' vehicles, parts, and accessories in Pakistan. LMCL has technical collaboration with Kia Corporation, which is part of South Korea's second largest business group "Hyundai Motor Group" and the world's 3rd largest automobile group, and with Peugeot (Netherlands) which is part of

the Stellantis Group, and is ranked at world's 4th largest automobile group.

LMCL has created history in the automobile industry of Pakistan by manufacturing and distributing two leading international automobile brands "Kia" and "Peugeot" under one roof. Currently, LMCL has 36 dealerships (29 Kia & 7 Peugeot) across 20 major cities of Pakistan to serve its customers. The Auto-parts Division was established with the objective of achieving localization of auto parts for locally assembled Kia and Peugeot vehicles. The Electronics Division of LMCL was formed in July 2021 as an outcome of an agreement signed with Samsung Gulf Electronics FZE for assembling Samsung mobile phones in Pakistan.

LMCL is distinct in terms of its operations and portfolio diversification and is creating substantial value for its shareholders.



Lucky Air (Private) Limited (LAPL)

LAPL was incorporated in Pakistan in the year 2012 as a private company limited by shares. The company operates an Aircraft of LCL and provides services for crew management, technical and engineering services on inbound and outbound flights of the Aircraft.



Lucky Cement Limited (LCL)

Founded in 1993, LCL stands as the flagship company of YBG. LCL is the largest producer of Cement in Pakistan with production capacity of 15.30 MTPA and remains one of the country's leading exporters of quality cement. LCL is listed on the PSX. The LCL is the first Shariah Compliant Company of Pakistan certified by the SECP.

Over the years, the LCL has experienced remarkable growth with production facilities at strategic locations in Karachi to cater to the Southern regions and Pezu, Khyber Pakhtunkhwa to serve the Northern areas of the Country. The LCL has international footprint also, with two joint venture manufacturing facilities in Iraq, whereas one joint venture manufacturing facility in Democratic Republic of Congo. As a pioneer in the cement industry, the LCL holds the distinction of being Pakistan's first Company to export sizeable quantities of loose cement. Setting itself apart from other cement manufacturers, the Company operates its own loading

and storage export terminal at Karachi Port, providing a seamless and reliable exporting process.

The Company strives to remain an efficient and low-cost producer, and is one of the pioneers in Pakistan to introduce and install advanced Waste Heat Recovery systems, an impressive 74.3 MW Solar Power Plant, as well as Refuse Derived Fuel (RDF) and Tyre Derived Fuel (TDF) Plants. It also has self-sufficient Captive power generation facility of 214 MW and supplies additionally generated electricity to support the National grid. The Company owns a fleet of Bulkers and Trailers, which gives added advantage in terms of logistics and efficient deliveries to all types of customers spread across the length and breadth of the Country. The Company remains focused on the responsible and rational use of natural resources, a strategy that allows it to reduce any adverse impact of its operations and increase its operational efficiency. Sustainability lies at the heart of LCL's operations, and the Company has diligently integrated it into its core values. Every eco-efficient initiative undertaken aligns with the United Nations' Sustainable Development Goals 2030, reflecting the Company's dedication to contributing positively to global sustainability efforts. By aligning its strategies with these goals, the Company strives to make a meaningful and lasting impact on the environment and society at large.

After having a strong footprint in cement manufacturing industry in Pakistan, Iraq and DR of Congo, the Company has evolved into a conglomerate having strategic investments in diversified industries such as Chemicals, Automobiles, Mobile manufacturing and Power. With its long-term strategy of diversification and value creation, LCL has become a large conglomerate with direct / indirect investments in following companies:

- Al Mabrookah Cement Manufacturing Company Limited
- Al Shumookh Lucky Investments Limited
- Lucky Electric Power Company Limited
- Lucky Core Industries Limited
- Lucky Core Powergen Limited
- Lucky Core Ventures (Private) Limited
- Lucky Motor Corporation Limited
- LCL Investment Holdings Limited
- Lucky Al Shumookh Holdings Limited
- Lucky Rawji Holdings Limited
- LR International General Trading FZCO
- Lucky Holdings Limited
- NutriCo Morinaga (Private) Limited
- NutriCo International (Private) Limited
- Najmat Al-Samawah Company for Cement Industry

- Nyumba Ya Akiba S. A. (NYA)
- National Resources Limited
- Yunus Energy Limited



Lucky Commodities (Private) Limited (LCPL)

LCPL is a trading arm of YBG and is the leading supplier of Coal in Pakistan. LCPL aims to be the preferred supplier for customers by conducting business with integrity, unparalleled services and professionalism. Pakistan currently is facing a severe shortage of electricity with the Government's initiative and the execution of coal fired power plants in the country, many industries in Pakistan are using coal for the cheaper electricity and steam generation. As the largest supplier of coal in Pakistan, the Company makes an important contribution to the industrial sector by fulfilling their coal requirements.

LCPL is currently one of the largest importers of all types of Coal in Pakistan and at present catering to a significant portion of the country's coal requirement. Being part of the largest business conglomerate of Pakistan, LCPL has strong market presence, which support the company to build up a network of high-profile clients, which include power, chemical, textile, steel and other major manufacturing industries.



Lucky Electric Power Company

Lucky Electric Power Company Limited (LEPCL)

LEPCL is a 660 MW supercritical coal-fired power plant located in Bin Qasim, Karachi. The project is set to be fueled by Thar lignite coal in the long term, once it becomes available. Notably, it stands as Pakistan's first power plant utilizing indigenous fuel outside of Thar, marking a significant milestone in the country's energy sector.

This initiative heralds a new era of indigenous fuel utilization for baseload power generation, aligning with the national goal of reducing dependence on imported fuel. The plant successfully commenced commercial operations on March 21, 2022, and the generated power is currently being fed into the national grid under a Power Purchase Agreement (PPA) with the government.

The transition to 100% Thor coal operations is planned upon the completion of Phase III by the Sindh Engro Coal Mining Company (SECMC), projected for December 2025. This switch will eliminate the need for foreign currency outflows for coal imports, reduce the overall energy basket price, and enhance the country's energy security.



Lucky Energy (Private) Limited (LEPL)

LEPL, a government-licensed Small Power Producer (SPP) under National Power Regulatory Authority Government of Pakistan, in service as a Captive Power Plant, was incorporated in July 1993. LEPL is a gas-based thermal power generation unit, with total production capacity of 56.575 Megawatts (MW). It is equipped with one of the most sophisticated and highly efficient generators and supplies uninterrupted power to its group companies.



Lucky Entertainment (Private) Limited (LEL)

Onderland - LEL, established in 2016, is dedicated to spreading accessible Screams of Happiness. As the largest Family Entertainment Center (FEC) in Pakistan, Onderland offers over 100 attractions across a two-story facility spanning 45,000 square feet. Our award-winning Spinning Roller Coaster and thrilling rides like Maverick, Twist & Swing, and Drop Tower provide an exhilarating experience. Guests can also enjoy virtual reality adventures, sports activities, and a range of arcade games. Onderland has recently revamped its Soft Play and Toddlers area, providing an even more enjoyable and safe experience for Onderland's youngest visitors and their families.

Inclusivity is a core value, ensuring that people of all ages, genders, and socio-economic backgrounds can find joy at Onderland.

Onderland have been nominated for the Best Family Entertainment Center by MENALAC, ranking among the top 5 in the MENA region. Onderland's state-of-the-art facility has received acclaim from customers and recognition from the education sector, serving over 10,000 students annually. The company committed to maintaining its position as the leader in Pakistan's entertainment landscape by prioritizing the environment, offering diverse packages, and ensuring a safe and enjoyable experience for all.

Onderland invites everyone to embrace their inner child and join in creating lifelong memories filled with laughter and happiness.



Lucky Exim (Private) Limited (LEXL)

LEXL, an indenting arm of YBG, is the largest indenter of all types of Coal in Pakistan. The Company is the preferred supplier of customers as the business is conducted with integrity, unparalleled service and professionalism. Therefore, customers are provided with premium coal that offers the best value for money without compromise on quality. With an initial focus on coal trading, the LEXL plans to diversify its trade activities to various energy and dry bulk commodities.



Lucky Foods (Private) Limited (LFPL)

LFPL has a strategic aim to be one of the leading corporate dairy farms in Pakistan. The LFPL currently operates in production of wide range of dairy products in milk and yogurt and thrive to provide hygiene-quality products all across Pakistan. The LFPL aims to become a leading player in food-related products, across the Country by ensuring high standards of products and services to its consumers.



Lucky Knits (Private) Limited (LKL)

LKL started its operations in 2005 located in Karachi, the factory consists of a vertically integrated setup, having its own knitting, dyeing, cutting, printing, stitching, and packing facilities. The company

manufactures and exports a substantial variety of knitted fabric and garments, with its product line ranging from T-shirts, polo shirts, hoodies, jackets, shorts, and trousers. As LKL is one of the premier apparel manufacturers in Pakistan with the advantage of having all the facilities "under one roof", it has succeeded in building effective systems in quality control and inspection procedures.



Lucky Landmark (Private) Limited (LLPL)

Situated in the heart of the city, the LuckyOne Mall opened its doors to the public on May 06, 2017. One of the largest malls in Pakistan, with more than 200 retail and F&B brands, LuckyOne Mall provides an unprecedented retail space that includes a Health & Wellness Avenue, a Wedding Galleria, a Banking Enclave, and a Food Court. Having the largest in-mall Carrefour and the biggest Atrium in Pakistan under its name, LuckyOne Mall is the first in the industry to have co-working space, an international standard FEC - Onderland, and the largest in-mall fitness club, TriFit, having state-of-the-art equipment and staffed by international trainers.

LuckyOne Mall has always been at the forefront of satisfying its customers by all means. To further facilitate the customers, it offers a dedicated baby feeding room, one of the largest male praying area in the country, a dedicated female praying area, free wheelchairs, valet parking, and a double-story indoor parking space sufficient for around 1500 cars. To ensure a safe and secure environment, a fully trained and well-equipped staff is available to deal with any unforeseen event.



Lucky Textile Mills Limited (LTML)

LTML, a leading textile manufacturer in the country since 1983, primarily focuses on the manufacturing and export of top-notch quality fabrics, home textiles, and garments, reflecting its commitment to excellence. With two cutting-edge weaving mills, it has an impressive fleet of 425 Sulzer Shuttle-less looms and 408 Air Jet looms, all equipped with state-of-the-art computerized processes featuring Karlmayr warping and sizing machines.

The LTML can process 96 million meters per annum of fabric. Further LTML has its power generation facility at one of its manufacturing units. The stitching division is equipped with sophisticated high-tech machines that can stitch fabrics and transform them into home textiles as well as apparel products with a high degree of precision. Stitching machines include an automated Texpa plant as well.

In pursuit of its vision to become a vertically integrated setup, LTML has successfully established its own Spinning Unit. The initial phase involved the import of 22 Murata Vortex Spinning (MVS) machines and 08 Saurer Automatic Rotor Spinning Machines, all of which are fully operational.

As part of its continuous pursuit to become a "Preferred Employer", the LTML is undertaking a transformative journey to align company structure with market dynamics, showcasing dedication to policy standardization and the implementation of best practices across the organization. Emphasizing diversity and inclusion, the Company fosters an inclusive work environment that encourages innovation and collaboration.

To contribute to a sustainable future, the company is transitioning from manual to automated mechanisms, steadily reducing paper consumption. Moreover, recognizing the significance of energy conservation and sustainability, the LTML has installed a Solar Renewable Energy plant with a cumulative capacity of 13 MWs. LTML is actively promoting green climate practices, protecting biodiversity, and utilizing energy conservation resources, emphasizing on its commitment to a greener future.

With unwavering dedication, state-of-the-art facilities, and a continuous drive for improvement, the company is poised to remain at the forefront of the textile industry. As the LTML continues to set new benchmarks, it reaffirms its commitment to excellence and anticipates a future of sustained success in the ever-evolving textile sector.



Tabba Heart Institute (THI)

THI is a leading cardiac care hospital of 170-bed with a vision of quality care. Since its inception in 2005, the hospital has carved a niche for itself in the cardiac healthcare sector of the Country and has grown manifolds in its reach and magnitude. The hospital was awarded the prestigious Platinum Performance Achievement Award by the American College of

Cardiology. THI is the first and only hospital in Pakistan that has been bestowed with this distinction for the past three consecutive years. THI is certified by International Organization for Standardization (ISO) for quality and safe environment practices with ISO 9001 and 14001 standards respectively and accredited by the College of Physicians and Surgeons Pakistan for its fellowship training programs.

Besides offering a complete range of therapeutic and preventive care for cardiovascular diseases, OPD consultations are also available for Electrophysiology, Diabetology, Pulmonology, Nephrology, Neurology, Infectious Diseases, Gastroenterology, Physiotherapy, Psychiatry, Geriatrician, and General Medicine. THI also has a structured and recognized fellowship training program in Interventional Cardiology, Cardiac Surgery, and Cardiac Anesthesiology. Moreover, the hospital also offers core skills training program in nursing and allied health services.

Tabba Kidney Institute

Tabba Kidney Institute (TKI)

TKI is a 100-bed Post Graduate Training and Research Center with state-of-the-art technology and expertise of well-experienced doctors, famous for the cure of kidney-related diseases, extends Emergency, In-Patient Department, Consultant Clinics / OPD, Clinical Laboratory, Pharmacy, Radiology services besides providing High-Tech Operation theaters facility equipped with Flexible Ureterorenoscope, 3D Laparoscopic, 140-watt Laser, Trilithology and 4K Camera technology.

It is certified by the ISO and accredited by the College of Physicians and Surgeons Pakistan for post-graduate training in Nephrology and Urology.



Lucky Renewables (Private) Limited (LRPL)

LRPL is another step of YBG towards sustainable green energy, incorporated as a Special Purpose Vehicle (SPV), with a corporate structure of a private limited company, to exclusively develop a 50 MW Wind Power Project in Deh Kohistan, Jhimpir, District Thatta.

The project is equipped with state-of-the-art WTG,

manufactured by Siemens Gamesa China; the electrical balance of plants has been supplied by various recognized vendors; whereas construction activities have been carried out by Hydro China International Engineering Company Limited and Orient Energy Systems (Private) Limited.

The project is financed by a consortium of local and foreign lenders. The local Lender consortium comprises Bank AL Habib Limited and Allied Bank Limited. Foreign financing has been secured from International Finance Corporation. The company achieved its financial close on November 18, 2019, and started commercial operations in September 2021. It is a clean energy project, harnessing renewable wind resources for the generation of electric power without any carbon emissions.



Y.B. Pakistan Limited (YBPL)

Yunus Brothers commenced operations in 1962 as a partnership between Mr. Abdul Razzak Tabba and Mr. Muhammad Yunus Tabba, primarily focusing on trading grey cloth. Over time, the business expanded its scope to include trading in additional commodities such as wheat, rice, corn, and pulses. In 2012, to foster a corporate ethos, the management opted to transform the partnership into a public limited company named "Y.B Pakistan Limited". Presently, the company boasts a varied investment portfolio spanning across different sectors of the business.

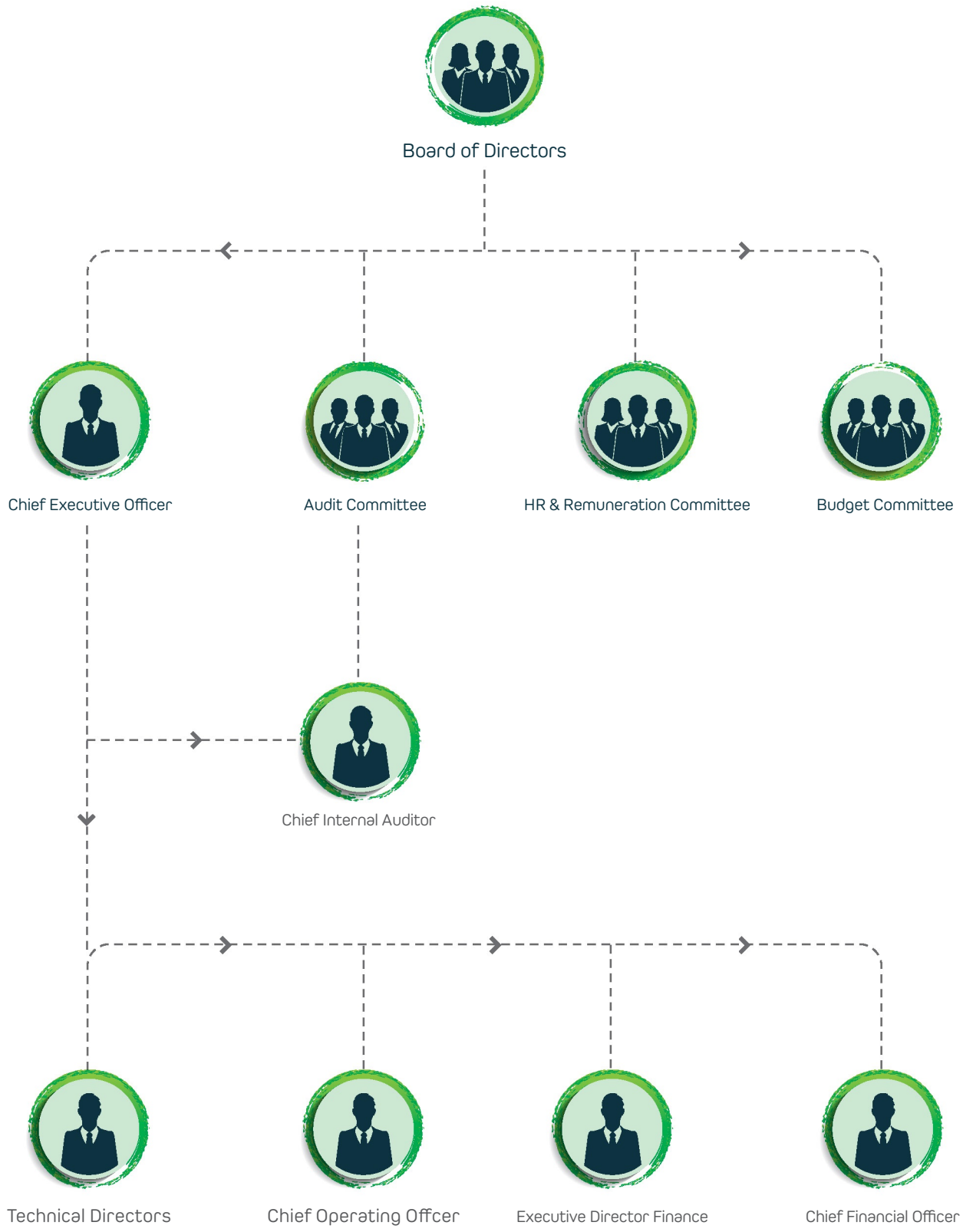


Yunus Textile Mills Limited (YTML)

YTML is a vertically integrated home textile unit established in 1998, consisting of spinning, weaving, dyeing, printing, finishing and cut & sewing. In a span of 10 years, it became the number 1 home textile exporter of Pakistan with 10% share (approx.) of all home textiles exported from Pakistan. The company has its international warehousing, distribution and design development offices in USA, UK and France.



Organizational Chart



Senior Management

Head Office



Mr. Muhammad Sohail Tabba
Chief Executive Officer



Mr. Abdul Sattar Abdullah
Executive Director Finance



Mr. Imroz Iqbal
Chief Operating Officer



Mr. Muhammad Imran Moten
Chief Financial Officer



Mr. Haji Muhammad Mundia
Chief Internal Auditor



Mr. Salman Lakhani
Director Procurement



Mr. Asif Rafique
Director IT



Mr. Muhammad Umair
Company Secretary

Gadoon Amazai Plant



Mr. Waqar Ahmed Khan
Director Administration



Mr. Iftikhar Ahmed
Director Technical



Mr. Mohammad Nadeem Riaz
Director Technical



Mr. Shafqat Mumtaz Ahmed
Director Technical



Mr. Asad Ansari
Director Technical Power Plant

Karachi Plant



Mr. Tahir Saleem
Executive Director Technical



Mr. Suleman Joya
Director Technical

Key Quantitative Information
The number of persons employed as on the date of financial statements and the average number of employees during the year, along with factory employees, is disclosed in note 37 of the financial statements.

Annual Performance Review

During the year, the overall sales of the Company has increased both in terms of quantity and price. However, the increase in the cost, primarily the finance and power cost, outweigh the positive impact. Resultantly the net profits of the Company have decreased in this year.

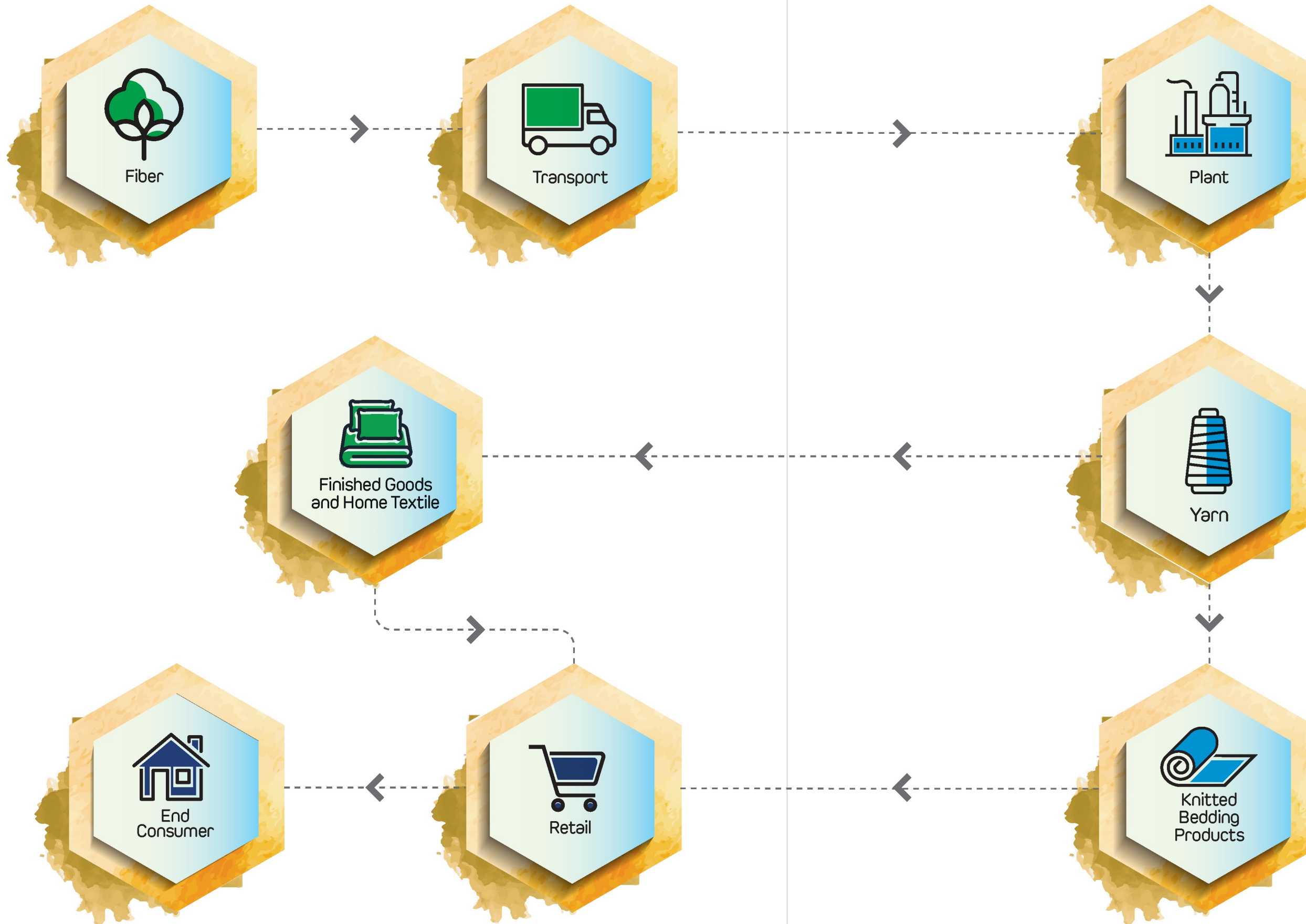
The Company's associate i.e., Yunus Energy Limited's net profits increased significantly by 56% in this year as compared to last year. Further, the operating profits of the associate, Lucky Core Industries Limited increased by 45% in this year, however, the net profit was reduced mainly due to a one-time gain recorded in the corresponding period, arising from the partial disposal and remeasurement of the remaining stake in NutriCo Morinaga Private Limited from 51% to 24.5%.

Performance Overview of Activities, Products, Services, & Segments

The Company's business is primarily divided into two reportable segments i.e., yarn and knitted bedding products. During the year both the segments outperformed in terms of revenue, with more focus being placed on untapped market and new customer base, which helps in increasing revenue despite the global / local economic challenge. However, the net margins of both the segment remained impacted.

Further, during the year the Company has incurred CAPEX of Rs. 5.2 billion, with notable amount being spent on the expansion of value-added segment, investment in Solar plant and replacement of old obsolete machineries, which will reap benefits to the Company in the coming years.

Value Chain Positioning



PESTLE Analysis

significant factors affecting the external environment and organization's response

Organizations are affected directly or indirectly by the external environment in which they operate. It is stated with certitude that it is not possible for companies to work in a vacuum or in isolation with their surroundings. The different elements of the external environment are discussed as under:

Nature of Factors	Possible Impacts
Political	Unstable political conditions impede the growth of any economy. Frequent changes in Government policies affects the confidence level of the investors, and accordingly, overall business operations are suffered.
Economic	Economic conditions have a direct impact on the Company's performance. An adverse movement in the exchange rate, interest rates, inflation rate, etc. might negatively impact the business of the Company.
Social	Being socially responsible is another significant factor of critical importance that adds to the Company's performance levels. Organization that do not play an active role for the welfare and betterment of society affects their customers, employees or other stakeholder.
Technological	Technological developments and innovation determine the progression of an organization. Without technological developments and innovations, growth of the organization may be slowed down.
Legal	Compliance with legal / regulatory requirements are necessary for the Company's smooth operations. <ul style="list-style-type: none"> The Company is liable to monitor the latest laws and regulations to stay ahead without facing any sort of legal complications in the future. Certain penalties and legal action by regulators may raise the chance of any unfavorable conditions that harm the prestigious reputation of the Company.
Environmental	Company activities have an impact on the environment in which they operate. Not giving due importance to the environmental laws may lead to reputational loss and legal repercussion. <ul style="list-style-type: none"> Current climate conditions such as air pollution, water pollution and adverse global warming create a climacteric impact on the sustainable manufacturing of goods.

Organization's Response
<ul style="list-style-type: none"> Consistent market analysis by the senior management and proactive planning to mitigate any unfavorable outcome on the Company's business. Arranging sessions with investors / stakeholders to boost their confidence.
<p>The Company actively monitors the economic factors and takes steps to minimize its negative impact. Some of the steps taken during the past couple of years are:</p> <ul style="list-style-type: none"> Conversion from foreign currency-denominated borrowings to local borrowings, and vice versa, owing to possible devaluation / appreciation of the currency or decrease / increase in interest rates. Efficient cotton and other raw material procurement. Investment in diversified avenues. Cost reduction initiatives to control production and non-production related fixed costs.
<ul style="list-style-type: none"> The Company not only participates diligently in the CSR activities but also encourages its employees to devote their time to the betterment and well-being of the society. In this respect, different activities are planned each year. The Company significantly focuses on training and employment opportunities for the welfare of society and to ensure that the employees are equipped with recent developments and skills. Donations have been made to support local NGOs under the vision of better education, health and empowerment. The Company possesses a reliable reputation among the stakeholders in terms of CSR initiatives.
<ul style="list-style-type: none"> In order to gain a competitive advantage, the Company regularly invests significant amounts on new technologically advanced machinery. This year CAPEX of Rs. 5.27 billion also contain a major portion spent on technology advancement of machineries. The Company also ensures participation of its senior management in various national / international exhibition / training session, to acquaint them with the latest technology. The Company's technical management is committed to adopt latest trends of the industry for optimization of its operations in an effective manner.
<p>In addition to its professional team, the Company also hires lawyer / tax expert services, on a need basis, to ensure compliance with all legal / regulatory requirements.</p> <p>Further, the Company's operations are transparent and doesn't have any history of violating laws or being penalized.</p>
<p>In addition to ensuring compliance with applicable environmental laws and regulations, the Company also takes additional steps regularly, few instances are:</p> <ul style="list-style-type: none"> Successfully installed Waste Heat Recovery Steam Generator (WHRS) plant. This plant operates by transforming the engine's heat and smoke into power that is used for further processes. Installation of RO water plant within the premises of factory in order to provide the clean water and sanitation for the entire workforce. Proper implementation of dry waste management plan to ensure the purpose of sustainable consumption and production. To reduce carbon footprint Company has so far installed Solar system of 10 MW and further 7 MW is in installation phase. Company successfully installed Effluent Treatment Plant (ETP) mainly to treat toxic water.

Awards & Achievements

Seasonality of Business

The Company's core business revolves around the manufacturing and sale of yarn and knitted bedding products. This year, demand for these products has increased positively compared to the same period last year (SPLY). Additionally, it is anticipated that growth will continue at a steady rate.

The Company risk assessment team strategizes seasonality through proper inventory procurement and production planning; whereas the marketing team performs regular trend analysis to pursue demand well before regional and international festivals such as Eid, Christmas, Easter etc.

Legitimate & Regulatory Environment

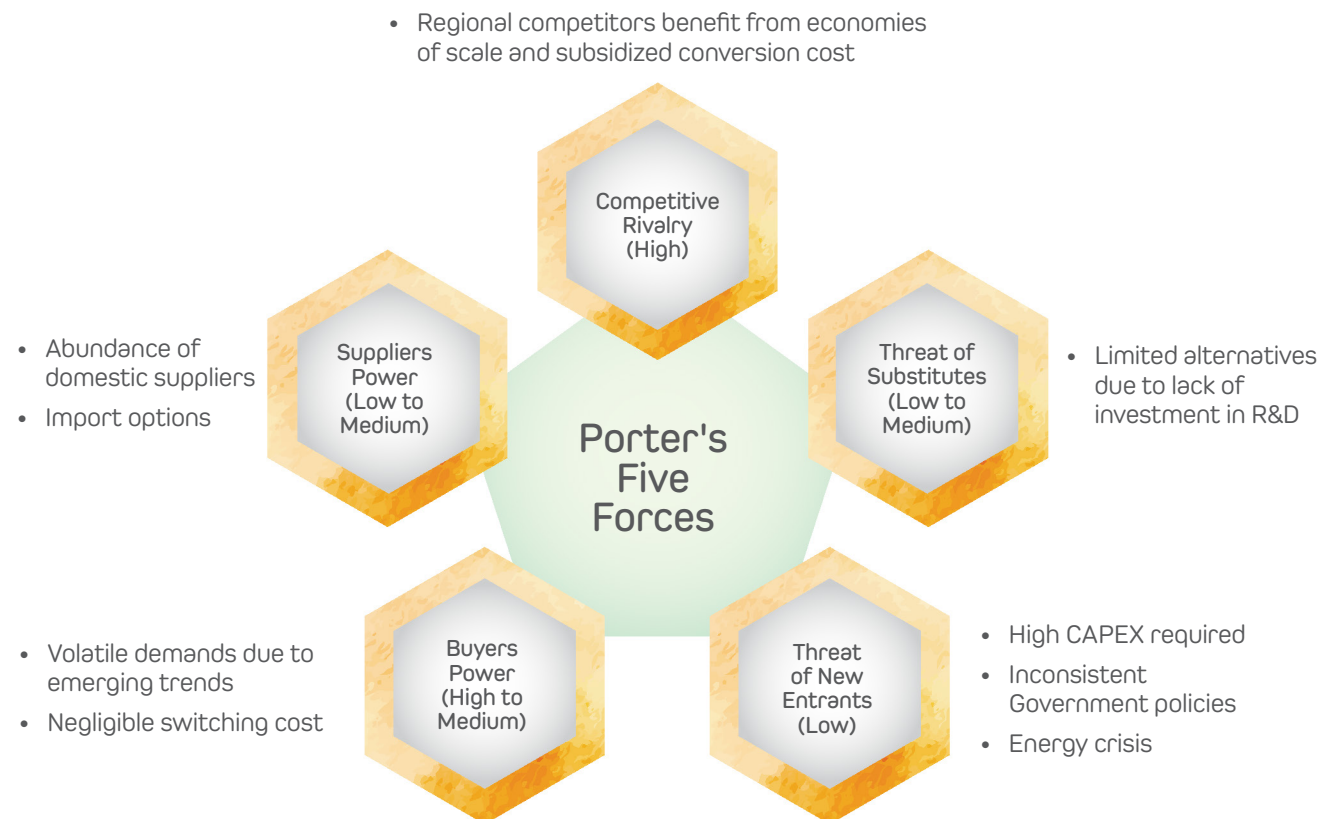
GTML in addition to the fulfilling the requirement as laid under the various Corporate and taxation laws, is also required to comply with listed Company's requirements under PSX regulations and other relevant laws. Although Spinning industry is not a regulated industry, however, the Company has obtained various certifications, to adhere to the requirements as laid under various certifications. Further, the Company also has obtained respective certifications for its value-added segment. Moreover, the Company has its own power generation and is accordingly required to comply with rules and regulations of regulatory bodies including NEPRA.

Significant Changes from Prior Years

There were no significant changes within the organization (including business model) regarding the information disclosed in this section.

Competitive Landscape & Market Positioning

Porter's Five Forces model has been used to analyze the industry structure and the corporate strategy of GTML for further measuring the competition intensity, attractiveness, and profitability of the textile industry.



- Awarded with Best Corporate Report Awards.
- Best Consumer Award.
- Business Excellence Award.
- Businessman of the Year Gold Medal Award.
- Environment Excellence Award.
- SAFA Certificate of Merit for Best Corporate Report.
- Secured First Place in National Finance Olympiad (NFO) 2016 organized by ICAP.
- Top 25 Companies for the Year Awards.
- Top Exporter (Foreign Exchange Earner) of the Province.
- Top Line Exporters Award.
- Top Income Tax Payer of the Province (KPK).

Awards Received During the FY 2023-2024

Best Corporate Report Award

The Company believes in providing the stakeholders with a well-integrated corporate annual report and ensures the quality and transparency of information provided to them. Keeping in view, the Company's best corporate reporting practices, the Company's Annual Report for the year 2022 secured the first position in the Textile sector in the Best Corporate Report Award recognition ceremony jointly held by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).



Environment Excellence Award - 2023

The Company takes great pride in being bestowed with the esteemed 20th Annual Environment Excellence Award, acknowledging its exceptional environmental achievements. The award was presented by NFEH (National Forum for Environment and Health). This award is a well-deserved recognition of our remarkable accomplishments and the positive impact we've made within the industry.



South Asian Federation of Accountants (SAFA) Certificate of Merit

During the period the Company has been honored with the prestigious Certificate of Merit from the South Asian Federation of Accountants – SAFA for its Annual Report 2022. This achievement reflects our unwavering commitment to transparency, accuracy, and excellence in financial reporting.



SWOT Analysis

SWOT analysis is an approach to watch out for the strengths, weaknesses, opportunities, and threats of the business.

GTML ensures that it uses its strength to utilize the opportunities available, eliminate the threats, and turn its weaknesses into the business's strengths.

S

Strengths

- Market dominance
- In-house power generation.
- Strong group structure.
- Economies of scale / financial position.
- Brand positioning / customer loyalty.
- Availability of a wide range of products.
- State-of-the-art plant and production facilities.
- Global reach to internationally acclaimed clients.
- Experienced and professional workforce.

W

Weaknesses

- Mature market with a number of product substitutes.
- Being primarily a commodity-based business, the margins get distorted on account of significant reduction in market price of commodities, thus impacting the sales price of yarn.
- Labor-intensive operations.
- Dependence on a particular region for sales.
- Major reliance on the spinning segment.
- High working capital requirement to cater for the seasonal procurement of the Raw material – mainly the cotton.

O

Opportunities

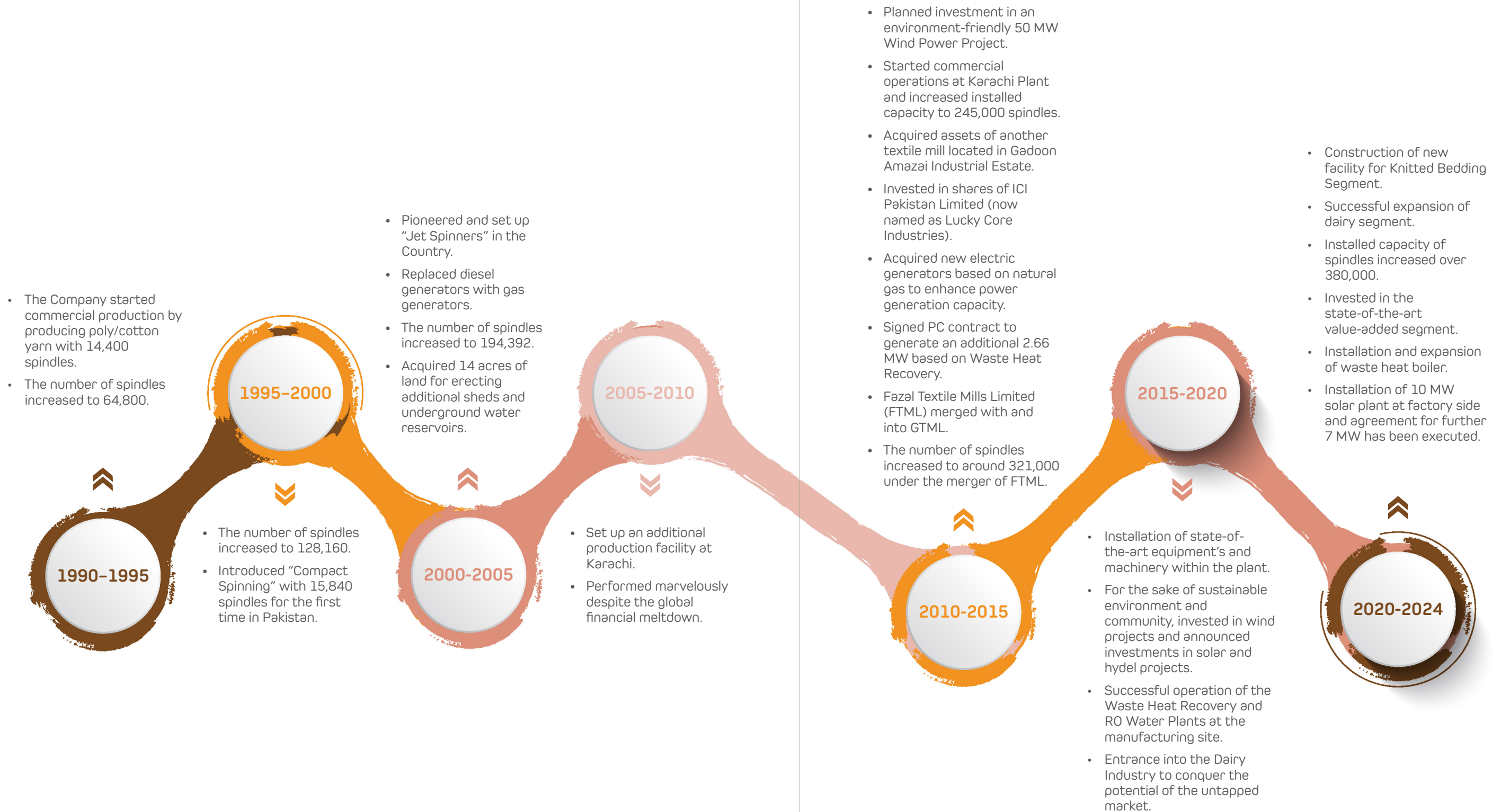
- Overall exposure of untapped export market.
- Availability of expansion in segmented market with bare minimum capital expenditure.
- Diversification of product range.
- Target the niche market due to a wide range of product manufactured.
- Technological advancement.
- Horizontal and vertical integration.

T

Threats

- Continuous increase in operational cost mainly the power tariffs.
- Political instability.
- Poor economy and inflation fluctuation.
- Imposition of innovative taxes and uncertain Government policies.
- Shortage of raw material due to natural disasters.
- High interest rates and abrupt fluctuation in exchange rates.
- Availability of subsidized yarn by regional competitors.
- Global shipping supply constraints.

History of Major Occasions



Calendar of Notable Events

Employees Engagement Activities

<p>Thursday, July 20, 2023</p> <p>Session on Protection Against harassment of Women at the workplace</p>	<p>Friday, August 11, 2023</p> <p>Independence Day Celebration</p>	<p>Tuesday, August 29, 2023</p> <p>Introductory HSE Awareness Session</p>
<p>Friday, October 13, 2023</p> <p>World Heart Day</p>	<p>Monday, October 30, 2023</p> <p>Breast Cancer Awareness Day</p>	<p>Tuesday, November 28, 2023</p> <p>First Aid & CPR Training Session</p>
<p>Wednesday, December 6, 2023</p> <p>GBV Campaign 2023 (Gender Based Violence)</p>	<p>Monday, January 1, 2024</p> <p>New Year Fiesta</p>	<p>Friday, January 12, 2024</p> <p>Heimtextil - 2024</p>
<p>Friday, March 8, 2024</p> <p>Women's Day Celebration</p>	<p>Wednesday, April 24, 2024</p> <p>WIBCON - 2024</p>	<p>Wednesday, May 29, 2024</p> <p>Ethical Trading Initiative (ETI Base Code)</p>
<p>Thursday, June 27, 2024</p> <p>Training Session on Stress Management</p>		

Notable Events for the Financial Year

<p>Saturday, August 5, 2023</p> <p>BOD Meeting for Yearly Accounts - 2023</p>	<p>Tuesday, September 26, 2023</p> <p>36th Annual General Meeting - 2023</p>	<p>Tuesday, October 24, 2023</p> <p>BOD Meeting for first quarter ended September 30, 2023</p>
<p>Friday, January 26, 2024</p> <p>BOD Meeting for half year ended December 31, 2023</p>	<p>Thursday, April 25, 2024</p> <p>BOD Meeting for third quarter ended March 31, 2024</p>	<p>Saturday, May 25, 2024</p> <p>BOD Budget Meeting for FY 2025</p>

Tentative Dates for Next Financial Year

<p>Tuesday, August 6, 2024</p> <p>BOD Meeting for Yearly Accounts - 2024</p>	<p>Thursday, September 26, 2024</p> <p>Annual General Meeting - 2024</p>	<p>Tuesday, October 24, 2024</p> <p>BOD Meeting for first quarter ending September 30, 2024</p>
<p>Friday, January 24, 2025</p> <p>BOD Meeting for half year ending December 31, 2024</p>	<p>Friday, April 25, 2025</p> <p>BOD Meeting for third quarter ending March 31, 2025</p>	<p>Friday, June 20, 2025</p> <p>BOD Budget Meeting for FY 2026</p>
<p>Tuesday, August 5, 2025</p> <p>BOD Meeting for Yearly Accounts - 2025</p>		

Hues of Planning

042 Strategic Objectives & Plans

044 Key Resources & Capabilities, Providing
Sustainable Competitive Advantage

044 Company's Strategy on Market
Development, Product & Service
Development

044 Factors affecting the Strategic Approach
& Resource Allocation

045 Aligning Strategic Objectives with Vision
& Mission

045 Significant Plans & Decisions

045 Liquidity Strategy

Strategy & Resource Allocation

The foundation of an organization's planning lies upon the identifiable goals towards which all organizational activities are directed. Objectives serve the basis of managerial functions and organizational existence of any organization. The Company devises challenging objectives for attaining profitable results and gaining a competitive advantage in the market. The Company's strategic objectives and plan are mentioned below.

Strategic Objectives & Plans

Objectives	Sales maximization and global footprint	Attaining business synergy through operational efficiency	Diversification of risk and businesses to maximize shareholders' return
Priority	High	High	High
Timeline	Short term	Short term	Medium-term
Current Status	Ongoing process - Targets for the year achieved.	Ongoing process - Targets for the year achieved.	Ongoing process.
Strategy	Maximize sales by exploring and entering new and untapped markets (both local and international), while strengthening its position in existing ones, thus increasing the global footprint of the Company.	To monitor the business processes regularly and exploring new ways to make the overall process lean and efficient.	To expand within the spinning and other value-added sectors by continuously exploring new opportunities.
Resource Allocated	Financial Capital, Social and Relationship Capital and Manufactured Capital.	Human Capital and Manufactured Capital.	Financial Capital and Human Capital.
Resource Allocation Plan	In addition to the budget allocated for sales and marketing to boost sales (financial capital) and to explore new untapped markets, the management is making further efforts to build a global image of the Company (social and relationship capital). For these reasons, various activities are also being planned for the forthcoming year. The Company, being a member of various forums / associations, also attends investment conferences and seminars on both local and global levels, thus promoting its corporate image (social capital). In addition, to ensure presence at various events / seminars, our Corporate and Branding team continuously monitors upcoming potential seminars and avenues to participate actively.	The Company significantly focuses on investments in the training and development of its staff and executives at various local and international levels. This helps them to improve their management and technical skills and equips them with the latest production techniques and developments to enhance their overall efficiency and effectiveness (human capital). Additionally, the Company consistently invests in technologically advanced machinery (manufactured capital) to embed efficiencies within the system.	The Company has a strong financial standing and being a part of one of the largest conglomerate groups, YBG, has viable access to financial capital from various sources. To manage the investment in diversified portfolios, Company has an experienced strategic management team. The roles and responsibilities have also been appropriately assigned to a dedicated team of professionals (human capital) who are responsible for managing investments and identifying new prospects, and their level of competency has been ensured.
KPIs	<ol style="list-style-type: none"> Market Share. New tapped geographical locations. Brand image positioning. 	<ol style="list-style-type: none"> Cost Management Outcome and Effectiveness of Training sessions. Fostering & monitoring ethical culture. 	<ol style="list-style-type: none"> Profitability ratios. Return on Capital Employed. Gearing ratios.

Sustain industry leadership	Maintaining high ethical, professional, and environmental standards	Contribution toward the sustainability of the society
High	High	High
Long term	Medium-term	Medium-term
Ongoing process - Targets for the year achieved.	Ongoing process - Targets for the year achieved.	Ongoing process - the Company has conducted several CSR activities throughout the year in order to serve the society.
Planning and regularly upgrading production facilities; timely deployment of the latest state-of-the-art machinery to maximize overall efficiencies and production of a customer-centric product.	To continuously monitor and incorporate the best industry practices within the Company that contributes to the stakeholders' well-being. Upholding the highest ethical, professional, and environmental standards in all aspects of its operations.	Implementation of sustainable manufacturing practices focuses on eliminating waste, optimizing processes, and improving product quality. Continuing a chain of sustainability through elimination of carbon and by investing in environmentally friendly energy projects. Further contribution towards social initiatives related to employment, health and education.
Manufactured Capital, Human Capital, and Intellectual Capital.	Social and Relationship Capital and Human Capital.	Financial Capital, Manufactured Capital, and Natural Capital.
To sustain industry leadership, the Company has timely invested in technologically advanced machinery (manufactured capital) and continuously upgraded its system and business intelligence tools (intellectual capital), as a result the Company is able to rationalized its workforce (human capital).	The management of the Company places strong emphasis to ensure that all regulatory requirements and best industry standards are complied with (social and relationship capital). Achievement of this objective would help maintain healthy relations with employees (human capital) and other stakeholders.	In order to contribute to society, the management of the Company has taken a keen interest in different kind of CSR activities and have been allocating funds for the same (financial capital). Further, to promote sustainability, regular research is being carried out to eliminate carbon footprints and install technologically advanced and environmentally friendly plant (manufactured capital). To emphasize the minimal wastage of natural resources used in the manufacturing process, techniques are adopted for the effective use of natural resources (natural capital).
<ol style="list-style-type: none"> Profitability ratios. Market share. 	<ol style="list-style-type: none"> Employee retention ratio. Long term relations with stakeholders. 	<ol style="list-style-type: none"> Effective CSR fund allocation. Percentage of SDG's compliance. Units of Energy saved. Social Impact Assessment.

The KPIs stated will continue to be relevant in the future.

Key Resources & Capabilities, Providing Sustainable Competitive Advantage

As one of the leading textile employer, the Company continuously strives for a business culture of improvement, sustainable competitiveness, and top performance in an ethical manner. The Company is committed to particular values of monitoring brand reputation, and ensuring customers' satisfaction over time for sustaining a competitive advantage through:

- Self-power generation plants including the generation from renewable sources at factory sites, to reduce the pressure on national grid for energy requirements.
- Presence in two distinct locations for better customer's reach and effective implementation of

brand positioning strategy.

- Obtaining certifications to maintain the sustainable product portfolio and value creation within the targeted market.
- Continuous investments in state-of-the-art sustainable and efficient machineries.
- Seasoned and experienced management to cater new challenges and achieve operational efficiencies.
- Collective feedback from stakeholders (employees, customers, communities) to gauge their perception of ethical, professional, and environmental practices and identify areas for improvement

Company's Strategy on Market Development, Product & Service Development

The Company's strategy on market, product & service development is linked with the core business goals, i.e., plans for growth, profitability, diversification, where the main focus being on innovation and differentiation. The Company aims to enhance the product offerings by integrating advanced technologies, responding to customer feedback, and exploring new service models that meet evolving customer needs. The primary objective is to expand the customer base and increase revenue without losing good customers and markets. This could mean entering new geographical areas, targeting new demographic segments, or introducing products to the new customers.

At the same time, effective operation cycle is crucial for both market development, service and product management. An efficient value-chain ensures that the product is manufactured and delivered efficiently, and that customers are satisfied with their overall services / experiences. This can greatly influence the success of the market development strategy and the performance of the product in the market. By continuously refining its products and services, the Company seeks to maintain a competitive edge and drive sustainable growth in existing and new markets.

Factors Affecting the Strategic Approach & Resource Allocation

The Company's management is confident in its strategic approach and resource allocation plan for progressive success within the industry. However, there are still several MACRO factors that might affect the plan either directly or indirectly. Following are some factors and their possible effect on the strategic approach and resource allocation plan.

Factors	Effect on Strategic Approach	Effect on Resource Allocation Plan
Technological Changes	The change in technology and innovation opens the door to progress. However, this may result in a change in consumer behavior and their pattern of product / services usage.	Technological changes will affect Financial Capital, as investments will be necessary to adopt new technologies and maintain competitiveness. Additionally, integrating these technologies with existing systems and infrastructure can be challenging, requiring the hiring of trained resources, which will also impact Human Capital.
Sustainability Challenges	Sustainability related challenges such as climatic changes, societal issues, shortage of resources and the loss of ecosystem is inevitable. It also affects the pattern of consumer behavior and their spending thereby impacting the business.	Failure to adopt the evolving sustainability landscape can impact the Social and Relationship Capital. Moreover, the Company need to invest in sustainability related initiatives to comply with regulatory standards including CSR framework to maintain transparency among stakeholders, thus impacting the Financial Capital.
Promoting and Enabling Innovation	By prioritizing innovation, the Company can adapt to evolving market demands and technological advancements, thereby securing long-term growth and maintaining its competitive edge.	The innovation comes with the cost which include the infrastructure costs and hiring specialized resources. Accordingly significant budget might be allocated towards training and upskilling employees to foster a culture of innovation thus impacting the Financial and Human Capital.
Resource Shortages	Resource shortages can impact the operations of the Company thus impacting target to maximize sales, optimize profits and sustain industry leadership.	The shortage of resources will require Company to opt to alternative suppliers / market (Social and Relationship Capital) which can lead to lower product quality thus impacting the Financial Capital.

Aligning Strategic Objectives with Vision & Mission

The linkage of strategic objectives with mission, vision, and objectives is fundamental to the Company's success and sustainability. At GTML, strategic objectives are meticulously crafted to align with the core mission to manage a textile business entity aimed at producing quality yarns through innovative technology and effective resource management, maintaining high ethical and professional standards, and coming up to the expectations of all our customers. We persevere to achieve the highest possible operating efficiencies and lowest costs and expand the business through selective expansion so that we are able to deliver maximum value to stakeholders. Furthermore, the vision of the Company is to be the textile manufacturer of the first choice for customers at home and abroad, doggedly pursuing sustained leadership in the markets where it competes and making its valuable contribution to the Country's exports. This alignment fosters coherence and unity within the organization, enabling it to channel its resources and efforts effectively towards achieving its long-term goals, thereby driving sustained growth and success

Significant Plans & Decisions

From time to time, the Company has diversified its business operations through expansion, restructuring, including the merger. However, there are no plans for any significant restructuring, expansion of business operations, or discontinuance of any operation.

Liquidity Strategy

Current Liquidity Position

The liquidity position of the Company is on a solid foundation, and it has an adequate capital structure mainly supported by equity.

sufficient liquid resources in hand to meet its working capital requirement. The Company has managed its current ratio over the years, and its current ratio is near to 1, despite the significant CAPEX incurred over the last 2 years. This depicts the performance of the management in achieving the targets set by the Board. The management ensures all necessary measures to manage the ratio at an optimum level.

The principal repayment of Rs. 1.69 billion out of Rs. 6.57 billion appearing as long-term finance as at June 30, 2024, will be due after five years.

Financing Arrangements

The Company has cordial business relations with all the reputed banks and financial institutions of the Country. Adequate unutilized financing facilities are available at the Company's disposal. The Company has a stabilized position and sustainable growth. Moreover, the gearing of the Company has also been monitored and controlled in line with business objectives. The Company regularly monitors the debt-equity ratio to keep the Company from any excessive debt pressure.

	2024	2023
	------(Rupees in '000)-----	
Equity	21,498,298	20,691,202
Long Term Finance	6,747,549	10,333,801

The Company stands on a strong repayment legacy as the Company has never defaulted any payment against financial institutions, vendors, Government agencies, etc. and the management is confident that the Company would not face any liquidity issues in the future. The decrease in Long Term Finance is mainly on account of settlement of Term Loan through short-term running finance. The Company has

Hues of Planning



048 Risk Management

050 Risk & Opportunity Report

053 Robust Assessment of Risk

054 Materiality Determination

056 Supply Chain Disruption Strategy

Risk Management

Methodology

Risk Management Methodology is the key component of the Risk Management Framework, which is mainly distributed into three segments. The management is committed to following the international standard of risk management methodology to mitigate or minimize the risks at an acceptable level.



Framework

Effective risk management plays an essential role in the operational phenomenon of the Company. Whereas, the implementation of an affirmed risk management framework that embeds best practices into the Company's risk culture can be the cornerstone for the future. Continuous monitoring and reviewing of the risk environment are crucial, allowing the management to adapt its strategies in response to emerging challenges. On the behalf of the Risk Management Framework (RMF) following are the major aspects which are in practice to assure the mitigation of risk at all levels.

Identification of Risk

Identify and document potential risks that could affect the achievement of organizational objectives.

Measurement of Risk

Evaluate the identified risks based on their likelihood, potential impact, and severity.

Mitigation of Risk

Gain a deeper understanding of their causes, potential consequences, and interdependencies.

Reporting and Monitoring of Risk

Continuously monitor and review the effectiveness of risk mitigation measures and the overall risk landscape.

Governance of Risk

Integrate risk management into the organization's decision-making processes.

Based on the above, the management has developed the Risk Management Policy

Principal Risks and Uncertainty

Businesses face numerous risks and uncertainties, which, if not properly addressed, might cause serious financial and non-financial loss to the Company. The Board of Directors of the Company has carried out a vigilant and thorough assessment of both internal and external risks that the Company might face. The followings are some of the risks that the Company is currently facing:

- Technological advancement making it more challenging for the Company to compete on the national / international level.
- Pressure on export sales due to geopolitical tensions and decreased demand due to the global inflationary impact.
- Increased competition at global as well as regional levels coupled with the impact of global shipping supply disruptions.
- Currency volatility, resulting in an increased cost of imported raw materials.
- Implementation of Custom / Anti-dumping duties on the import of raw materials, making it more costly.
- Rising trend of conversion on account of inflation, mainly power cost on account of increasing fuel / gas prices.
- High Policy rates, i.e., KIBOR, resulting in increased financing costs.
- Uncertain taxation measures, i.e., shifting from Final Tax Regime (FTR) to Normal Tax Regime (NTR) for exporters, sales tax imposition on corporate dairy farms, continuation of super tax, etc.
- Soaring inflation impacts the purchasing power of the common man, thereby reducing the demand for the Company's product.

Policy

The purpose of the Risk Management Policy (RMP) is to identify the risk, which may create hindrances for management to achieve the Company's objective and introduce appropriate and effective controls to mitigate the identified risk. The Board of Directors (BOD), Chief Executive Officer (CEO), and concerned Head of Department (HOD) are responsible for the Risk Management Policy.

Following are the salient features of the Risk Management Policy:

- Management must ensure that every HOD must identify the risk of his/her department and describe the measures to mitigate the identified risk. Every department must be updated about relevant regulatory requirements, laws, and codes of conduct pertaining to the activity of his/her department, and it should be observed and implemented at various execution levels.
- Each risk should be categorized into 4 levels, namely low, medium, high, and crucial.
- HOD should set and change the levels of risk with the consultation of the Chief Internal Auditor (CIA). HOD will also be empowered to modify the measures to cope up with already identified risks.
- The monitoring and reporting level of each risk will be defined by the CEO with the consultation of CIA and HOD.

- Every HOD will prepare a document of the identified risk of his / her department along with the control measure to mitigate the risk. The HOD will keep a record of changes in the level of risk and will keep track of reporting to higher authorities and measures taken by the concerned department to control the situation. Every change in the level of risk shall be reported to the CIA for assessment and updating in the Risk Register.

Risk Register and Annual Presentation to the Board

The Internal Audit department shall prepare and update the Risk Register. The Internal Audit department shall evaluate the effectiveness of control and should also check the reporting of the risk to the CEO / BOD when it is required to be reported. CIA will present the report to the Board annually about the newly identified risk of every department and control measures taken by the HOD along with the Risk Register of already identified risks.



Risk & Opportunity Report

The management of the Company follows a rigorous approach to risk management, through a risk & opportunity report which is essential to running a successful and sustainable business. This report includes a detailed analysis of each risk, evaluating its likelihood and potential impact. It also outlines the controls and strategies to mitigate these risks. Furthermore, the Board of Directors of the Company is closely connected to effective risk management. Risk assessment, reporting, and control help to enhance governance and keep the Company aligned with its objectives. By taking these actions, Company's management establishes a robust risk analysis that helps safeguard the organization, protect its assets, optimize decision-making, and enhance overall performance and resilience.

Potential Risks

Our Board members have diversified skills, knowledge, and experience, which enable them to identify and manage the key risks that are likely to arise. They also steer the culture of an organization, which promotes an appropriate balance between risk and opportunities.

Category of Risk	Risk	Form of Capital	Source	Assessment
Strategic Risk	Economic and Political instability of the Country	Social and Relationship Capital / Financial Capital	External	Likelihood: Medium Magnitude: High
	New Laws and Regulations	Social and Relationship Capital	External	Likelihood: Medium Magnitude: Medium
Commercial Risk	Increased competition between local and international suppliers of the product	Social and Relationship Capital / Financial Capital	External	Likelihood: Medium Magnitude: High
	Disposal of waste in an appropriate manner	Manufactured Capital / Social and Relationship Capital	Internal	Likelihood: Low Magnitude: Medium
Operational Risk	Safety and security of assets	Manufactured Capital	Internal	Likelihood: Low Magnitude: Medium
	Employee turnover	Human Capital	Internal	Likelihood: Low Magnitude: Medium
Financial Risk	Adverse changes in interest rates	Financial Capital	External	Likelihood: Medium Magnitude: High
	Defaults in payments by debtors	Financial Capital	External	Likelihood: Low Magnitude: Medium

Effect on Strategic Objectives	Plans and Strategies to Mitigate Risk
Unstable economic and political conditions cause difficulties for the management to take strategic decisions in order to maximize returns. Further, it can impact the Company's reputation making it difficult to expand its global footprint.	The Company believes in an open and transparent relationship with the government, regulator, and other political stakeholders. As part of the larger industry, the Company, through its representatives, provides valuable suggestions and input to regulators and their committees / sub-committees. We regularly monitor the economic and legal impacts of government policies and political actions on the Company as well as the textile industry as a whole.
Non-compliance with the laws and regulations can have an adverse impact on the Company's position and reputation.	The Legal and Corporate department proactively monitors and ensures that all relevant laws and regulations are complied with.
Intense competition can impede in sustaining industry leadership.	The Company believes that its years of experience, quality, research and development, brand image, and customer loyalty and their retention are the success factors to sustain even in this challenging global economic scenario. The Company employs robust supply chain management practices and contingency planning, to mitigate risks.
Failure to comply with the appropriate mannerisms can damage the Company's reputation in the market.	Management proactively monitors the arrangement of disposal and treatment of waste material in place through proper waste management plan and ensures that all environment-related laws, specifically as mentioned in Global Reporting Initiatives (GRI) guidelines and Sustainable Development Goals (SDG) are complied with.
Damage to the assets can cause financial loss and affect the profitability of the Company.	The Company has formulated and implemented a safety and security mechanism throughout its manufacturing and administrative facilities to ensure efficient operational practices. Moreover, all tangible assets are insured through reputable institutions in order to safeguard assets against any unforeseen event whereas for the intangible data, management has appropriate Disaster Recovery Plan in place.
High employee turnover would prevent the Company from achieving overall business synergies and its KPIs.	The management has in place, a recruitment process with defined career trajectory to cultivate creativity, innovative culture that can add value within the organization. The Company provides a healthy working environment and optimal growth opportunities to its onboard employees in order to keep them motivated and to give them a sense of belonging without any sort of gender discrimination and inequality.
Fluctuation in interest rates can complicate the decision-making process for various investment and growth opportunities which accordingly will have an impact on shareholder's return.	The Company mainly meets its working capital requirements through short term financing facilities. To mitigate the risk of rising interest rates, the management strives to reap maximum benefits of lower benchmark rates of borrowing along-with minimum spreads and maintains an efficient portfolio of sources of funds. Further, the Company also obtains foreign currency-denominated lower interest rates borrowings to manage its overall finance costs.
Defaults in payments may impact the Company's cash flows, which in turn may impact the profitability and its working capital requirements.	The Company regularly monitors the credit period and balance of major parties. Reconciliation and confirmations are also obtained from parties periodically. Further, the Company has shifted a significant portion of its local sales under advance mode, thereby eliminating the risk of default.

Potential Opportunities

The Company is actively pursuing potential opportunities for sustaining its business by strategically expanding into new markets, because Pakistan is one of those countries where the upper-middle class and middle-class population forms the majority. This factor opens up the opportunity to sell knitted wear and garments to the Country's local mainstream population. Although the competitive local and international market has made it difficult for companies to sustain, however this also provides our Company with the opportunity to acquire smaller players of the market and increase its market share and economic efficiencies.

Key Opportunities	Form of Capital	Source	Effect on Strategic Objectives	Strategy to Materialize
Increasing profits and sustain the level of employment	Social and Relationship Capital / Financial Capital	External	Enable the Company to maximize sales and returns, facilitating the sustainability of industry leadership.	The Company continuously strives to increase its productivity and profitability and efficiently manages business operations to cope with the growing demand.
Maintaining healthy external relationships to strengthen the Company's portfolio	Social and Relationship Capital	External	Aids in expansion and sales maximization, which in turn would maximize shareholder return.	The Company works on managing external relations, promoting the brand by enhancing its social media presence, and branding activities to cultivate its brand image.
Hiring of quintessential employees. Skilled resources would assist in continually changing the business climate	Human Capital	Internal	Help the Company achieve overall business synergies and KPIs set by the Board.	The Company participates in Talent Hunt Programs in reputed universities, regularly updates its job application process, and develops talent assessment tests to hire right-fit candidates and strongly believes in equal employment opportunity. The Company actively conducts learning and development programs for improving the interpersonal and updating the technical skills of the employees so that innovation and change can be brought about.
Technology advancement to improve business agility	Manufactured Capital / Intellectual Capital	External	The use of the latest technology would help the Company stay ahead of its competitors and sustain industry leadership.	The Company continuously invests considerable amounts in technologically advanced machinery in order to remain competitive and cost-efficient. The core strategy behind this ideation is to uplift the level of innovation within the industry and to maintain customers' satisfaction.
Diversification of product range by retaining operational efficiency	Social and Relationship Capital / Manufactured Capital	External	Enhancing the overall productivity of the Company, diversifying the risk, and maximizing sales.	The Company keeps itself updated regarding new trends, customer choices, thus; the Company is able to cope up with the new ideas accordingly.

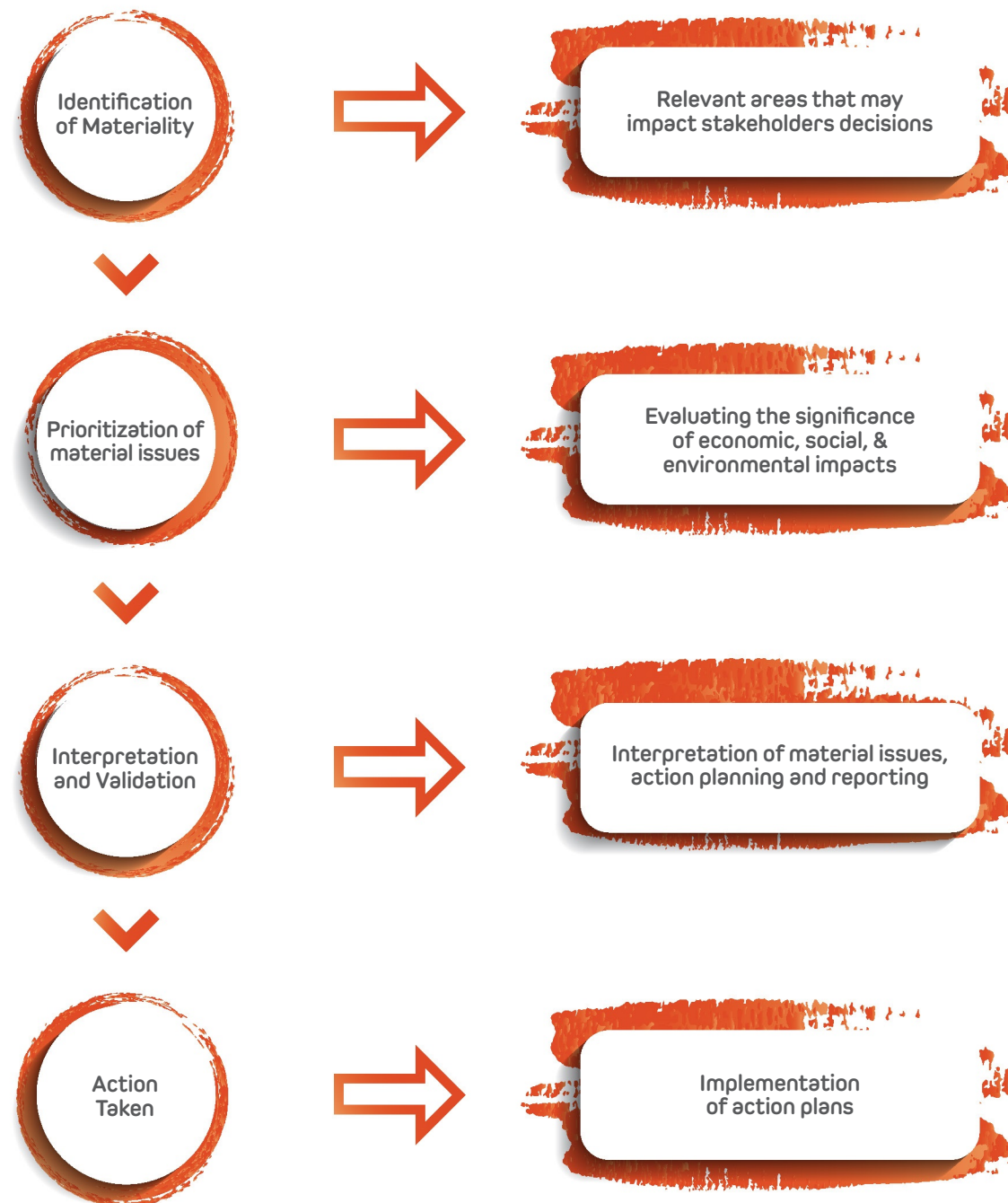
Robust Assessment of Risk

As disclosed in the Directors' report, the Board has carried out a robust assessment of the principal risks which the Company is facing and are confident that the Company has adequate plans / resources to outweigh the possible negative impact of these risks.

Materiality Determination

Materiality Analysis

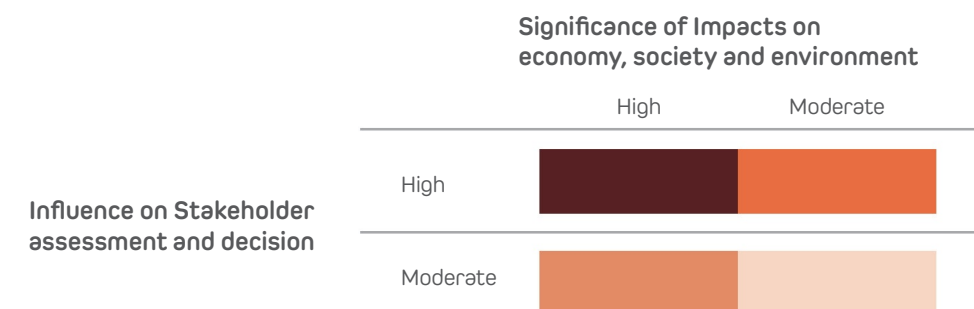
Materiality determination of the Company is the value-creation strategy that prioritizes the most impactful areas of society, environment and economy. These findings are integrated into the Company's strategic planning and reporting processes to ensure that critical risks and opportunities are effectively managed. By conducting thorough materiality assessments, the Company aims to align its operations with stakeholder priorities, enhance transparency, and drive sustainable growth.



Materiality Matrix

The identified material issues have been presented in the table below. The matters have been marked on the basis of their effect on stakeholder's assessment and decisions, and significance of their impact on the economy, society and environment. The materiality analysis not only helps in identifying issues to the stakeholder but also assists us in deciding the area of focus of our internal resources.

Sustainability Area	Material Topic	Marking	Boundary
Social	Business Ethics	High	GTML / Supplier / Customer
	Human Rights	High	GTML
	Health and Safety	High	GTML
	Training and Education	Moderate	GTML
	Compliance	Moderate	GTML / Regulator
	Marketing Communications	Moderate	GTML / Customer / Media
	Data Privacy and Cyber Security	Moderate	GTML
	Stakeholder and Community Involvement	Moderate	GTML / Community
Environment	Energy and Water	Moderate	GTML
	Carbon Emissions	Moderate	GTML / Community
	Material Consumption	Moderate	GTML / Supplier
Economic	Economic Performance	Moderate	GTML / Country
	Economic Returns	Moderate	GTML / Shareholder
	Market Presence	Moderate	GTML



Supply Chain Disruption Strategy

Environmental, Social, and Governance (ESG) factors encompass a wide range of issues, and their impact on supply chains can be significant. Therefore, a comprehensive view of the entire process is essential for proactive approach. During the year, no major supply chain disruption incidents were noted, except for some issues arising on account of geopolitical tensions. However, the Company's risk management team is cordially concerned to manage and mitigate supply chain disruptions for the future instance.

The Company's supply chain disruption strategy in terms of ESG principles focus on enhancing resilience and sustainability throughout its operations. Here's a comprehensive strategy to deal with risk of supply chain disruptions cause by ESG practices, to enhance the supply chain efficiency, resilience, and overall effectiveness.

Identification of Risk

Identifying risks involves recognizing potential events or circumstances that could disrupt the flow of goods, services, information, or finances within the supply chain.

Supplier / Customer Contribution

Providing basic awareness to the supplier / customer regarding the ESG practices for ensuring a smooth flow of materials and services throughout the supply chain.

Adaptability

Supply chain processes need to be adaptable to changes in market conditions, technology advancements, environmental regulations, and governance practices. e.g. (alternative transportation routes).

Monitoring & Reporting

Transparent monitoring & strategic reporting is required to mitigate the risk & reduce the overall impact on supply chain operations.

This approach not only mitigates risks but also strengthens the Company's reputation and commitment to responsible business practices, contributing to long-term success and stakeholder trust.

Hues of Hope

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|-----|--|-----|--|
| 060 | Board's Statement for Adoption of Best CSR Practice | 064 | Expressions of Sustainability |
| 060 | Chairman's Overview on Sustainable Practices Affecting Financial Performance | 066 | Sustainable Development Goals |
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Board's Statement for Adoption of Best CSR Practices

The Board ensures that CSR is integrated into the Company's overall business strategy rather than being treated as a separate initiative. The Board is updated on the quarterly basis on CSR initiatives taken by the management through ESG reporting. By embedding these practices, we aim to create long-term value for our stakeholders while driving positive social impact and promoting a more sustainable future for all.

"Our dedication to CSR aligns with our core values of integrity, transparency, and accountability. These principles will guide our decision-making processes and shape the way we conduct our business. By adopting the best practices for CSR, the Company aims to create long-term value for its business, society, and the planet. The Company's management understand that our success is intertwined with the well-being of all our stakeholders, and we are committed to continuous improvement in our CSR efforts for a sustainable & equitable society"

Chairman's Overview on Sustainable Practices Affecting Financial Performance

Sustainable practices are becoming increasingly essential in influencing our Company's financial performance. As Chairman, I am dedicated to embedding sustainability into our core strategies, understanding its significant impact on our financial stability and long-term success.

While investing in sustainable technologies and practices might initially affect our short-term financial results, these investments are vital for fostering future growth. Embracing eco-friendly practices allows us to meet evolving regulations, boost our brand reputation, attract and retain customers, and reduce risks related to environmental and social factors.

Our commitment to sustainability enables us to seize new market opportunities and enhance operational efficiencies, ultimately improving our financial performance. By continuing to adopt these practices, we are confident in their ability to deliver substantial value and ensure our long-term competitive advantage and profitability.

Board's Statement for Strategic Objective on ESG

The Company's prospect is transparent to establish a robust and proactive ESG reporting strategy that goes beyond compliance and reporting, driving meaningful and measurable positive impact on the business sustainability performance. The vision behind

this strategic objective is to integrate and prioritize sustainability principles across the Company's operations and decision-making processes for long term value creation.

"By embracing operational practices, adopting renewable energy policies, and green initiatives, the Company aims to contribute for a sustainable future. Within our diverse workforce and the communities, we stand as advocates for equality, diversity, and inclusivity. The Company's strategic team is also committed to uphold the highest standards of corporate governance, adhering to corporate laws and regulations to avoid any conflicts of interest".

Furthermore, the management set specific and measurable ESG targets that align with the respective KPI's of the Company's strategic objective to achieve greater sustainable resilience, and positive social impact.

Sustainability Related Risks & Opportunities

This reporting of sustainability related risk & opportunities helps to identify and manage risks related to environmental, social, and governance (ESG) factors, which are increasingly important to investors, regulators, and consumers. Under the context of this approach, the Company is mainly exposed to the following sustainability risks.

Environmental Risks

Water Usage, Pollution, Waste Management, Carbon Emissions & Chemical Use

Social Risks

Labor Practices, Human Rights, Health, and Safety.

Governance Risks

Regulatory Compliance, Supply Chain Transparency.

The above factors pose a risk to the Company, non-compliance of which might expose the Company to penalties in a shorter run, however, in longer runs it can lead to heavy fine, legal costs, and reputational damage including the loss of customer / business.

Further, inadequate oversight of sustainability practices and insufficient transparency, could diminish investor confidence and limit access to capital in long term. With the risk, lies the opportunities, therefore by capitalizing the above risks i.e., adopting sustainable practices and enhancing energy efficiency can result in immediate cost savings and improved brand reputation. Long-term opportunities highlight the potential for sustained competitive advantage through continued commitment to ESG principles, which can enhance investor confidence, reduce financial volatility, and ensure long-term profitability.

Core Content Disclosures: Governance, Strategy, Risk Management, & Metrics

The Company's management approach encompasses four key pillars: Governance, Strategy, Risk Management, and Metrics / Targets. Detailed disclosures are provided for each pillar, outlining the specific metrics designed to demonstrate the Company's performance and progress.

Core Pillars	Overview	Metrics
Governance	Establish the structured policies and processes to oversight the regulatory compliance of sustainability related factors & ESG practices.	<ul style="list-style-type: none"> Compliance with regulations Whistleblowing incidents
Strategy	Specific objectives and initiatives are outlined to drive sustainable innovation and reduce environmental impact within the industry.	<ul style="list-style-type: none"> Number of sustainable initiatives including (energy efficiency targets, water conservation, waste management, and sustainable sourcing)
Risk Management	Sustainability related risk assessments to address emerging threats and opportunities, ensuring resilience and adaptability by safeguarding Company's operations and reputation.	<ul style="list-style-type: none"> Number of identified risks mitigated Incident response times Sustainability risk audit
Metrics & Targets	Clear and measurable metrics are established to track the Company's sustainability performance in key areas such as environmental impact, labor practices, and regulatory compliances.	<ul style="list-style-type: none"> Environmental targets (e.g., carbon footprint reduction) Social targets (e.g., community engagement activities)

Sustainability-Related Risks & Opportunities Under IFRS S1

Manufacturing industries in developing countries such as Pakistan are under severe economic pressure and striving to boost sustainable supply chain practices for achieving business excellence. In this context, GTML invest in circular business models, so that the majority of the business value shifts away from linear business models towards more sustainable business models.

Value Chain Stage	Risks	Opportunities	Initiatives
Raw Material Sourcing	<ul style="list-style-type: none"> Environmental degradation from conventional farming. Supply chain disruptions. 	<ul style="list-style-type: none"> Sustainable sourcing. Innovation in materials. 	<ul style="list-style-type: none"> Engaging with sustainable suppliers of raw material. Using organic cotton and recycled fibers.
Manufacturing and Production	<ul style="list-style-type: none"> High resource consumption (water, energy). Carbon emissions / Pollution. 	<ul style="list-style-type: none"> Resource efficiency. Cleaner production processes. 	<ul style="list-style-type: none"> Implementing water and energy-saving technologies.
Distribution and Logistics	<ul style="list-style-type: none"> Carbon emissions from transportation. Dependency on fossil fuels. 	<ul style="list-style-type: none"> Sustainable logistic options in future. 	<ul style="list-style-type: none"> Optimizing logistics routes. Planned investment in fuel-efficient or electric transportation.
Retail and Consumer Use	<ul style="list-style-type: none"> Consumer preferences towards sustainable products. The negative impact of traditional retail practices. 	<ul style="list-style-type: none"> Sustainable product lines. Consumer awareness regarding green initiatives. 	<ul style="list-style-type: none"> Developing durable, recyclable products. Educating consumers on sustainable practices.

Climate-Related Risks & Opportunities Under IFRS S2

Management Approach

As a part of our commitment to sustainability and transparency, the Company recognizes its importance of managing climate-related risks and opportunities. The Company is in the process to adopt a framework that aligned with IFRS S2 standards to identify, assess, and manage these risks and opportunities. Our approach leverages specific methodologies and tools to ensure our strategy is resilient and adaptive to the evolving climate landscape. Here's a breakdown of certain methodologies and tools which Company intend to follow:

Strategy / Methodology:

- Outline the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy, and financial planning.
- Identify short, medium, and long-term risks and opportunities.
- Use quantitative and qualitative risk assessment tools to prioritize climate risks based on their likelihood and impact.
- Adopt Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) metrics for consistent and comparable reporting.
- Engage third-party auditors to provide assurance on climate-related disclosures, enhancing credibility and reliability.
- Conduct regular engagement with stakeholders, including investors, customers, and suppliers, to gather insights and feedback on climate-related issues.

Risk Overview:

- Extreme weather events such as floods, hurricanes, and heatwaves can disrupt operations, damage facilities, and affect supply chains.
- Changes in environmental regulations, such as carbon pricing, emissions restrictions, and waste management laws, can increase operational costs and require significant investment in compliance.
- Shifts in consumer preferences towards sustainable products can impact demand for conventional textiles and necessitate investment in sustainable materials and processes.
- The need to adopt new technologies to reduce emissions and improve energy efficiency can require substantial capital investment.

Opportunities:

- Implementing energy-efficient processes and using renewable energy sources can reduce operational costs and improve margins.
- Enhancing water management practices can mitigate the risks associated with water scarcity and reduce costs.
- Offering eco-friendly packaging and reducing waste can enhance brand reputation and meet regulatory requirements.
- Strengthening supply chain resilience through diversification and collaboration with sustainable suppliers that can mitigate the impact of climate-related disruptions.

Expressions of Sustainability

Organizations accomplish sustainable development by implementing numerous business strategies that protect, sustain, and enhance human and natural resources.

Additionally, the management actively invests in renewable energy sources, to reduce reliance on non-renewable resources. GTML also emphasizes social sustainability, fostering a safe and inclusive work environment, supporting local communities, and adhering to ethical labor practices. Following are the numerous features of sustainability on which the Company's performance, policies, initiatives, and plans are based for the year:

Economic

The economic aspect of sustainability is the potential to amalgamate sustainable practices, technology, and money-making tools.

The Company aims to deliver value to its stakeholders along with consistent growth. The Company's presence in the market has a positive impact on the economic development of Pakistan by boosting employment and business opportunities simultaneously. However, for enhanced productivity and growth the Company uses advanced technology that sustainably contributes toward economic development.

Environmental

Environmental sustainability is a core of our corporate values. The Company rigorously complies with environmental laws and continually enhances its implementation of environmental management systems, aiming to meet and exceed new global reporting initiatives voluntarily. The Company is proactive in adopting eco-friendly practices, reflecting a deep commitment from the management to explore and implement sustainable methods. The management actively pursues innovative solutions to reduce its environmental impact, emphasizing its responsibility to achieve set sustainability goals.

Mitigating Adverse Risk of Industrial Effluents

As a reputed employer of the industry the Company actively aims to mitigate adverse risk and to minimize the overall harmful industrial effluents. The management of the Company also ensures that waste material and chemicals are disposed of in an environmentally friendly manner. Under this context, multiple training sessions had been organized to create awareness amongst the employees and staff and actions that needs to be taken to achieve the business objective.

Energy Saving Measures

Recognizing the critical importance of reducing energy consumption, the company has invested in state-of-the-art WHRSG and equipment's that are designed to be highly energy-efficient.

WHRSG uses the excess heat or steam generated from the power plant as fuel and does not need any externally fed fuel to operate. The design of these plants hinges on the idea of encapsulating all the excess heat from the production system and using this heat to generate steam from boilers, which drive the turbine engines, thus producing electricity.

Furthermore, the Company has replaced traditional lighting with LED fixtures throughout its facilities, resulting in substantial reductions in energy consumption. Similarly, the Company has also installed solar plant at factory area to adopt the green sustainable practices. Furthermore, the Company's management enforced certain small yet effective environment-friendly measures by turning off unnecessary lights, switches, or computers during office breaks alongside using energy-efficient office equipment.

Paper-Waste Disposal

The Company being a socially responsible organization encourages employees to decrease the overall unnecessary utilization of paper with scanning tools and digital data storage. Over the last few years, the management has been donating tons of waste paper for recycling.

With the circular waste management systems, the Company also convert tons of paper waste into compost soil, which is utilized during tree plantation drives and gardening purposes, making the soil more fertile and richer in nutrients.

Social

The goal of the Company in this respect is to give utmost priority to the health, wellness, and education of the people and encourages the employees to focus on work-life balance initiative. The Company's social responsibility is achieved through compliance with relevant legislation and codes of practice, effective management of social, economic and environmental impacts. The Company have a significant impact on livelihoods, professional development opportunities and growth prospects for the people who work towards shared goals.

Industrial Relations / Employment

The management of the Company ensures a strong connection and fair treatment between the line managers and employees in all matters. If in case of any issue emanates, the Company's management resolved the matter timely, fairly.

The Company takes part in corporate social activities actively and also believes in spreading ethical values amongst society by giving employment opportunities. The Company started its operations in Swabi which provided employment opportunities to the local residents, who previously used to take part in the cultivation of opium and poppy on their lands as their

only source of income. The Company's CSR team plays a critical role in planning, implementing, and monitoring the social and environmental initiatives. Their responsibilities extend beyond profit generation and focus on creating positive impacts on society and the planet.

Moreover, amenities like subsidized food, medical services, and commute services are also provided to employees for their wellbeing. The Company also has retirement plans in place for its employees providing them with the financial security post their retirement.

Communities

The management plays a pivotal role in embedding community-based endeavors into the Company's culture and operations. By effectively managing and implementing social initiatives, the team contributes to the Company's reputation, long-term sustainability, and positive contributions to community.

Every year, GTML takes various initiatives and fulfilled its commitment to the well-being of communities and society. The Company's CSR vision is aligned with its core values, industry context, and the expectations of its stakeholders.

GTML & Sustainable Development Goals (SDGs)

Management Approach

The Company is highly committed to initiate and practice the maximum possible SDGs as a responsible employer of the industry and Country as a whole. Our management approach is to blend the SDGs into Corporate Strategy and Policies.

Being a reputed name in the spinning industry, GTML strictly adheres to its mission and commitment to the sustainability of society. The Parliament of Pakistan unanimously approved the SDGs as the national development agenda on February 16, 2016. The Company is committed to putting its mark by fulfilling the below-mentioned (SDG) with the best practices. Meanwhile, the Company's management is actively exploring and collaborating with the government and local bodies for future collaboration to make this planet a sustainable place.

Good Health and Well-Being

(Aspiring Safe Working Environment)

The Company possesses absolute exaltation regarding high maintenance of health and safety standards at all locations. Ensuring round-the-clock medical facilities along with a well-equipped dispensary helps to significantly reduce the overall chances of serious injuries at work. Further, 50+ external, internal trainings, and drills have been conducted during the year at the workplaces to comply with the required international health and safety standards. The Company also dedicated 1200+ employee safety hours by educating employees on basic life support and emergency practices. These efforts have resulted in a significant decrease in workplace accidents and an increase in employee satisfaction and productivity, demonstrating our unwavering dedication to creating a healthy and safe working environment for all.

Quality Education

(Equitable Education & Training)

The Company has collaborated with various prestigious institutes in Pakistan, providing professional education and training to the employees and allocated separate budget for it. Over the past year, we have implemented several projects that ensure access to quality education for all, regardless of socioeconomic background. To uplift the overall standard of training and development the Company has also dedicated over 1500+ training hours in the current year with an overall effectiveness rating of 70%. The Company also aims to expand access to

education in underprivileged communities by collaborating with several NGOs and NPOs.

Gender Equality

(Saying No to Discrimination)

Gender equality is a cornerstone of Company performance, ensuring that all employees, regardless of gender, have equal opportunities to succeed and thrive. GTML is no doubt an equal opportunity employer within the industry. Thus, we always follow a transparent employment process without any sort of gender discrimination, biases, and racism to provide the same leveling ground for all candidates. Large numbers of female have been placed at different level and in different department at the head office. Meanwhile, our policies are in place to monitor, enforce and promote equality and protection of rights amongst all employees.

Clean Water and Sanitation

(Purifying the Needs of the Future)

The Company always prioritizes its contribution toward a healthy environment and water sanitation. GTML strives to control the wastage of water by pouring every single drop from the source to the tap by investing in advanced water purification technologies and sustainable water management systems to provide safe drinking water and efficient sanitation solutions. The Company has installed multiple RO plants within the manufacturing premises by implementing integrated water resources management at all levels. To balance the consumption of water resources, during the year 7.4 million gallons' of water saved by the Company. The Company invested considerable resources to ensure 100% renovation and timely maintenance of RO plants to improve and maintain the quality of drinking water for all employees at work. By investing in advanced ETP technologies, the Company successfully treated 88.15 million gallons of toxic waste water from its dyeing plants before safely discharging it.

Affordable and Clean Energy

(Conserving Energy, Achieving Synergy)

The Company's commitment to affordable and clean energy has yielded significant progress in both conserving energy and achieving synergy across our operations. By implementing advanced energy-efficient technologies and optimizing our processes, we have substantially reduced our energy

consumption. To save energy and reduce the wastage of natural resources i.e., Gas, the Company has installed the WHRSG at its Gadoon Amazai factory, Swabi in addition to investing in efficient gas generators to reduce overall air pollution. Moreover, the Company has made an investment in 10 MW Solar Plant, with an additional 7 MW currently in the process. These synergies have strengthened our competitive edge and reaffirmed our dedication to providing sustainable energy solutions to our customers and communities.

Decent Work and Economic Growth

(Sharing Same Platform)

The Company's commitment to promoting decent work and economic growth is exemplified through our collaborative platform, which brings together diverse stakeholders to drive inclusive development. With this goal, the Company offers various internship opportunities and jobs regularly. Further, to meet the objective of promoting a congenial and decent work environment, GTML has always ensured that healthy work norms are maintained and growth and learning opportunities are provided to all of its employees. The management always ensured the compliance of national and provincial labor laws, legislations, and is committed to fulfilling labor rights. Our dedication to these principles not only enhances our Company's performance but also supports the broader goal of sustainable development.

Industry, Innovation, and Infrastructure

(Adopting The Technology)

Adopting cutting-edge technology not only enhances operational efficiency but also drives innovation and strengthens infrastructure. The Company has always placed due importance to technology and innovation to reduce the overall cost and to generate business synergies. Further, the significant portion of Rs. 5.3 billion CAPEX incurred during the year, represent the amount spent on the installation of state-of-the-art equipment and machines within the manufacturing area.

Reduced Inequalities

(Equal Access To Opportunities)

The Company prides itself on providing equitable employment opportunities, free of discrimination; by implementing a merit-based non-discriminatory recruitment process. The number of female staff is at

quite manageable level at the head office. Meanwhile, to reduce inequalities, the Company continuously strives to hire persons with disabilities and diverse cultural backgrounds to promote an inclusive work environment.

Responsible Consumption and Production

(Sustaining the Community)

The Company's commitment to responsible consumption and production is evident through our comprehensive initiatives aimed at sustaining the community. By prioritizing sustainable practices, we have not only reduced our environmental footprint but also fostered a culture of accountability and stewardship within our workforce. The Company's manufacturing and supply chain department has the practice of responsible consumption of natural resources in its production processes with an aim to reduce, reuse and recycle. The Company focused is to maximize the overall consumption of sustainable fibers including but not limited to BCI Cotton, GRS, etc.

Climate Action

(Making Living Sustainable)

Recognizing the urgency of climate change, GTML has adopted various measures to mitigate its environmental impact. Our efforts have resulted in a significant reduction in greenhouse gas emissions, demonstrating our dedication to environmental stewardship. Furthermore, we actively engage with our stakeholders, including suppliers and customers, to promote sustainable living and support initiatives that drive positive environmental change. The Company looks for opportunities to avoid the use of hazardous materials, and implement the best practices of reusing and recycling materials to minimize our environmental footprint. Following activities were carried out during the year in this respect

- The Company planted 1000+ samplings at Gadoon Amazai & KP
- 0.89 million pages were saved through digitalization;
- Made cardboard paper by utilizing 18 MT animal waste through installed ETP (Effluent Treatment Plant) at dairy segment; and
- Saved 7,912 MT of CO2 emission through the WHRSG, solar plant, low voltage led lights installation, and the unique infrastructure of the manufacturing area.

Mark of Corporate Social Responsibility

As a prominent leader in the textile industry, the Company is deeply committed to upholding CSR by embedding sustainable and ethical practices at the heart of our operations. Our efforts are centered on generating a positive impact not only on the environment but also on the communities we serve, while enhancing the integrity of our business practices. We prioritize initiatives that contribute to environmental preservation, foster social well-being, and promote ethical standards within the industry.

World Hepatitis Day



In recognition of World Hepatitis Day, our Company has taken proactive steps to promote health and safety among our employees. On this important day, we organized a Hepatitis Screening Camp at the Knits Division in collaboration with The Health Foundation (Pakistan). This initiative is part of our ongoing efforts to create a safe and healthy work environment for all staff members.

Pakistan Association of the Blind (Sindh)



Our CSR initiative, in collaboration with the Sindh Head Office of the Pakistan Association of the Blind,

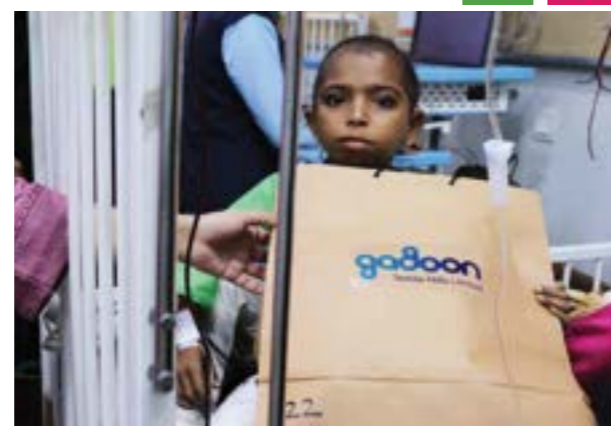
exemplifies our commitment to social responsibility and community support. This CSR drive was meticulously planned and executed to ensure that it had a lasting impact on the lives of blind persons, particularly in the realm of education and lifelong learning.

Breast Cancer Awareness Session



On the account of breast cancer awareness month, the Company organized an insightful Breast Cancer Awareness session and in-house health checkup for our female employees and their families by collaborating with Pink Pakistan. The session was educational and interactive, based on crucial topics including early detection, self-examination, support initiatives, and the latest advancements in breast cancer research.

World Children's Day



On the occasion of Universal Children's Day, the Company collaborated with Child Life Foundation by visiting their Emergency Room at Civil Hospital, Karachi. The visit was organized to support and make a difference in the lives of these little warriors, who exhibit immense courage and resilience every day. Our

Corporate Social Responsibility (CSR) team took this opportunity to spread happiness and uplift the spirits of the children by distributing gifts among them.

International Women's Day 2024



To support the agenda of inclusivity and diversity on International Women's Day 2024, the Company collaborated with Akhuwat Foundation by providing a platform dedicated to showcasing the incredible journey of women's empowerment and highlighting the achievements of women from all walks of life.

Iftar Drives - 2024



Our CSR team arranged an enthusiastic iftar as part of our commitment to giving back to society. The purpose of this CSR collaboration was to bring joy and nourishment to the elderly residents of the Bint-e-Fatima Foundation during the holy month. Our volunteers were engaged during the activity, listening to their stories and offering companionship.

Furthermore, the Company's commitment to social responsibility has been acknowledged, and we are honored to receive the certificate from the KPK Government (Swabi) by arranging iftar drive during the holy month of Ramadan Kareem. This recognition

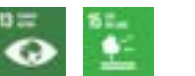
motivates us to make a difference in the communities we serve.

Blood Donation Drive



The management also arranged a Blood Donation Drive at the factory area by collaborating with Kashif Iqbal Thalassaemia Care Center. This initiative aimed to support local hospitals and healthcare facilities by providing a critical resource that saves lives. The collaboration underscores the Company's commitment to corporate social responsibility and community well-being.

Tree Plantation Drive



In a continued effort to champion environmental sustainability and corporate social responsibility, our Company's management organized a Tree Plantation Drive supporting 3R's (Reduce, Reuse & Recycle). This initiative was carried out in collaboration with Tabani's School of Accountancy and ACCA Pakistan, within the factory area of Karachi. This drive is not only a testament to our enduring commitment to green initiatives but also a significant stride towards fostering a culture of environmental stewardship within the corporate community.

Street To School



In line with our commitment to fostering quality education, the Company has partnered with Street to School, an organization dedicated to transforming the lives of underprivileged youth through educational opportunities. This collaboration is focused on providing the necessary tools and resources to enhance the learning experience for students who lack access to modern educational infrastructure.

Embracing ESG for a Brighter Future



The Company is committed to fostering a sustainable and environmentally responsible business environment. To support this cause our CFO, Mr. Muhammad Imran Moten, shared his valuable insights as a panelist during "A fireside chat on ESG action plan" at SECP. The SECP's guidelines will motivate companies to adopt ESG practices, aligning with IFRS S1 and S2 standards, and creating a competitive edge. GTML emphasizes the importance of ESG compliance to contribute to environmental conservation, social development, and strong governance for the benefit of future generations.

Technological Innovation Contributing to Sustainability



Technological innovation plays a crucial role in advancing sustainability at GTML. By implementing energy-efficient processes and eco-friendly product designs, we significantly reduce our environmental footprint and promote sustainable practices across our operations. Our investment in state-of-the-art machinery and automation enhances production efficiency, minimizing energy consumption and waste. Additionally, we have integrated renewable energy sources, mainly the solar plants, into our energy mix to further reduce our reliance on fossil fuels. Our commitment to developing eco-friendly products, sustainable fabrics and biodegradable materials, aligns with our goal of offering environmentally responsible choices to our customers. Further, by promoting online meetings and virtual seminars, we are significantly reducing the need for travel, saving countless hours and travel costs that were once spent on commuting.

These initiatives not only contribute to environmental preservation but also position us as a leader in sustainable innovation within the textile industry.

Resource Consumption & Management



An integrated approach to resource management considers the interconnectivity of these areas, aiming for a balanced and sustainable use of resources. This approach involves:

Material	Energy	Water	Waste & Emission
<ul style="list-style-type: none"> Involves using renewable or sustainably harvested materials and reducing reliance on finite resources. Assesses environmental impacts associated with all stages of a product's life, promoting the use of materials that are less harmful to the environment. 	<ul style="list-style-type: none"> Transitioning from fossil fuels to renewable energy sources like solar, and hydroelectric power to lower greenhouse gas emissions. Implementing technologies including Supervisory Control and Data Acquisition (SCADA) to monitor energy utilization. Investing in Inverters throughout production facility to save the energy. 	<ul style="list-style-type: none"> Improving ETP processes to allow the reuse of treated water effectively. Using ablution water for gardening purpose. Installed RO water plant to track water quality parameters (e.g., pH, turbidity, contaminant levels) and ensure safe water supplies. 	<ul style="list-style-type: none"> Encouraging the recycling of materials and products, and the reuse of items to extend their life cycle and reduce the need for raw materials. Converting waste materials i.e., paper into compost soil to reduce overall waste. Converting bio-waste into cardboard to reduce overall waste. Promoting the use of electric forklift to reduce the emission at factory premises. Implementation of renewable & green projects i.e (Green Office Initiative by World Wide Fund) to adopt low-emission practices at work.

Status of SECP Adoption

Currently, the Company has partially complied with the CSR Guidelines 2013 issued by the Securities and Exchange Commission of Pakistan (SECP). The management has also made significant strides in integrating CSR into the operations but certain aspects of the guidelines remain under development. However, the Company is actively working towards full compliance and is committed to enhancing its CSR efforts in line with the regulatory framework for future.

CSR plays a pivotal role in a company's brand insight; attractiveness to customers, investors, and employees; talent retention and productivity; and an overall business success. An active and well-defined CSR practices can increase marketplace respect and loyalty for a Company, subsequently the Company involves the strategies, policies, and actions that fulfill its social, environmental, and ethical responsibilities. Currently the Company is following the below mentioned parameters as per the CSR Guidelines:

- Review and approve CSR-related communications to internal and external stakeholders;
- Periodic monitoring and evaluation of CSR activities;
- Disclosure and reporting of CSR achievements;
- Recognizing and documenting the shortfalls / failures; and
- Incorporating improvement in future CSR policy / plans.

- The Board Members are updated on the quarterly basis regarding the CSR activities carried out;
- Company allocates a dedicated budget for CSR activities;
- Ensure that CSR goals, objectives, and targets are incorporated into business plans / strategy;

Certifications Acquired for Environmental Sustainability

“Our vision of sustainability is transparent to embrace the friendly welfare of society. We are committed to practice the moto of sustainability with the collaboration of our prosperity partners by contributing our share of responsibilities for the community”



SGS-SA-8000



Recycled Blended Claim Standard



OCS 100



Cotton USA



Cotton Made in Africa



Global Organic Textile Standard



Global Recycled Standard



OEKO TEX Standard 100



OEKO TEX-STEP

Corporate Affiliations



Management Association of Pakistan

Management Association of Pakistan



Karachi Chamber of Commerce and Industry



Better Cotton Initiative (BCI)



Sarhad Chamber of Commerce and Industry



Supplier Ethical Data Exchange

HSE Roadshow

Management Approach

Our goal is to ensure that every employee has a safe work environment and the knowledge to perform their duties safely. Here, the primary aim of measuring safety performance at the workplace is to mitigate unsafe behaviors and conditions that can lead to accidents. The Company prides itself on complying with all the requirements of relevant environmental, health and safety laws and regulations resulting in an improved brand image and embed sustainability goals.

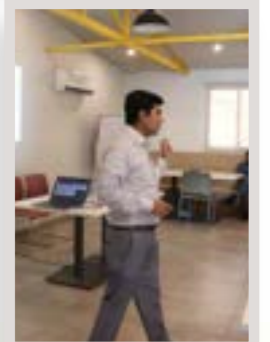
Safety Management Systems

As a responsible & reputed employer, the Company's management strive to create a secure working environment where safety is integrated into every aspect of our operations, driving our commitment to excellence and sustainability. The Company has put in place comprehensive processes, controls, and guidelines to promote a safe and healthy environment under the proper compliance of the Safety Management System (SMS).

Monitored HSE Efficiency

HSE team always focus on active monitoring for the betterment of organization. In order to ensure the high standard of health and safety at work, following nature of trainings / seminars have been conducted during the period of 2023-2024 along with the participation of the workers.

- Benefits of Blood Donation
- CPR (Cardiopulmonary Resuscitation) Trainings
- Emergency Evacuation Drill
- Ethical Trading Initiative (ETI Base Code)
- Fire Fighting Training
- First Aid Training
- House Keeping & Waste Disposal Handling
- Hygiene & Food Safety
- Incident Investigation Techniques
- Noise Pollution
- Security Training
- Selection of PPEs & Good Housekeeping
- Stress Management
- Unsafe Condition & Unsafe Behavior



Hues of Integrity

080	Board of Directors	112	Social & Environmental Responsibility Policy
090	Directors' Report	113	Communication with Stakeholders
098	Chairman's Review	113	Dividend Policy
100	CEO's Message	113	Investors' Grievance Policy
102	Role of Chairman & CEO	113	Health & Safety
102	Decision Taken by the Board & Delegated to Management	113	Whistle Blowing Policy
102	Board Statement To Establish High Level of Ethics	114	Records Safety Policy
103	Annual Appraisal of the Board's Performance	114	Details About Board Meetings & its Attendance
103	Orientation Courses & Directors' Training Program (DTP)	114	Review by the Board of the Business Continuity or Disaster Recovery Plan
103	The Credibility of Internal Controls & Systems	115	Shares held by Sponsors / Directors / Executives
104	Related Party Policy	116	Review Report on the Statement of Compliance
104	Conflict of Interest Policy	117	Statement of Compliance with CCG 2019
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105	Diversity	125	Report of Audit Committee
105	Director's Interest in Significant Contracts & Arrangements	127	Status of Whistle Blowing Mechanism
105	Detail of Director's Remuneration	127	Attendance in Annual General Meeting
105	Security Clearance of Foreign Directors	127	Enterprise Resource Planning (ERP)
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106	Human Resource Excellence	128	Company's Contribution to National Exchequer & Economy



Board of Directors

Under the guidance of our insightful and visionary leaders, we have successfully channeled our team's drive and passion toward the path of prosperity.

Our Board of Directors has been instrumental in transforming the Company across its operations. They have led from the front while steadfastly supporting the workforce through all challenges. Their commitment to excellence, coupled with their ability to innovate and drive industry-wide change, is what has made the Company one of the largest spinning mills in the Country.

Additionally, all legal and regulatory requirements concerning the composition of the Board of Directors have been fully met.



Mr. Muhammad Ali Tabba
Chairman

Mr. Muhammad Ali Tabba embarked on his professional journey with the prestigious YBG, in 1991. YBG, a distinguished family conglomerate, has established itself as an exemplar of entrepreneurial excellence, not only in Pakistan but also across the Middle East, Central Africa, Europe, and North America. With variegated interests spanning building materials, chemicals, pharmaceuticals, energy, textiles, automotive, and real estate development, he has significantly contributed to YBG's growth and diversification, solidifying the group's position as a global player in multiple industries.

He assumed the role of Chief Executive at Lucky Cement Limited (LCL), succeeding his late father in 2005. His formidable leadership extends far beyond the cement industry, as he holds prominent positions as the Chairman of Yunus Textile Mills Limited, Lucky Motor Corporation Limited, Lucky Electric Power Company Limited, and Gadoon Textile Mills Limited. Additionally, he serves as the Vice Chairman of Lucky Core Industries Limited, propelling the company's success through his strategic acumen.

In addition to these roles, he is also the Chairman of National Resources Limited (NRL), a mining company that has received exploration leases in the Chagai district of Balochistan. The company is currently exploring the area by introducing modern mining methods with world-class consultants and training local engineers for sustainable development.

Beyond the corporate sphere, he assumes pivotal roles in industry and community organizations. He serves as the Chairman of the

All Pakistan Cement Manufacturing Association and his previous responsibilities included the Chairmanship at the Pakistan Textile Council and the Pakistan Business Council. He's actively engaged in several community welfare initiatives, further emphasizing his commitment to societal progress. His presence extends to renowned universities, institutions, and foundations, where he diligently sits on the Board of Governors, guiding their missions.

His commitment to philanthropy is exemplified through his role as the Chairman of the Aziz Tabba Foundation ("ATF"), a non-profit organization dedicated to the amelioration of society in areas such as social welfare, education, health, and housing. The two cutting-edge hospitals in Karachi, namely the Tabba Heart Institute and Tabba Kidney Institute, are epitomes of ATF's significant benefactions to the community.

In acknowledgement of his exceptional contributions to Pakistan's social development sector, he was honored with the title of Young Global Leader by the World Economic Forum in 2010. His remarkable achievements also include receiving the prestigious Karachi Chamber of Commerce and Industry "Businessman of the Year" Gold Medal Award for 2012-2013. In a testament to his unwavering dedication, the Government of Pakistan bestowed upon him the Sitara-e-Imtiaz in 2018, one of the nation's highest civilian awards.

His multifaceted leadership, combining business excellence with a resolute adherence to social welfare, paints a compelling portrait of a visionary leader whose contributions continue to leave an indelible mark across Pakistan and beyond.



Mr. Muhammad Sohail Tabba
Chief Executive Officer

Mr. Muhammad Sohail Tabba, one of Pakistan's leading business leaders and a philanthropist, leads a conglomerate of businesses and export houses under the YBG brand name. His proficient leadership in diverse sectors – textiles, cement, energy, entertainment, real estate and philanthropy spanning over three decades, has earned laurels and accolades for his group and the Country.

As the Chief Executive Officer of Gadoon Textile Mills Limited, Lucky Knits (Private) Limited and Director of Yunus Textile Mills Limited, Lucky Textile Mills Limited, he has made YBG renowned both locally and globally.

He has become the Chairman of Lucky Core Industries Limited (formerly ICI Pakistan Limited) in 2014 and was appointed as the Chairman on the board of Lucky Cement Limited in 2023. Previously, he has also served as the Chairman on the board of Nutrico Morinaga (Private) Limited.

His relentless energy, vision, and an uncanny ability to think outside the box, resulted in the creation of LuckyOne Mall, which attracts people from all walks of life. His vision was also to provide a world-class entertainment facility for children which materialized as Onederland at LuckyOne Mall.

Besides being the Chairman of Yunus Energy Limited and CEO of Lucky Energy (Private) Limited, Lucky One (Private) Limited; he is the

Director of Lucky Motor Corporation Limited, and several other companies. His strong social presence in the business community has led him to become the founding member and first Vice President of the Italian Development Council. He is playing an instrumental role in contributing to the educational landscape of Pakistan by serving on the Board of Governors of the Textile Institute of Pakistan. He has also previously served on the board of Hamdard University.

Driven towards contributing to the community, he is also a Director at Aziz Tabba Foundation that runs the Tabba Heart and Kidney Institutes, in addition to other welfare projects. His determination to contribute to the community has transformed the pediatric emergency rooms of government hospitals across Pakistan. He became the Founding Trustee of ChildLife Foundation Pakistan in 2012. His contributions to the healthcare sector have manifested in the treatment of 8 million children in ChildLife Emergency Rooms and Telemedicine Satellite Centers across Pakistan. In the past decade, ChildLife Foundation has evolved extraordinarily and today, 13 contemporary emergency rooms are functioning efficiently in the under-resourced hospitals of Sindh, Balochistan and Punjab, marking its presence in 300+ hospitals of Pakistan.



Mr. Imran Yunus Tabba
Non-Executive Director

Mr. Imran Yunus is keenly involved in the formulation of vision, strategies & governance structures of various Group Companies and has contributed significantly in the performance of the Companies where he serves as a Director on the board.

He has a vast experience, particularly in the Textile Sector. He is ambitious and highly successful Executive from an Industrial Family Background with proven track record in leading and motivating board members and employees to accomplish short-and long-term organizational goals, Strategic and decisive thinker with extensive industry background and firm grasp of how to balance operational and personal management demands.

He is also involved in managing the Real Estate Project LuckyOne and is also keenly involved in the Aziz Tabba Foundation.



Mr. Jawed Yunus Tabba
Non-Executive Director

Mr. Jawed Yunus Tabba has a rich experience in the textile industry and is currently the Chief Executive Officer and Director of a renowned textile mill, Lucky Textile Mills Limited (LTML). His untiring efforts helped him acquire deep insight and expertise into export and manufacturing activities. He has been instrumental in managing the textile concerns of the YBG and has transformed LTML into one of the premier textile Companies in Pakistan. LTML is among the top five home textile exporters from Pakistan and it has been a story of rapid expansion and diversification in the textile industry under his leadership and guidance. He is also the Vice Chairman of YBG.

He is on the Board and related sub-committees of Lucky Cement Limited, Lucky Core Industries Limited, Gadoon Textile Mills Limited and Lucky Motor Corporation Limited. He is keenly involved in the formulation of vision, strategies & governance structures of these companies.

He is also managing the Real Estate Project LuckyOne.

Socially, he is extensively engaged in community welfare projects which include the Aziz Tabba Foundation which is working extensively in the field of social welfare, education, health and housing. He is also a member of Young President Organization (YPO).



Ms. Zulekha Tabba Maskatiya
Non-Executive Director

Having pursued a Bachelor's degree in Management Sciences from the University of Warwick and a Master's degree in Management, Organizations and Governance from the London School of Economics and Political Science, Ms. Zulekha Tabba Maskatiya has been an indispensable part of the business.

She not only holds a prestigious position within the YBG, but her educational background brings the values of business focus, corporate governance, and social responsibility to the organization.



Mr. Muhammad Hassan Tabba
Non-Executive Director

Mr. Muhammad Hassan Tabba is the Chief Executive Officer of Yunus Textile Mills Limited (YTML), a state-of-the-art home textile mill with subsidiaries in North America and Europe. He spearheads YTML as part of the Executive Management while playing a pivotal role in providing strategic vision to the Organization.

He graduated in 2019 From Bentley University in Business & Finance. Post his graduation, he has worked on developing corporate strategies. After joining YTML, he has not only developed the organizational culture and promoted transparency and collaboration throughout the organization but has also worked on developing partnerships with company stakeholders, shareholders, industry regulators, and other relevant parties. He has actively participated in planning for the new projects and served excellently for expansion and development.

Being on the YTML's Board, he has played a vital role in the development of operational and industrial strategies which eventually resulted in the growth and success of the company. Besides, he has actively engaged in many social and educational projects for the cause of humanity and assisting the needy and deprived in society.

With extensive engagements in many Community Welfare Projects, he serves on the not-for-profit organization, Aziz Tabba Foundation.

He also serves as Director at Gadoon Textile Mills Limited, Lucky Energy (Private) Limited, Yunus Energy Limited, Lucky Renewables (Private) Limited, and Lucky Textile Mills Limited, also part of the family conglomerate.



Syed Muhammad Shabbar Zaidi
Independent Director

A chartered accountant by profession, Syed Muhammad Shabbar Zaidi served as the 26th Chairman of the Federal Board of Revenue (FBR) from May 2019 till April 2020. Mr. Zaidi previously also served as a Provincial Minister for Finance, Board of Revenue and Excise & Taxation, in the Government of Sindh during the 2013 caretaker setup. He was also a member of the Federal Government Task Force for Reform of Tax Administration in 2002 and authored the report.

A retired senior partner at A. F. Ferguson & Co, he also serves as Chairman on the Securities & Exchange Commission Committee formed for Corporate Industrial Rehabilitation Reform and is a member of the Economic Advisory Council. Mr. Zaidi is a fellow member of the Institute of Chartered Accountants of Pakistan and has also served as President of the Institute from 2005-2006.

Mr. Zaidi has also served as member of Developing Nations Committee of International Federation of Accountants, President South Asian Federation of Accountants, Founder Director of Pakistan Institute of Corporate Governance, member Central Audit Committee of the State Bank of Pakistan and was the Director of the Karachi Stock Exchange Limited from 2012-2015.

Currently, Mr. Zaidi is serving on the board of Lucky Core Industries Limited as an independent director and as

Chairman Audit Committee. Among his non-profit work, he is a trustee of the Sindh Institute of Urology & Transplantation (SIUT) and member of Board of Governors of Liaquat National Hospital and Karachi School of Business and Leadership (KSBL).

He has also authored books, including

- A Journey for Clarity
- Pakistan: Not a Failed State
- Panama Leaks: A Blessing in Disguise
- Pakistan: Rich People: Poor Country
- The Serene Self
- OECD's Multilateral Instruments & Pakistan's Bilateral Double Tax Avoidance Agreements
- Faith & Intellect
- Foreign Exchange Regulations of Pakistan: Acquisition & Disposal of Shares & Securities
- Commentary on Pakistan's Tax Laws for Non-Resident Persons & Offshore Assets of Residents



Mr. Moin M. Fudda
Independent Director

Mr. Moin M. Fudda has over 45 years of experience which encompasses working in the corporate sector as well as performing diplomatic duties. He holds B.S. in Insurance & Economics from the RCD College of Insurance, Tehran, and MBA in Insurance & Risk Management from St. Jones University New York.

In his former role as Managing Director of Karachi Stock Exchange (now Pakistan Stock Exchange), he was elected as Chairman of the Corporate Governance Task Force of Federation of European and Asian Stock Exchanges (FEAS). He has helped in creation of Pakistan Institute of Corporate Governance (PICG) and is a Certified Corporate Governance Trainer by International Finance Corporation. He has worked with Ministry of Finance in preparation and enactment of CG Rules for SOE's.

In Tehran he worked as a Client Executive, Stewart Wrightson, Lloyds Insurance Brokers. In New York he was Manager Reinsurance of American International Group and Adjust Assistant Professor at The College of Insurance. Prior to joining KSE, he was Country Chief of New Zealand Insurance and Commercial Union (CU now AVIVA) and Founder MD of CU Life (now Jubilee Life). He has also held positions such as Country Director, Center for International Private Enterprise, an affiliate of US Chamber of Commerce, Executive Director Pakistan Reinsurance Company.

He is the Country Representative of SCOR Reinsurance of France. Since 1989 he is the Honorary Consul General of New Zealand for Pakistan responsible for enhancement of Bilateral Relations, Trade, Higher Education and Immigration. In 1990, NZ Commemoration Medal was conferred on him by the Queen of New Zealand and in 2002, he was recognized as the Honorary Officer of the New Zealand Order of

Merit (ONZM). In 2006, he was conferred the coveted Sitara-e-Imtiaz (S.I.) by the President of Pakistan.

Besides being a Member of Faculty of PICG, he is an Independent Director on following listed companies:

- Feroz1888 Mills Limited – Chair of Audit & Finance Committee
- Gadoon Textile Mills Limited – Chair of Human Resource & Compensation Committee

His other professional affiliations were as follows and being Chair of Audit & HR Committees, he has advised Companies on matters relating to staff union, and enhancing the employee's productivity.

Chairman: Central Depository Company of Pakistan, Islamabad Stock Exchange, NCCPL, and Alternate Dispute Resolution Committee – Federal Board of Revenue

CEO: Karachi Stock Exchange, National Commodity Exchange, Commercial Union Insurance Centre for International Private Enterprise (affiliate of US Chamber of Commerce)

President: Overseas Investors Chamber of Commerce & Industry, Management Association of Pakistan and Karachi Boat Club

Director: State Life Insurance Corporation, Pakistan Stock Exchange, Al Meezan Investment Management, Pak Suzuki Motor Company, Wyeth Pakistan Limited and Merit Packaging Limited

Member: Board of Investment – Privatization Commission & Britain Business Advisory Pakistan Institute of Management – Executive Committee of FPCC&I

Directors' Report to the Members

Dear Members

The Directors of your Company take pleasure in presenting the financial results for the financial year ended June 30, 2024.

Overview

The principal business activities of your Company include: the manufacturing and sale of yarn; knitted bedding products; dyeing services, and the production and sale of milk, with manufacturing facilities located in two regions: North and South.

From an economic point of view, this was yet another challenging year characterized by high inflation, fiscal deficit, and significant external debt, in addition to long-standing structural weaknesses. However, despite these challenges, the economy witnessed some improvement propelled by stringent consolidation efforts, political stability, and fiscal stability reforms rolled out by the government. The successful conclusion of the USD 3 billion Stand-By Arrangement from the International Monetary Fund (IMF) substantially eased the pressure on foreign reserves.

During the current year, though the Company has successfully recorded highest-ever revenue at Rs. 72.72 billion, registering an increase of 25.39% compared to the Same Period Last Year (SPLY), but increase in revenue was dampened by inflationary pressures affecting costs, particularly the unprecedented surge in energy prices and finance costs. As a result, net profit reduced to Rs. 0.79 billion, compared to Rs. 3.29 billion recorded in the SPLY.

Economic Prospects

Pakistan's economy has displayed signs of stability during the period under review. During the year, the import bills slightly decreased by 0.72% to USD 54.79 billion in contrast to USD 55.19 billion in the SPLY. The country's exports, on the other hand, witnessed commendable growth of 10.65% to USD 30.67 billion compared to USD 27.72 billion in the SPLY. Similarly, workers' remittances also increased by 10.7%, recording an inflow of USD 31.25 billion compared to USD 27.33 billion in the SPLY, thus significantly supporting foreign reserves. As a result, the current account deficit sharply declined by 79% to USD 681 million compared to Rs. 3.2 billion in the SPLY.

During the second half of this year, the inflationary pressure started to ease, which further improved in the last quarter. Owing to such moderation in the inflationary pressure, the monetary policy committee of the SBP, in its last two meetings, has reduced the interest rates, bringing it to 19.5%.

The Country also witnessed remarkable growth in cotton production, reaching 8.397 million bales (as per the latest publication of the Pakistan Cotton Ginners Association) compared to 4.91 million bales in the SPLY, which not only bolstered the country's textile industry but also made significant contributions to both saving and earning foreign exchange.

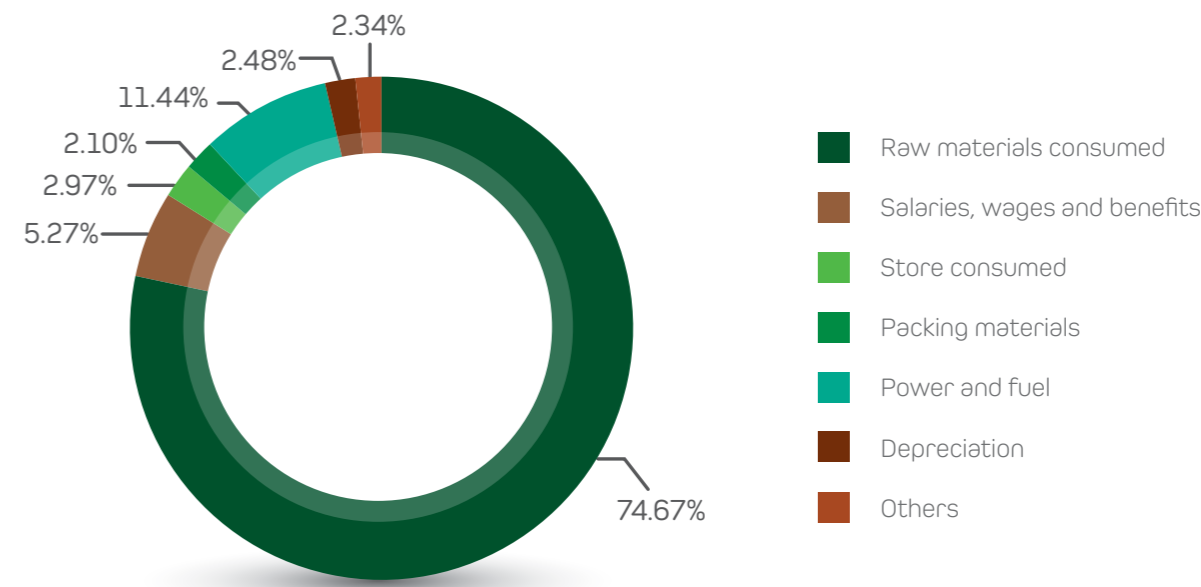
Financial Results

A comparison of the key financial results of the Company for the year ended June 30, 2024, is as follows:

Profit or loss summary	June 30, 2024	June 30, 2023	Favorable / (Unfavorable)
	(Rupees in '000)		Percentage
Sales (net)	72,723,982	57,997,240	25.39
Gross Profit	5,017,444	6,167,845	(18.65)
Distribution Cost	894,348	846,043	(5.71)
Administrative Expenses	538,602	478,197	(12.63)
Other Operating Expenses	100,646	288,902	65.16
Finance Cost	3,974,220	2,148,630	(84.97)
Other Income	1,879,276	2,376,210	(20.91)
Profit Before Taxation	1,388,904	4,782,283	(70.96)
Profit After Taxation	794,548	3,291,867	(75.86)
Earnings Per Share (Rs.)	28.35	117.44	

During the year, the overall sales volume of the Company increased along with the increase in prices. However, export prices remained impacted in dollarized terms.

Below is the breakup of manufacturing costs:



The significant portion of the cost of goods manufactured consists of raw material, which is 74.67% (2023: 79.07%), and power cost is 11.44% (2023: 7.28%), which has always been a concern for the management to control.

To rationalize average production costs, management procured wisely with a mix of local and imported raw materials and was able to maintain raw material inventory levels at manageable levels.

The Company focused on optimizing its power generation by utilizing efficient generators. However, the power cost of the Company increased mainly due to an unprecedented hike in the natural gas tariff during the year from Rs. 1,100 per MMBTU to Rs. 2,750 per MMBTU. To reduce overall power costs, the Company has increased its efforts for alternate and more competitive sources, including investment in renewable energy. In this respect, a solar plant of approximately 10 MW has been energized, and a further 7 MW is in process.

The distribution costs increased mainly on account of the increase in freight and the number of bags for local sales. However, freight on export sales has reduced this year mainly on account of rationalization of freight, which was on the higher side in the previous year on account of supply chain disruption. Further, the inflationary pressure on the economy during the period has resulted in an increase in administrative expenses compared to the SPLY.

The finance cost of the Company during the period significantly soared by 84.97%, totaling Rs. 3,974.22 million. This surge is attributed to various factors, including higher policy rates of 20.5% - 22% compared to 15% - 22% during the same period last year (SPLY), increased working capital requirements, particularly for the spinning segment, due to the impact of inflation and rupee devaluation, and the unavailability of committed lower-cost financing alternatives for significant investments made by the Company in the previous and current years. However, the Company made efforts to rationalize the borrowings through efficient working capital management coupled with a blend of local and foreign currency borrowings to manage the finance cost.

The Company's strategic investment in diversified avenues yielded returns of Rs. 1.43 billion compared to Rs. 1.68 billion in the SPLY, supporting the Company's profitability. The decline was mainly due to a one-time gain recorded in the corresponding period by Lucky Core Industries Limited, arising from the partial disposal and remeasurement of the remaining stake in NutriCo Morinaga (Private) Limited from 51% to 24.5%.

Due to the aforementioned factors, the Company's net profits decreased to Rs. 0.79 billion in this FY compared to Rs. 3.29 billion in the SPLY.

Segmental Review of Business Performance

The operations of your Company are primarily divided into two operating segments:

- Spinning segment: manufacturing and sale of yarn
- Manufacturing and Sale of knitted bedding products
- Unallocated segments includes production and sale of milk and dyeing services

The segment wise results of the reportable segment of the Company are as follows:

	Spinning	Knitting	Spinning	Knitting
	2024		2023	
	(Rupees in '000)			
Revenue	62,424,721	8,312,242	51,611,486	5,846,764
Profit before tax	552,550	352,418	1,296,607	1,573,377

During the year, both the sales of yarn and knitted bedding products demonstrated an upward trend. However, despite this positive development, the net margins of both segments continued to face pressure due to the aforementioned factors.

Status of Strategic Investments

During the year, no further investment has been made by the Company in Tricom Solar Power (Private) Limited and Yunus Wind Power Limited.

Previously, the Company had obtained approval for investment in Tricom Solar Power (Private) Limited and Yunus Wind Power Limited on April 13, 2018, from the shareholders. Upon the expiry of the initial 12 months from the previous approval, the Company obtained an extension from the shareholders in the EOGM dated March 20, 2019, for four years or till the Project achieves commercial operations, whichever is later.

Composition of the Board

In line with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company ensures the representation of Independent and Non-Executive Directors, as well as gender diversity, on its Board.

The total number of Directors as of June 30, 2024, is eight, including the Chief Executive as a deemed Director, as per the following:

Total number of directors	
a) Male	07
b) Female	01

The composition of the Board is as follows:

Particulars	No.	Name of Directors
a) Independent Directors	02	Syed Muhammad Shabbar Zaidi Mr. Moin M. Fudda
b) Executive Director	01	Mr. Muhammad Sohail Tabba
c) Other Non Executive Directors	04	Mr. Muhammad Ali Tabba Mr. Imran Yunus Tabba Mr. Jawed Yunus Tabba Mr. Muhammad Hassan Tabba
d) Female Non-Executive Director	01	Ms. Zulekha Tabba Maskatiya

Committees of the Board

Following are the details of the members of the Board Audit, Human Resource, and Budget Committees:

Audit Committee

Syed Muhammad Shabbar Zaidi	Chairman
Mr. Moin M. Fudda	Member
Mr. Muhammad Ali Tabba	Member
Mr. Jawed Yunus Tabba	Member

Human Resource & Remuneration Committee

Mr. Moin M. Fudda	Chairman
Mr. Jawed Yunus Tabba	Member
Ms. Zulekha Tabba Maskatiya	Member

Budget Committee

Mr. Muhammad Ali Tabba	Chairman
Mr. Muhammad Sohail Tabba	Member
Mr. Jawed Yunus Tabba	Member
Syed Muhammad Shabbar Zaidi	Member

Attendance of Board Meetings & its Committees

S.No	Directors	Attendance		
		Board of Directors	Audit Committee	HR and Remuneration Committee
1	Mr. Muhammad Ali Tabbā (Chairman)	4/5	4/4	N/M
2	Mr. Muhammad Sohail Tabbā (Chief Executive)	5/5	4/4*	1/1*
3	Mr. Imran Yunus Tabbā (Non-Executive Director)	4/5	N/M	N/M
4	Mr. Jawed Yunus Tabbā (Non-Executive Director)	5/5	4/4	1/1
5	Ms. Zulekha Tabbā Maskaṭiya (Non-Executive Director)	5/5	N/M	1/1
6	Mr. Muhammad Hassan Tabbā (Non-Executive Director)	4/5	N/M	N/M
7	Syed Muhammad Shabbār Zaidi (Independent Director)	4/5	4/4	N/M
8	Mr. Moin M. Fuddā (Independent Director)	5/5	4/4	1/1

* Mr. Sohail Tabbā attended all meetings of the Audit and HR&R Committee, by way of invitation.

N/M: Not a member

Leave of absence was granted to directors who could not attend the Board and its Committee's meetings.

Remuneration Policy of Non-Executive Directors

Through the Articles of the Company, the Board of Directors is authorized to fix the remuneration of the Directors. In this regard, the Board of Directors has developed a comprehensive remuneration policy for Non-Executive and Independent Directors of the Company. As per the policy:

- The remuneration of the Board of Directors shall be market-based in accordance with their experience and competencies.
- The Company will not pay any remuneration to its Independent Directors by way of salary except as meeting fees for attending the Board and its Committee meetings.
- The remuneration of a Director for attending meetings of the Board of Directors or its Committees shall be determined from time to time and approved by the Board of Directors.
- The Human Resource and Remuneration Committee ("HR&RC") shall determine and recommend the remuneration of a Director for attending meetings of the Board of Directors or its Committees subject to approval by the Board, from time to time. The remuneration of the Independent Directors shall be linked to their actual attendance at Board/Board Committee meetings.
- A Director shall be provided or reimbursed for all traveling, hotel, and other expenses incurred by him for attending meetings of the Board or its Committees or General Meetings of the Company.
- Any Director who performs services which, in the opinion of the Board, are outside the scope of the

statutory duties of a director may be paid such extra remuneration.

Detail of Directors Remuneration

The Company has only one Executive Director, who is also the Chief Executive of the Company. Following are the details of remuneration paid to the Chief Executive of the Company during the year:

	2024	2023
	----- Rupees (in '000)-----	
Remuneration	30,000	27,500
Bonus	2,473	1,943
Other benefit	2,500	1,500
	<u>34,973</u>	<u>30,943</u>

No remuneration has been paid to other Non-Executive Directors of the Company except for a meeting fee of Rs. 3.25 million (2023: Rs. 2.84 million).

Principal Risks & Uncertainty

Businesses face numerous risks and uncertainties, which, if not properly addressed, might cause serious loss to the Company. The Board of Directors of the Company has carried out a vigilant and thorough assessment of both internal and external risks that the Company might face. Following are some of the risks the Company is facing:

- Technological advancement makes it more challenging for the Company to compete on the national/international level.
- Pressure on export sales due to geopolitical tensions and decreased demand due to the global inflationary impact.
- Increased competition at global as well as regional levels coupled with the impact of global shipping supply disruptions.
- Currency volatility, resulting in an increased cost of imported raw materials.
- Implementation of Custom/Anti-dumping duties on the import of raw materials, making it more costly.
- Rising trend of conversion on account of inflation, mainly power cost on account of increasing fuel/gas prices.
- High Policy rates, i.e., KIBOR, resulting in increased financing costs.
- Uncertain taxation measures, i.e., shifting from Final Tax Regime (FTR) to Normal Tax Regime (NTR) for exporters, sales tax imposition on corporate dairy farms, continuation of super tax, etc.
- Soaring inflation impacts the purchasing power of the common man, thereby reducing the demand for the Company's product.

Change in the Nature of Business

No significant changes have occurred during the FY concerning the nature of the business of the Company.

Pattern of Shareholding

The pattern of shareholding and additional information as of June 30, 2024, is part of the Annual Report of your Company. The associated company owns 69.57%, Banks / Insurance Companies / Mutual Funds own 10.15%, Directors own 0.08%, and individuals own 20.21% of the entire shareholding.

Repayments of Debts / Loans

Your Company has an effective cash flow strategy in place whereby inflows and outflows are projected and monitored regularly. This comprehensive strategy has always empowered your Company in the smooth settlement of its financial commitments and hopes to cater to any and every challenge that comes its way. In compliance with the above, the management has made constant endeavors to rationalize borrowing costs, which is done by managing a balanced portfolio of sources of funds and efficient financing arrangements.

The Company has a practice of settling obligations on a timely basis, and accordingly, there is no history of any

default with regard to the payment of debts, including this year.

Adequacy of Internal Financial Control

The effective system of internal financial control has been established by the Board of Directors of the Company. The controls have been put in place to ensure the efficient and smooth running of the business, prevention and detection of fraud and errors, safeguarding the Company's assets, compliance with laws and regulations, accuracy, and completeness of books of accounts, and timely preparation of reliable financial information. Internal Financial Controls are periodically reviewed to ensure these remain effective and are updated with amendments in any laws and regulations.

Sustainability-Related Risks

The sustainability-related risks involve the consideration of environmental, social, and governance (ESG) factors. By embracing operational practices, adopting renewable energy policies, and green initiatives, the Company aims to contribute to a sustainable future. The management has set specific and measurable ESG targets that align with the Company's strategic objective to achieve greater sustainable resilience and positive social impact.

The Company has channeled significant capital into cutting-edge, eco-friendly technologies that embody the principles of responsible consumption and production. While such sustainable initiatives might challenge short-term profits or margins, the Company believes that in the long run, it will enhance business value through customer acquisition and retention and a competitive edge. The Company performs a thorough analysis of current and potential risks, highlighting specific areas of concern by following recognized frameworks. Furthermore, transparency is maintained through quarterly ESG reporting to the Board, ensuring stakeholders are informed and engaged.

Diversity, Equity, & Inclusion (DE&I)

With the diverse workforce and communities, the Company stands as an advocate for diversity, equity, and inclusion (DE&I). Promoting DE&I is a key priority for the Company and is integral to its sustainable and ethical business practices. A comprehensive DE&I strategy with clear and measurable goals, targeting increased gender and ethnic diversity and inclusion at all levels, is in process. The Company implements inclusive recruitment practices, such as using diverse job boards, blind recruitment processes, and diverse interview panels. Multiple DE&I training sessions are provided for all employees, covering topics like unconscious bias, cultural competency, and inclusive leadership.

Corporate Social Responsibility (CSR)

As a leading textile company in the spinning sector, the Company is committed to ensuring Corporate Social Responsibility (CSR), integrating sustainable and ethical practices into our core operations. The Company focuses on creating a positive impact on the environment, the communities it serves, and business practices. The management assesses overall CSR activities, ensuring they align with the Company's long-term goals of sustainability and inclusivity with educational and healthcare initiatives to serve the community.

The Company continuously strives to improve its CSR strategy by setting new benchmarks in corporate responsibility and making a meaningful difference within the industry. During the FY 23-24, the Company carried out several activities, some of which are disclosed below:

- As a part of the ongoing efforts to create a safe work environment, the Company organized a Hepatitis Screening Camp at Knits Division in collaboration with The Health Foundation (Pakistan).
- Furthermore, the CSR team embodies the spirit of compassion and joined hands with the Pakistan Association of the Blind Sindh Head Office. This CSR drive was arranged to create inclusive and equitable opportunities for blind persons in terms of quality education and continuous learning.
- On the account of breast cancer awareness month, the Company organized an insightful Breast Cancer Awareness session and in-house health checkup for the female employees and their families by collaborating with Pink Pakistan. The session was educational and interactive, based on crucial topics including early detection, self-examination, support initiatives, and the latest advancements in breast cancer research.
- On the occasion of Universal Children's Day, the Company collaborated with the Child Life Foundation by visiting their Emergency Room at Civil Hospital, Karachi. The visit was paid to support making a difference in the lives of these little warriors. During the visit, our CSR team distributed goody bags to bring smiles and joy to sick children.
- To support the agenda of inclusivity and diversity on International Women's Day 2024, the Company collaborated with the Akhawat Foundation by providing a platform dedicated to showcasing the incredible journey of women's empowerment and highlighting the achievements of women from all walks of life.

- The CSR team arranged an enthusiastic iftar as part of our commitment to giving back to society. The purpose of this CSR collaboration was to bring joy and nourishment to the elderly residents of the Bint-e-Fatima Foundation during the holy month. The Company's volunteers were engaged during the activity, listening to their stories and offering companionship.
- The management also arranged a Blood Donation Drive at the factory area for Thalassemia patients.
- As a part of our green initiatives, the Company's management executed a Tree Plantation Drive by collaborating with Tabani's School of Accountancy and ACCA Pakistan at the factory area of Karachi. This initiative aligns with our values of giving back to society and preserving the environment for future generations.
- To support the aim of quality education, the Company collaborated with Street to School by donating LED screens to empower young minds with the knowledge and skills they need to build a brighter future.
- Additionally, the Company collaborated with Tabba Heart Institute to observe World Heart Day to raise awareness about the global issue of cardiac stress and its far-reaching impacts on our health and well-being.

Directors' Training

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the relevant laws, including the Companies Act, 2017, and Regulations of PSX Rulebook, etc.

Auditors

The present External Auditors, M/s. Yousuf Adil, Chartered Accountants, have completed the annual audit for the year ended June 30, 2024, and issued a clean audit report. The auditors will retire on the conclusion of the Annual General Meeting of the Company and, being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending on June 30, 2025.

Future Outlook

The outlook for the global economy is forecasted to keep a modest pace in growth amidst ongoing challenges. Inflation is expected to ease but will remain a critical concern as geopolitical tensions are likely to influence energy prices and supply chains, leading to a

wait-and-see approach for central banks to adjust monetary policy as necessary to manage inflation while supporting growth.

On the domestic front, the economic indicators have exhibited signs of improvement with a stable currency, narrowed current account deficit, easing inflation, and improved foreign exchange reserves. Owing to such favorable circumstances recent trends showing a decrease in inflation have led to positive real interest rates, prompting the SBP to cut interest rates by 250 basis points. This suggests the potential for further cuts soon, which could stimulate demand-led growth.

To continue and strengthen economic and financial stability and to manage foreign reserves, the government has reached a staff level agreement for the Extended Fund Facility ("EFF") of USD 7 billion from the IMF. The program aims to support the government's efforts to stabilize the economy and create conditions for stronger, more inclusive, and resilient growth. This initiative will reduce uncertainty in the financial landscape, providing stability and predictability for businesses and investors. Additionally, it opens up opportunities for further borrowing from other international lenders and friendly nations, enhancing financial flexibility. However, the path ahead also presents numerous challenges for the economy and industries as the fresh EFF comes at the cost of a substantial increase in energy prices and the withdrawal of various subsidies, which may lead to a resurgence of inflation and exchange rate adjustment, impacting policy rates.

The situation may further be compounded by the implications of recent budgetary measures on the textile industry, such as the withdrawal of zero-rating on local supplies under the Export Facilitation Scheme ("EFS"), imposition of duties on the import of certain raw materials, and change in taxation regime from FTR to NTR. These measures may not only exacerbate the cash flow issues and create unnecessary hassle but will potentially affect the export competitiveness of the industries.



Muhammad Ali Tabba
Chairman

Karachi: August 6, 2024

The situation underscores the importance of reforms in legacy structural weaknesses, fiscal discipline, consistent policy implementation, and fairer direct and indirect taxation by the government to ensure inclusive and sustainable growth.

In terms of the Company's operations, concerted efforts are underway to maintain costs by maximizing capacity utilization, rationalizing expenses, and efficient working capital management. Furthermore, adjustments will be made to the sales mix in response to changes in demand and supply dynamics, all aimed at bolstering the Company's profitability. However, the availability of cheaper imported yarn is likely to pose a significant challenge for the Company. Further, the Company's profitability in the short term is also expected to be challenged by elevated finance and energy costs.

Dividend Policy

Considering the impact on margins on account of high-power cost coupled with high-interest costs, and taking into account the working capital requirement and the liquidity position, the Board of Directors has not declared dividend for the year ended June 30, 2024.

Subsequent Events

There are no material changes and commitments affecting the financial position of the Company between the end of the FY and the date of this report.

Acknowledgments

The Directors record their appreciation of the performance of the Company's workers, staff, and executives.

For and on behalf of the Board



Muhammad Sohail Tabba
Chief Executive Officer

Chairman's Review

Dear Stakeholders

It is with great pride and satisfaction that I am presenting the Chairman's Review for this year's annual report, in line with section 192 of the Companies Act, 2017.

The past year has been quite challenging on the economic front. Even though the Company was able to achieve the highest-ever revenue the margins remain under pressure on account of high interest rates and increased power tariffs.

The Board recognizes the critical importance of strong corporate governance in ensuring accountability and is dedicated to maintaining the highest standards to enhance stakeholder value. The Board's governance practices align with applicable laws and regulations, with clearly defined roles and responsibilities. During the fiscal year 2023-2024, the Board diligently convened five times, including meetings of the audit committee, to consistently oversee and monitor our performance, as well as that of our sub-committees.

The Board is committed to maintaining a strong internal control system to ensure effective operations, reliable financial reporting, and compliance with laws and regulations. During the year, the Board has conducted a comprehensive review of the adequacy and effectiveness internal control system. This review involved assessing the design and operational efficiency of key controls, identifying potential areas for improvement, and ensuring that corrective actions are promptly implemented where necessary. After thoroughly reviewing the system's structure and processes, including input from the audit committee, the Board is satisfied with its adequacy and effectiveness. The Board remains dedicated to continuous improvement to safeguard stakeholder interests.

The Board's annual self-evaluation for the fiscal year 2023-2024 reflected satisfactory results. This self-assessment is vital in measuring our performance against our goals, helping us identify areas for improvement.

Key decisions made by the Board during the year included:

- Approval of capital expenditures (CAPEX);
- Review and approval of quarterly and annual financial statements;
- Examination of internal audit and audit committee findings;

- Selection of external auditors;
- Oversight of related party transactions.

Over the past few years, the Board has remained deeply committed to oversight sustainability risks and opportunities alongside a strong emphasis on environmental, social, and governance (ESG) principles. Strategically, we have focused on expanding our market footprint and enhancing our product offerings to meet evolving consumer demands. Under the context of CSR, we have intensified our efforts to support community development and empower our workforce. These commitments are not just guiding principles but core tenets that have shaped our actions and will continue to drive our initiatives in the future.

Looking ahead, there are opportunities that lie before us. The Company will continue to invest in our people, processes, and technologies to improve our operational efficiencies. Our focus will remain on expanding our product portfolio and deepening our customer relationships.

In conclusion, I extend my sincere thanks to our shareholders, customers, partners, and dedicated staff. Your continued trust and support have been pivotal to our success.

Warm regards,



Muhammad Ali Tabba
Chairman

Karachi: August 6, 2024



CEO's Message

Our core objective is to elevate our business through cutting-edge technological advancements that ensure safety and benefit society as a whole. We are dedicated to integrating the latest innovations that reduce emissions, enhance automation, and improve safety measures. Furthermore, we are committed to driving sustainability efforts that contribute to the well-being of our planet, ensuring that our growth positively impacts future generations. In line with our environmental stewardship, we actively pursue green initiatives that minimize our carbon footprint, conserve natural resources, and promote renewable energy by prioritizing Environmental, Social, and Governance (ESG) compliance in every aspect of our operations. By aligning our business practices with these principles, we aim to achieve long-term profitability while creating a positive and lasting impact on the environment, society, and our stakeholders.

Alhamdulillah, this year marks the completion of the thirty-sixth year of the Company's operation. Despite facing significant challenges on various fronts, the Company achieved its highest-ever revenue this year, driven by an increase in both volume and price.

Our proactive measures to maximize returns included managing the sales mix, expanding the value-added segment, optimizing operational efficiency, and investing in renewable energy and advanced technology. However, these benefits were largely offset by factors beyond our control, such as interest rates and power tariffs.

Looking ahead, we anticipate a downward trajectory for inflation and interest rates, which should positively impact the economic landscape. Additionally, we do not expect significant increases in power tariffs. Furthermore, the staff-level agreement reached with the IMF for an Extended Fund Facility (EFF) of USD 7 billion, if realized, will alleviate pressure on reserves and reduce uncertainty, providing greater stability and predictability for businesses and investors.

However, the recent changes in the Finance Act of 2024—including the withdrawal of zero-rating on local supplies under the Export Facilitation Scheme (EFS), the imposition of duties on certain raw materials, and the shift from a Fixed Tax Regime (FTR) to a Normal Tax Regime (NTR)—will impact the profitability and cash flows of the overall textile sector. Consistency in government policies is essential to enable businesses to create long-term value for their stakeholders.

As a socially responsible corporate entity, the Company has made significant strides in reducing its environmental impact and enhancing its social footprint. Over the past year, we have invested in various Corporate Social Responsibility (CSR) initiatives focused on sustainability, community development, and social welfare. These efforts reflect our commitment to creating a positive

impact on the environment and the communities we serve, while also aligning with our broader mission of responsible and ethical business practices. By prioritizing these initiatives, we aim to foster long-term value for our stakeholders and contribute to a more sustainable future.

This year, the Company proudly achieved first position in the textile category at the "Best Corporate and Sustainability Report Awards 2022", presented by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP). Additionally, we received the 20th Annual Environmental Excellence Award from the National Forum for Environment and Health (NFEH) for our outstanding environmental achievements and positive industry impact. The Company was also awarded a Certificate of Merit by the South Asian Federation of Accountants (SAFA) for the Annual Report 2022, highlighting our commitment to transparency, accuracy, and excellence in financial reporting.

While the global business environment faces challenges, the Company remains confident that our 36-year-long relationships with customers will enable us to maintain stable turnover and manageable profits in the coming year. Our journey has been characterized by perseverance, collaboration, and a shared vision, reflecting the strength of our collective efforts and the unwavering support of our customers, partners, and stakeholders.

Finally, I want to express my heartfelt gratitude to all our stakeholders who have supported us during these challenging times. As we look to the future, the Company remains committed to thriving in the textile industry. We are well-positioned to capitalize on the opportunities that lie ahead. We will continue to invest in innovation, deepen our customer relationships, and pursue sustainable growth strategies that create long-term value for our shareholders. Our pursuit of excellence aims not only to sustain but also to strengthen and expand the bonds we share with all our partners and stakeholders. Together, we will work towards greater achievements and continued growth.



Muhammad Sohail Tabba
Chief Executive Officer

Karachi: August 6, 2024



Role of Chairman & CEO

The Company's Chairman is in charge of the Board's leadership and guarantees that the Board plays a compelling role in satisfying every one of its duties. In contrast, the Chief Executive Officer is an executive Director and responsible for acting as the Head of the Company.

The Roles & Responsibilities of the Chairman include

- Setting agendas for the Board's consideration.
- Leading the Board and discussing all proposals put forward by the executive team.
- Liaising and coordinating with subcommittee chairs.
- Identifying and participating in the selection of the Board members and overseeing a formal succession plan for the Board, CEO, CFO, and key senior management.
- Maintaining an effective team by managing conflicts of interest within the Company.
- Ensuring that interrelationship is maintained with the Company's strategic stakeholders.
- To ensure that stakeholders' trust and confidence is maintained in the Company.

The Roles & Responsibilities of the CEO include

- Serving as Chief Representative of the Company.
- Overseeing the business operations and implementing the policies and strategies recommended and approved by the Board.
- Closely monitor the operating and financial results of the Company against plans and budgets on a consistent basis.
- Ensuring that effective reporting mechanisms exist within the organization to provide feedback at all levels of management.
- Ensuring that the Company complies with all relevant laws and corporate governance principles and that these principles are recommended and adopted by the Board to mitigate key risks.
- Setting the tone in providing ethical leadership and creating an ethical environment.

Decision Taken by the Board & Delegated to Management

The Board meetings of the Company are usually held quarterly to decide the matters requiring the Directors' approval. Further, if a decision on any matter is required on an urgent basis and is not practicable to arrange a meeting, such matters are decided based on a circular resolution, duly signed by each Director, and then presented in the next Board meeting for ratification.

The Board members ensure that they fulfill all responsibilities assigned to them as required under applicable laws and regulations. Moreover, the Board places more attention on strategic investments, business expansion, internal control & risk management, governance, review, and approval of policies.

The Board also delegates its tasks to subcommittees and the management and keeps follow up in Board meetings. The day-to-day operational matters and the task assigned by the Board or its subcommittees are dealt with by the management in consultation with the CEO.

Board Statement To Establish High Level Of Ethics & Compliance In The Company

As a Company committed to upholding the highest standards of ethics and compliance, our Board of Directors affirms its unwavering dedication to integrity and transparency in all our operations. We pledge to adhere to all legal and regulatory requirements while fostering an organizational culture that values honesty, accountability, and ethical conduct. Our commitment extends to ensuring that every employee, partner, and stakeholder operates with the utmost respect for ethical principles, reinforcing our promise to act with fairness and integrity in every aspect of our business. By championing these values, we aim to build trust and sustain long-term success while contributing positively to our community and industry.

Annual Appraisal of the Board's Performance

As per the criteria of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors are required to carry out an annual evaluation of their performance, members of the Board, and its committees.

This year, the evaluation was carried out by the Board of Directors of the Company, and the results were found to be satisfactory. The following major criteria are used to measure the Board's own performance and its committees, including the CEO and the Chairman:

- The Board demonstrates integrity, credibility, trustworthiness, and active participation in its affairs, and has the ability to handle conflict constructively.
- The Board provides guidance and direction, rather than management to the Company.
- The Board reviews management succession planning as needed.
- The level of communication between the Board and relevant parties (i.e., committees, auditors, management and business heads, etc.) is appropriate.
- The Board receives and reviews all compliance needs.
- The Board reviews the adequacy of internal controls and risk management procedures.
- The Board has developed a strategy for the organization that is central to its vision and mission statement.
- The Board reviews that ESG practice are in place and are effective.
- The Board receives signals of potential issues that may adversely affect the Company's key targets or financial performance.
- The Board ensures that professional standards and corporate values are put in place that promotes integrity for the Board, senior management, and employees in the form of the Company's Code of Conduct.

Orientation Courses & Directors' Training Program (DTP)

All of the Directors of the Company have either completed the Director's Certification from authorized institutions in past or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG.

Moreover, during the year, the Company arranged the DTP for one its Head of Department.

The Credibility of Internal Controls & Systems

Enhancing the credibility of internal controls & systems is a value-adding function rather than just a cost center in the business. Control over the internal departments that encompasses the overall operation function of an organization contributes to anticipating and responding effectively to changes in business risk profiles.

We believe in continuous growth & striking innovation therefore; our code of practice is mainly involved to enhance & control internal systems within the Company. Throughout the year a number of professional training programs have been held under the roof of reputed institutions in Pakistan, to improve the overall efficiency & credibility of concerned departments.

Additionally, the Company has an in-house internal audit department that conducts activities throughout the year, with a particular focus on testing internal controls. Independent auditors also perform systems control testing annually as part of their overall external audit.

Related Party Policy

The objective of this policy is to set out the framework for the transactions between the Company and its related parties based on the applicable laws and regulations. As per the policy, the management must ensure that all the necessary details concerning related party transactions must be sent to the Audit Committee and Board of Directors at least seven days prior to the Board meeting and ensure that the following steps must be complied with in order to finalize the review and approval of related party transactions:

- The details of all related party transactions shall be placed before the Audit Committee of the Company, and upon recommendations of the Audit Committee, the same shall be placed before the Board for review and approval.
- The related party transactions which are not executed at arm's length price also be placed separately at each Board meeting along with necessary justification for consideration and approval of the Board on the recommendation of the Audit Committee of the Company.
- The Board of Directors of the Company shall approve the pricing methods for related party transactions that were made on the terms equivalent to those that are prevalent for arm's length transactions, only if such terms can be substantiated. The preferable pricing method for the transaction with a related party shall be the comparable price method.
- Any Board member who has a potential interest in any Related Party Transaction will abstain from voting on the approval or ratification of the said Related Party Transaction but may participate in all or a portion of the Board's discussions of the Related Party Transaction not related to the said Board member if requested by the Chairman of the Board.
- In case the majority of the Directors either directly or indirectly becomes interested in related party transactions due to Group's structure; accordingly, additional approval from shareholders in respect of transactions with a related party shall be obtained at the beginning of each year in the

Annual General Meeting so that the Company can carry its business smoothly.

- The records in respect of transactions with a related party shall be kept minimum for the period of 15 years or such longer time as required by relevant laws and regulations.

The detailed disclosure regarding transactions with related parties, along with basis of relationship and percentage of shareholding has been disclosed in note 38 of the financial statements.

Conflict of Interest Policy

The Company believes in handling actual or perceived conflicts of interest constructively. Conflict of interest is a situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest, professional & public interest.

All employees are directed to avoid situations where there is a possibility of conflict. An inability to conform to these ethical policies may render an individual at risk of disciplinary action, even subsequent dismissal in an instance where a severe breach occurs.

Management of Conflict of Interest

The conflict of interests is managed and monitored in the following ways:

- Instructing employees about managing and avoiding conflict of interest.
- Staying away from any kind of actual and perceived conflict.
- Imparting the conflict to the stakeholders.
- Enforcement of strategies to handle conflict of interest.

Further, the Directors are also reminded periodically to avoid actual, potential, or perceived conflict of interests and to excuse themselves from any discussion on the matter that would give rise to a conflict of interests.

Governance of Risk & Internal Controls

The Board oversees the governance of risk and determine the Company's risk appetite by establishing risk management policies to ensure that the management maintains a sound system of risk identification, risk management, and related systemic and internal controls to safeguard assets, resources, reputation, and interest of the Company and shareholders.

The Company believes that an effective internal control system is essential to achieving an organization's overall business objectives and strategy in the critical areas of operations, reporting, and compliance. Keeping this in view, a system of sound internal controls is established and effectively implemented at all levels within the Company.

Diversity

Diversity is one of the core values of the Company on which we put our strong belief along with the continuous collaboration & communication among the employees, while respecting the differences of the diverse workforce that includes but is not limited to people of varying gender, ethnicity, national origin, caste, creed, age, religion, cultural background, languages, educational background, abilities, and etc.

In the favor of this ethical practice, our Board lays particular emphasis on the fair treatment of employees irrespective of their background and restricts discrimination. Further, the management ensures that the talent hunt programs must reflect that we are an equal opportunity employer in all areas that strives to embrace a work environment constructed on the premise of gender and diversity equity.

The management of the Company has always remained committed to promoting diversity in the workplace and female representation in all departments and has taken several initiatives to progress.

Director's Interest in Significant Contracts & Arrangements

The policy is covered under heading 'Related Party Policy' on (Page: No.104)

Detail of Director's Remuneration

During the year a sum of Rs. 3.25 million (2023: Rs. 2.84 million) has been paid to the non-executive and independent directors for attending the Board meetings.

Further, a fee of Rs. 1.59 million has been earned by the executive director of the Company against his services as non-executive director in other companies.

Security Clearance of Foreign Directors

The Board of the Directors of the Company did not include any foreign Directors.

Details of Board Meetings Outside Pakistan

During the year, no Board meeting was held outside Pakistan.

Human Resource Excellence

In the fast-paced textile industry, our Company stands out for its commitment to Human Resource Excellence. We carefully select and nurture our team, ensuring a blend of talent and dedication across all levels. Our rigorous recruitment process identifies candidates with both technical skills and a drive for growth. Through extensive training and a supportive work environment, we adapt creativity and innovation. The focus on employee well-being and development not only enhances our workforce's capabilities but also drives our success and reputation in the industry.

Through comprehensive training programs, continuous skill enhancement, and a culture of innovation, we empower our employees to push the boundaries of creativity and craftsmanship. Moreover, our strong emphasis on employee well-being, work-life balance, and a supportive work environment fosters a sense of loyalty, companionship, and shared success. As a result, our workforce thrives, fueling our Company's success and reputation in the textile industry. With Human Resource Excellence as our guiding principle, we are poised to conquer new horizons, delivering exceptional products and unrivaled customer satisfaction, now and into the future.

Human Resource Management Policy

The objective of this policy is to lay down salient features of the Company's philosophy concerning its human resource management and its succession planning. As per the policy, the Human Resource department of the Company shall ensure the implementation of the following practices:

- Attract and retain top talent at all levels.
- Performance-based/ Market-based compensation & benefit to be provided to all employees.
- Performance evaluation of all employees shall be carried out periodically.
- Performance should be reviewed against the stated goals / KPIs that have developed over time.
- Succession Plans for all critical positions to be documented and required action has been implemented with highlighted improvement areas.
- To develop the strong skill set and provide development opportunities through cross-functional exposure.

- On job Training & development to be provided to all employees.
- Responsibility matrix should be clearly defined.
- High achievers shall be awarded and recognized.
- Code of Conduct should be disseminated to all employees, and their adherence must be ensured.
- Ensuring Gender Diversity/ Non-Discriminatory work environment.
- Providing a safe, secure, and healthy working environment.
- Encouraging effective & open communication.

Succession Planning

Succession planning is an ongoing process aimed at identifying, evaluating and developing potential employees for future leadership positions within an organization. Its purpose is to attract talented and capable employees who can replace potential bosses in management positions. In this regard, the Human Resources Department appropriately plans recruitment, on-the-job training/ meetings, and leadership development programs to ensure that individuals can easily fill the required roles.

The Company is dedicated to creating a strong Succession Plan to facilitate smooth leadership transitions and ensure organizational stability. By identifying and developing internal talent, we aim to ensure continuity and support our strategic goals. This proactive strategy promotes employee growth and operational excellence, preparing us to effectively address future challenges.

Merit-Based Recruitment

The Company follows a merit-based recruitment policy, ensuring that hiring decisions are made solely on qualifications and performance, without bias. This approach guarantees a fair and transparent selection process, focusing on each candidate's skills and potential in line with the company's recruitment policy.

Performance-Based Appraisal System

We implement a Performance-Based Appraisal System in line with our policy, ensuring evaluations are based on individual performance, achievements, and contributions. This approach promotes fairness and aligns with our commitment to recognizing and rewarding merit.

Promotion, Reward, and Motivation

Our Promotion, Reward, and Motivation process emphasizes merit and performance. Promotions are based on achievements and skills, while rewards include competitive compensation and recognition programs. We also provide professional development opportunities and a supportive environment to keep employees motivated and aligned with our organizational objectives.

Training and Development

The Company's training and development process is designed to enhance employee skills and support career advancement. We offer various targeted training programs and workshops to align individual capabilities with organizational needs. We encourage continuous learning to ensure our workforce remains skilled and adaptable in a dynamic environment.

Gender and Racial Diversity

GTML is committed to effective Diversity, Equity, and Inclusion (DEI) practices, creating a workplace that values diverse perspectives, provides equitable opportunities, and fosters an inclusive culture. We implement measures to ensure our workforce is free from bias, promoting a multicultural and multi-talented environment.

Quota for People with Disabilities

The management is committed to fostering an inclusive workplace and actively supports the employment of people with disabilities through a dedicated quota system. This approach ensures that a specified percentage of our workforce is comprised of individuals with disabilities, reflecting our belief in the value of diversity.

Employee Engagement and Feedback

We prioritize Employee Engagement and Feedback through regular surveys and one-on-one meetings. We actively seek employee input to understand their needs and perspectives, fostering a collaborative work environment. This feedback drives continuous improvement, enhances job satisfaction, and ensures our strategies and policies align with employee expectations and organizational goals.

Employee Engagement Activities

Employee engagement is crucial for the success of a company. Engaged employees are more productive, satisfied, and likely to stay with the organization for the long term. They provide better customer service, contribute innovative ideas, and help build a positive organizational culture. Moreover, engaged employees experience improved well-being and reduced stress levels. Overall, investing in employee engagement initiatives creates a motivated and dedicated workforce, leading to increased productivity, higher retention rates, and a competitive edge in the market. Some planned activities during the year, were:

Independence Day 2023



Celebrating Independence Day in the office is a vibrant and engaging way to honor the nation's history and culture. The day typically begins with a flag-raising ceremony, where employees gather to witness the display of the Pakistani flag and listen to the national anthem. The office is often decorated with green and white adornments, including bunting and balloons, creating a festive atmosphere. Special refreshments featuring sweets and savory items add to the celebratory spirit. Cultural performances, such as traditional music and lesson-based acts conducted by fresh talent, are part of the festivities, offering team members a chance to learn about and appreciate Pakistani heritage. These activities not only foster a sense of community and national pride but also enhance multicultural understanding and camaraderie within the workplace.

Recreational Events – New Year Fiesta



The New Year Fiesta held at the workplace on January 1st was a vibrant celebration, setting a positive tone for the year. The event featured delicious food, festive desserts, and engaging activities, including team-building games and interactive quizzes that reflected on the past year's achievements and future goals. A highlight of the fiesta was a toast to the new year led by senior leaders, followed by a lively gathering for everyone to unwind and celebrate. This blend of delectable food and dynamic activities fostered team spirit and enthusiasm for the year ahead.

Student Facilitation Program



The Company has taken an initiative few years ago and since then playing a significant role in supporting students through Student Facilitation Program, which offers a range of services to assist students in their academic and personal development. The program includes mentorship opportunities, internship and job placement assistance, financial aid programs, networking events, academic support, personal development resources, and collaborations with educational institutions. Through these initiatives, the company aims to create a supportive environment for

students, helping them succeed academically and prepare for their future careers. Some on-going features are;

- Industrial visits (students from different universities & colleges have taken advantage from this facility by witnessing live yarn production cycle, such as ICMA / PAF KIET / IU / Szabist and many more).
- Summer Internship Program (students from all HEC recognized universities have given equal selection opportunity).
- Research Initiatives (capstone projects / thesis & survey analysis / qualitative studies).
- Management Trainee Programs (MTO).

Talent Acquisition & Management



GTML's talent acquisition and management strategy is designed to attract, recruit, and retain top talent by leveraging data-driven insights and innovative practices. This year, the talent acquisition team visited various universities and job fairs, ensuring a diverse pool of potential candidates and expanding the Company's internal database. Offering competitive compensation packages and equal hiring opportunities, GTML prioritizes a fair and inclusive recruitment process.

Furthermore, the Company's student promotion program provides interns and management trainees with valuable experiences, including factory tours, career counseling, and collaboration on university projects. These initiatives not only offer hands-on experience and professional growth opportunities but also strengthen students' professional networks, preparing them for successful careers within the industry.

Training & Awareness Sessions

Under the context of training & development program, the management continuously develop opportunities such as mentorship programs, awareness sessions, and HSE trainings to foster a culture of learning and growth among the employees. These programs not only equip employees with the necessary tools to perform their roles effectively, but also improves employee performance, confidence, satisfaction, and retention, contributing to Company's overall success and competitiveness within the industry. The following details pertain to the initiatives undertaken during FY-24.

Awareness Session on Cardiac Health on World Heart Day



The management hosted a valuable cardiac awareness session to promote heart health among employees. Featuring a cardiologist from Tabba Heart, the session provided insightful information on preventing heart disease, recognizing early symptoms, and adopting heart-healthy lifestyles. It included interactive demonstrations on stress management, nutrition, and physical activity, offering practical well-being tips. This initiative empowered employees with knowledge for informed health decisions and highlighted the Company's commitment to their long-term wellness.

Introductory Awareness Session on Health, Safety, and Environment (HSE)



As a new member of our team, it's crucial to familiarize oneself with our commitment to maintaining a safe

and healthy workplace. This session aims to educate new team members about our commitment to health, safety, and environmental standards. It includes crucial information on safety protocols, emergency procedures, and environmental practices to ensure accident prevention, employee protection, and regulatory compliance, fostering a productive and secure workplace.

GBV Campaign 2023 (Gender Based Violence)



To increase awareness and ultimately eliminate gender-based violence from our communities as part of the GBV Campaign 2023, the Company partnered with UNDP (United Nation Development Programme) under the Gender Equality initiative. Ms. Raiba Ali (Law Associate) conducted an awareness session for female employees at the head office to combat gender-based violence through a comprehensive approach that includes awareness, education, and advocacy.

HR Analytics



A training session based upon the HR Analytics organized by PSTD (Pakistan Society of Training & Development), was attended by our HR management. This training aims to equip HR professionals with the skills needed to analyze and interpret data effectively through efficient utilization of PowerBI.

HSE Trainings



During the year several training sessions were conducted by the HSE team, including the training session on Ethical Trading Initiative (ETI Base Code) - to promote a culture of integrity and accountability among employees in terms of social compliance and address unethical practices, training session on Stress Management to cultivate a healthy and productive environment, First Aid and CPR Training Session to enhance our commitment to a safe and responsive work environment.

WIBCON - 2023



The Company collaborated with PSTD for their flagship event WIBCON-24. It was a full-day learning session for exclusively females with a step-by-step creative process to motivate & empower them for achieving their life goals.

Heimtextil - 2024



Offering professional foreign training to employees is an investment that can yield significant benefits for both the individuals and the organization. The Company's commitment to employee development is reflected in its training vision. This year also, the sales and marketing team was given the opportunity to gain exposure to the latest market trends through a foreign textile exhibition. Our management believes that these types of exhibitions, not only enhance their employees' capabilities but also position the Company as forward-thinking and competitive entity within the global marketplace.

Finance Leader 2.0



The Company employee participated in the 4-day training session organized by the Institute of Chartered Accountants of Pakistan (ICAP). This program aims to revolutionize finance leadership skills with the vision of enabling finance professionals to play a pivotal role in leading the change and preparing them for strategic leadership roles.

Sustainability Trainings



To adopt sustainable practices at the workplace, an awareness session was conducted on Sustainable Development Goals, Agenda 2030 by Mr. Muhammad Imran Moten (CFO). This session aimed to empower employees to incorporate SDGs into their operations, promoting sustainable development and social responsibility.

Further, The Institute of Chartered Accountants of Pakistan (ICAP) organized a specialized training session that GTML encouraged its employees to attend. The program was designed to help key stakeholders gain a thorough understanding of the two new standards from the International Sustainability Standards Board (ISSB), IFRS S1 and IFRS S2, and to assess their potential impact on reporting.

Social & Environmental Responsibility Policy

The purpose of this policy is to set guidelines for the Company's objective to achieve sustainable protection of the environment, people and planet through creating shared values for business and society.

The Company is committed to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and social integration. Our primary focus of social responsibility is to craft business policies that are ethical, equitable, environmentally conscious and gender-sensitive. The Company shall strive to ensure the highest quality for its products and customer services together with maximum market outreach. The Company ensures that all social and environmental dimensions are considered when developing its strategies, policies, practices, and procedures.

Protecting the Environment

In order to protect the environment, the Company shall:

- Meet or exceed the requirements of relevant legislative, regulatory, and environmental standards.
- Identify, reduce, and dispose of waste arising from our operations in a manner that minimizes harm to the environment and prevents pollution of land, air, and water.
- Reduce the consumption of energy and water and use renewable and / or recyclable resources wherever practicable.

Supporting the Communities

Sustainability and community development shall form a part of the core values at Company.

- As a responsible social entity, the Company shall provide support to national and local charities or entities to promote the cultural and economic development of local communities.

- The Company shall ensure community development and uplift the standards of living of the masses through health, education, and environmental interventions.
- The Company shall support the development of quality human resources in the Country by sponsoring scholarship programs at leading universities/schools. Moreover, the Company shall support the provision of facilities/resources to such places of learning.
- The Company shall provide free medical facilities through welfare dispensaries located at plant sites.
- The Company also encourages its employees to share their time and skills in a socially constructive manner for the development of society.

Our People

The Company recognizes that its human resources are its most valuable asset, and it is committed to providing careers and working environments in which its people can achieve their full potential.

- The Company is dedicated to protecting human rights through its "Code of Conduct" and the provision of equal opportunity to potential employees and exercises all fair labor practices.
- The Company shall ensure that its activities do not directly or indirectly violate human rights at any of Company's sites (e.g., forced labor, child labor, etc.). As a policy, the Company does not hire minors as a workforce.
- The Company shall employ differently-abled persons wherever business requirements allow.
- The Company shall make every reasonable and practicable effort to provide safe and healthy working conditions in all its plants, sites, and offices.

Communication with Stakeholders

The Company values and honors the shareholders' inputs; records their concerns, prepositions, and suggestions in minutes and keeps them abreast of the progress and subsequent actions. The Company also developed best practices for effective communication with stakeholders to ensure the improvement of channels between stakeholders, creates and maintains support for the objectives, reduce the potential for conflict, and enhances the overall reputation of the organization ultimately.

Similarly, steps taken to understand & enhance the overall communication with stakeholders are detailed in the stakeholders' engagement section of this report.

Dividend Policy

The dividend policy is covered in Directors' Report on (Page: No. 097)

Investors' Grievance Policy

A grievance is defined as any complaint, problem, or concern of the affected person. This policy's objective is to safeguard and protect investors / shareholders' interests by handling their grievances.

Under the context of investor's grievance policy, our management is committed to ensuring that the investors are handled and resolved efficiently without any discrimination, at an appropriate level within the shortest possible time. The Company's Grievance policy follows the following principles:

- Queries and complaints are treated efficiently, fairly, confidentiality in a courteous manner.
- The Company's employees work in good faith, and investors are informed of avenues to raise their queries and complaints within the organization and their rights if they are not satisfied with the resolution of their complaints.
- Appropriate remedial action is taken immediately to ensure avoidance in the future.

Health & Safety

At the Company, we have a strong commitment to ensuring that our employees work in a healthy and safe environment. When and if the need arises, we have contingency action plans and the capacity to deal with such situations. The HSE department of the

Company has been strengthened over the year by the hiring of thorough professionals, with the main aim to ensure that the Company is compliant with all international standards. This will not only portray a positive image of the Company but will also help in minimizing the calamities. Further, a well-managed dispensary at both the locations is maintained by the Company for the welfare of the employees, to ensure proper health and safety.

Moreover, various security and surveillance cameras have been installed throughout our factory premises and offices, which are regularly monitored by security personnel to address the security concerns (if any). Safety drills are regularly carried out to train and educate employees for emergency situations.

Whistle Blowing Policy

This policy sets out guidelines to encourage individuals if they believe or have discovered malpractice or impropriety in the activities of the Company.

The Company is committed to the highest standards of openness, honesty, and accountability. In line with its commitment, the Company encourages employees and/or third parties (suppliers, customers, dealers, etc.) with serious concerns about any aspect of the Company's work to come forward and blow the whistle. These concerns may include but not be limited to the following:

- Financial malpractice or impropriety or fraud.
- Failure to comply with a legal obligation.
- Disclosure of confidential information within or outside the Company.
- Deviation from full and fair reporting of the Company's financial position.
- Dangers to health and safety or the environment.
- Unlawful civil and criminal activity.
- Improper conduct or unethical behavior.

All reporting shall be handled in a confidential manner. It shall be ensured that the person raising the issue, if not anonymous, is not targeted or penalized for raising the matter in all circumstances. Confidentiality shall be maintained to the fullest extent possible. However, if the person raising the issue has acted with false malicious intent, disciplinary action may be taken against the person.

Records Safety Policy

The Company has implemented stringent controls to ensure that the records maintained are not only in compliance with the standard procedures but are also stored in a way that ensures their safety along with the timely retrieval of data when required.

In order to ensure the safety of records, the Company has adopted the following measures:

- Introduction of the 'paperless environment' initiative in the past under which all the records and relevant documents are being scanned so that they are available electronically, addressing the safety and time-bound concerns of records.
- Implementation of precautionary measures such as fire-extinguishers and fire-resistant measures ensures the security of the Company's sensitive documents.
- Efficient disposal of records and information when it is no longer required under the sustainable development goal of responsible consumption.

During the period the Company has scanned more than 5.4 million documents that have reduced paper consumption, markedly, as the access to print these scanned documents are also controlled.

Details About Board Meetings & its Attendance

Details about Board meetings and its attendance is covered in Directors' Report on (Page: No. 094)

Review by the Board of the Business Continuity or Disaster Recovery Plan

The Board of Directors periodically monitors the Business Continuity and Disaster Recovery of the Company for the smooth functioning of the systems and servers, and for the prevention of any unforeseen adversary. Detailed plan and strategy with regard to BCP / DRP has been presented to the Board. Further, the Board is also involved in continuous monitoring of the risk which the Company is exposed to and the relevant strategies in place to mitigate them.

Shares held by Sponsors / Directors / Executives

The total number of shares held by Sponsors / Directors as of June 30, 2024, are 19,537,471 i.e., 69.70% of the total paid-up capital of the Company. No shares are held by any executives of the Company. The breakup is as follows:

Name	No of Shares	% of Shareholding
Mr. Muhammad Ali Tabba	3,173	0.01%
Mr. Muhammad Sohail Tabba	4,744	0.02%
Mr. Imran Yunus Tabba	4,744	0.02%
Mr. Jawed Yunus Tabba	4,744	0.02%
Ms. Zulekha Tabba Maskaitya	3,673	0.01%
Mr. Muhammad Hassan Tabba	500	0.00%
Syed Muhammad Shabbar Zaidi	500	0.00%
Mr. Moin M. Fudda	500	0.00%
Ms. Rahila Aleem	3,673	0.01%
Ms. Mariam Tabba Khan	3,673	0.01%
Ms. Khairunnisa	460	0.00%
Ms. Kulsum	7,346	0.03%
Y.B. Holdings (Private) Limited	19,499,741	69.57%
Total	19,537,471	69.70%

Review Report on the Statement of Compliance

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

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GADOON TEXTILE MILLS LIMITED

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 Gadoon Textile Mills Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of Regulation 36 of the Regulations.

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

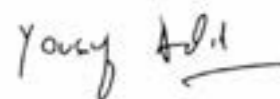
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control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

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

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

Further, we highlighted below instances of non-compliance with the requirements (non-mandatory) of the Regulations as reflected in the note / paragraph referred below where these are stated in the Statement of Compliance.

S.No	Paragraph reference	Description
I	5	Election of directors was not held during the year as it was not due.
II	19	The Company plans to arrange training for the female executive in next financial year.
II	29 & 30	Non-constitution of Nomination Committee and Risk Management Committee.
IV	10A	The requirement introduced relating to Environmental, Social & Governance matters by the SECP will be complied with in due course.



Chartered Accountants

Place: Karachi
Date: August 22, 2024
UDIN: CR202410099PVfLp0qFN

Statement of Compliance with CCG 2019

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

Name of Company: Gadoon Textile Mills Limited (the Company)
Year ended: June 30, 2024

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the CCG Regulations") in the following manner:

- The total number of Directors are Eight including the Chief Executive as a deemed Director as per the following:
 - Male: 7
 - Female: 1

- The composition of the Board is as follows:

Category	Names
a) Independent directors	Syed Muhammad Shabbar Zaidi Mr. Moin M. Fudda
b) Non-executive directors	Mr. Muhammad Ali Tabba (Chairman) Mr. Imran Yunus Tabba Mr. Jawed Yunus Tabba Mr. Muhammad Hassan Tabba
c) Executive director	Mr. Muhammad Sohail Tabba (CEO)
d) Female non-executive director	Ms. Zulekha Tabba Maskatiya

The independent director meets the criteria of independence under the Companies Act, 2017 ("the Act").

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- The Company has prepared a code of conduct to safeguard the rights and well-being of employees and for protection against harassment at the workplace and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- All the Directors have either completed the Director's Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG. Further, during the year the Company has arranged the Directors Training Program for one of its Head of Department to cater the non-mandatory requirement of Clause 19(3) of the CCG Regulation;
- There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the Board and complied with relevant requirements of the Regulations;
- Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

Committee	Name of members and Chairman
a) Audit Committee	Syed Muhammad Shabbar Zaidi (Chairman) Mr. Moin M. Fudda Mr. Muhammad Ali Tabba Mr. Jawed Yunus Tabba
b) HR and Remuneration Committee	Mr. Moin M. Fudda (Chairman) Mr. Jawed Yunus Tabba Ms. Zulekha Tabba Maskatiya

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 committees were as per following:

Committee	Frequency of meetings
a) Audit Committee	Quarterly
b) HR and Remuneration Committee	Annually

15. The Board has set up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan ("ICAP") and registered with Audit Oversight Board of Pakistan ("AOBP"), that they and all their partners are in compliance with International Federation of Accountants ("IFAC") guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. The board is aware of both current and emerging sustainability / ESG related risks and opportunities, and it consistently monitors and oversees the organization's progress in achieving its set goals in these areas;

19. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the CCG Regulations have been complied with;

20. Regulation 6 (1) of the CCG Regulations stipulates that it is mandatory for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. In a Board comprising 7 members, one-third works out to 2.66. The fraction contained in such one-third is not rounded up as one as the Company has enough experienced and well reputed Independent Directors on the Board who perform and carry out their responsibilities diligently; and

21. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No	Non-Mandatory Requirements	Explanation	Regulation No.
1	Representation of Minority shareholders: The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No Election of Directors was held during the year as it was not due.	5
2	Directors' Training: Requirement to arrange training for at least one female executive every year from year July 2020:	The Company plans to arrange training for the female executive in next financial year. The Company further plans to enhance the gender diversity through increasing the female representation at executive position for an inclusive and equitable organizational culture.	19(3)
3	Nomination Committee:	The Board itself takes care of the responsibilities as prescribed for the nomination committee.	29(1)
4	Risk Management Committee:	The Board itself takes care of the responsibilities as prescribed for the Risk Management Committee.	30(1)
5	Environmental, Social and Governance (ESG) matters: The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee having at least one female director.	At present the Board provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by the SECP through notification dated June 12, 2024 will be complied with in due course.	10A(5)



Muhammad Ali Tabba
Chairman
Karachi: August 6, 2024



Muhammad Sohail Tabba
Chief Executive Officer

Board Committees

Audit Committee

- 1) Syed Muhammad Shabbar Zaidi (Chairman)
- 2) Mr. Moin M. Fudda
- 3) Mr. Muhammad Ali Tabba
- 4) Mr. Jawed Yunus Tabba

The Audit Committee comprises of four members including its chairman. All members are Non-Executive Directors, while chairman and one member of Committee are Independent Directors.

The committee held four meetings during the year. The attendance of each member is disclosed in the "Directors' Report".

I. Terms of Reference

The terms of reference of the Audit Committee includes the following:

- a) Determination of appropriate measures to safeguard the company's assets;
- b) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - Going concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards;
 - Compliance with these regulations and other statutory and regulatory requirements; and
 - All related party transactions;
- c) Review of preliminary announcements of results prior to external communication and publication;
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and management's response thereto;
- f) Ensuring coordination between the internal and external auditors of the Company;

- g) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) Determination of compliance with relevant statutory requirements;
- m) Monitoring compliance with applicable Code of Corporate Governance Regulations and identification of significant violations thereof;
- n) Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof; and
- p) Consideration of any other issue or matter as may be assigned by the Board of Directors.

II. Review of Terms of Reference

The terms of reference of the Committee may be revised and modified from time to time with the approval of the Board; either when it is required by any change in law / Code of Corporate Governance or there is any need to do so.

III. Members of the Committee

The Board Audit Committee shall be constituted of at least three Members comprising of non-executive directors of which at least one shall be an independent director. The Chairman of the Committee shall be an independent director, who shall not be the Chairman of the Board. The Board shall satisfy itself such that at least one Member of the Board Audit Committee qualifies as 'financially literate'.

IV. Secretary

The Chief Internal Auditor shall be the Secretary of the Board Audit Committee.

V. Quorum

The quorum for the transaction of any business of the Committee shall be of two Members.

VI. Meetings

The Committee shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the Company by its Board of Directors and after completion of external audit.

A meeting of the Board Audit Committee shall also be held, if requested by the external auditors, the Chief Internal Auditor or to discuss any specific agenda as desired by the Members of the Committee.

VII. Notice of Meetings

The notice of the meeting confirming the venue, time, date and agenda shall be sent to each Committee Member at preferably seven days prior to the date of the meeting but not later than three days before the meeting.

In case of urgency / emergency, notice period may be reduced or waived.

VIII. Minutes

The secretary shall circulate minutes of meetings of the Board Audit Committee to all Members, Directors and the CFO prior to the next meeting of the Board and where this is not practicable, the Chairman of the Board Audit Committee shall communicate a synopsis of the proceedings to the Board and the minutes shall be circulated along with the minutes of the meeting of the Board.

Human Resource & Remuneration Committee

- 1) Mr. Moin M. Fudda (Chairman)
- 2) Mr. Jawed Yunus Tabba
- 3) Ms. Zulekha Tabba Masketiya

The Human Resource and Remuneration (HR&R) Committee comprises of three members. The Chairman of the Committee is an independent Director. The Committee held one meeting during the year.

I. Terms of Reference

- a) Provide strategic guidelines for the overall governance of Human Resource processes within the Company. Review, oversee and evaluate the Compensation strategy implemented within the Company, approve the head count, review the annual performance appraisal, training and development and succession planning processes implemented across the Company;
- b) Approve any study/survey relevant to Human Resources to be undertaken in order to benchmark / obtain reliable data to assist the Board Human Resources Committee in discharging its duties;
- c) To provide guidelines to the operational management of Human Resources with respect to hiring of resources, including permanent, third party, management trainees and interns;
- d) Recommended to the Board for consideration and approval a policy framework for determining remuneration of Directors and senior management preferably taking into consideration that such remuneration commensurate with the performance of the Company and evaluation of Board and management (as applicable). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;
- e) Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' report disclosing name, qualifications and major terms of appointment;

- f) Recommending human resource management policies to the Board;
- g) Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- h) Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer;
- i) Where human resource and remuneration consultants are appointed, they shall disclose to the Committee their credentials and as to whether they have any other connection with the Company; and
- j) Reviewing the audit observations, if any, raised by the internal and external auditors of the Company relating to the HR function.

II. Review of Terms of Reference

The terms of reference of the Committee may be revised and modified with the approval of the Board.

III. Members of the Committee

The Human Resource and Remuneration Committee shall be constituted of at least three Members comprising a majority of non-executive Directors of which at least one shall be an independent Director. The Chairman of the Committee shall be an independent Director. The CEO may be included as a Member of the Committee but not as the Chairman of Committee. The CEO, if Member of the Committee shall not participate in the proceedings of the Committee on matters that directly relate to his performance and compensation.

IV. Secretary

The Head of Human Resources shall be the Secretary of the Board Human Resources Committee.

V. Quorum

The quorum for the transaction of any business shall be of two Members.

VI. Meetings

The Committee shall meet at-least once in a financial year and at such other times as the Chairman of the Committee may deem necessary.

VII. Notice of Meetings

The notice of the meeting confirming the venue, time, date and agenda shall be sent to each Committee Member at preferably seven days prior to the date of the meeting but not later than three days before the meeting.

In case of urgency / emergency, notice period may be reduced or waived.

VIII. Minutes

The Secretary shall minute the proceedings of the meeting and circulate to all the Members of the Committee within fourteen days from the date of meeting.

Budget Committee

- 1) Mr. Muhammad Ali Tabba (Chairman)
- 2) Mr. Muhammad Sohail Tabba
- 3) Mr. Jawed Yunus Tabba
- 4) Syed Muhammad Shabbar Zaidi

I. Terms of Reference

- a) To review and analyze the operational plans and annual budgets for revenues, expenses and capital expenditures as prepared by the management, according to specified parameters, suggest any revisions and recommend before Board's consideration / approval;
- b) To recommend budget for Board's approval;
- c) To review budget variance on periodic basis; and
- d) To recommend any matter of significance in relation to budget to the Board of Directors.

II. Review of Terms of Reference

The terms of reference of the Committee may be revised and modified with the approval of the Board.

III. Members of the Committee

The Budget Committee shall be constituted of at least three Members, majority of which shall be non-executive Directors. The Chairman of the Committee shall be a non-executive Director.

IV. Secretary

The Company Secretary shall be the secretary of the Budget Committee.

V. Quorum

The quorum for the transaction of any business shall be of two Members.

VI. Meetings

The Committee shall meet at least once in a financial year and at such other times as the Chairman of the Committee may deem necessary.

VII. Notice of Meetings

The notice of the meeting confirming the venue, time, date and agenda shall be sent to each Committee Member at preferably seven days prior to the date of the meeting but not later than three days before the meeting.

In case of urgency / emergency, notice period may be reduced or waived.

VIII. Minutes

The Secretary shall minute the proceedings of the meeting and circulate to all the Members of the Committee within fourteen days from the date of meeting.

Report of Audit Committee

The Audit Committee of Gadoon Textile Mills Limited (the Company), composed of four members including the Chairman, consists entirely of Non-Executive Directors, with the Chairman and one member being Independent Directors. All Committee members possess significant economic, financial, and business expertise, and all Directors are financially literate.

The Audit Committee has concluded its annual review of the Company's conduct and operations for the financial year ended June 30, 2024, and hereby reports the following:

Compliance with Regulations

The Company has complied with the mandatory requirements specified under 'The Listed Companies (Code of Corporate Governance) Regulations, 2019' (Regulations) as well as other statutory and regulatory obligations.

Statement of Compliance

The Company has issued a Statement of Compliance with the Regulations, which has been reviewed and certified by the external auditors of the Company.

Code of Conduct

The Company's Code of Conduct has been effectively communicated across the organization.

Accounting Policies and Disclosure

The Company has consistently applied appropriate accounting policies, and any changes have been appropriately disclosed in the financial statements, which present a fair representation of the Company's financial position, results of operations, cash flows, and changes in equity for the year under review.

Accounting Estimates and Records

Accounting estimates have been made based on reasonable and prudent judgment. The Company has maintained proper and adequate accounting records in accordance with applicable laws, and its financial reporting is consistent with management processes and sufficient to meet the needs of shareholders.

Financial Statements

The financial statements for the year ended June 30, 2024, have been prepared on a going concern basis in accordance with approved accounting standards applicable in Pakistan. The approved accounting standards comprise International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and notified under the Companies Act, 2017 (the Act), and the Act's provisions and directives. In case of any conflicts, the provisions of or directives under the Act take precedence.

Review of Financial Statements

The Audit Committee has reviewed the quarterly, half-yearly, and annual financial statements of the Company and recommended them for approval by the Board of Directors. Additionally, it has reviewed preliminary announcements of results prior to publication.

Attendance of CEO and CFO

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) attended Audit Committee meetings by invitation.

Endorsement of Financial Statements

The CEO and CFO have duly endorsed the Company's financial statements, acknowledging their responsibility for a true and fair presentation in accordance with approved accounting standards applicable in Pakistan.

Fair and Understandable Annual Report

The Committee has reviewed the Annual Report and confirms that it provides a fair, balanced, and understandable representation of the Company. The Annual Report discloses information necessary for shareholders to assess the Company's position, performance, business model, and strategy.

Related Party Transactions

The Committee has reviewed all related party transactions conducted during the year, which were subsequently approved by the Board.

Reporting Mechanism and Allegations

The Committee regularly reviews the mechanism for employees and management to report concerns to the Audit Committee, ensuring that any allegations are taken seriously. No such incidents were reported to the Audit Committee during the year.

Evaluation of Committees and Members

The Board carries out an annual evaluation of its committees and their members. The results of the evaluation conducted were found to be satisfactory.

Internal Audit And Risk Management

Role of Internal Audit

The Internal Audit function plays a vital role in enhancing the overall control environment of the Company.

Independent Audits

The Internal Audit Department conducted independent audits in accordance with an internal audit plan and reported functionally to the Audit Committee.

Chief Internal Auditor (CIA)

The CIA attended Audit Committee meetings and also served as the Secretary to the Audit Committee.

Access to Chairman and Staffing

The CIA has direct access to the Chairman of the Audit Committee, and the Committee has ensured the presence of personnel with sufficient internal audit expertise.

Review of Internal Audit Reports

The Audit Committee reviewed the internal audit reports presented by the CIA, which encompass audit findings, opportunities for process improvement, control weaknesses, and recommendations. A risk rating system based on likelihood and impact was utilized, resulting in the assignment of high to low-risk ratings.

Internal Control and Risk Management Systems

The Company's internal control systems, including financial and operational controls, accounting systems, and reporting structure, are designed to manage and mitigate the risk of not achieving business objectives. However, these systems can only provide reasonable assurance, not absolute certainty, against material misstatement or loss. The Committee has determined that the risk management and internal control systems are adequate and effective.

External Audit

Access to External Auditors

The Audit Committee granted direct access to the External Auditors.

Key Audit Matters and Management Letter

The Audit Committee reviewed and discussed Key Audit Matter and observations with the external auditors. The Management Letter, as required by the Regulations, will be submitted within 45 days of the date of the Auditors' Report on the financial statements and will be discussed in the next Audit Committee meeting.

Retiring External Auditors

The external auditors, M/s. Yousuf Adil Chartered Accountants have been engaged as the Company's external auditors since 2005. They have completed their audit assignment and review of the Statement of Compliance with the Regulations and will retire upon the conclusion of the 37th Annual General Meeting.

Reappointment of Auditors

Being eligible for reappointment as Auditors of the Company, the Audit Committee recommends the appointment of M/s. Yousuf Adil Chartered Accountants as the external auditors of the Company for the year ending June 30, 2025.



Syed Muhammad Shabbar Zaidi
Chairman Board Audit Committee
Place: Karachi
Date: August 6, 2024

Status of Whistle Blowing Mechanism

During the FY-2024, no whistle blowing incidents were reported to the Audit Committee which is indicative a strong governance and sound ethical practices.

Attendance in Annual General Meeting

Syed Muhammad Shabbar Zaidi (the Chairman of the Audit Committee) attended the Annual General Meeting of the Company for the year 2023 held on Tuesday, September 26, 2023 to answer shareholders' concerns / questions / queries, if any, on the audit committee's scope, roles, and responsibilities. During the meeting, no significant issues were raised.

Enterprise Resource Planning (ERP)

In our steadfast dedication to operational efficiency and financial growth, the Company is excited to announce the launch of an in-house Enterprise Resource Planning (ERP) system. This groundbreaking project, now completed and deployed in its initial version, is set to revolutionize our systems, transforming how we manage resources, make decisions, and optimize processes.

As we look forward to the next fiscal year, our IT management team is enthusiastic about advancing the capabilities of our newly deployed ERP system. The focus will be on refining and expanding the system to enhance its functionality and user experience. Plans include integrating additional modules to support a wider range of business processes, improving data analytics capabilities, and ensuring seamless connectivity across departments. This development phase is designed to provide deeper insights and more efficient workflows, ultimately aligning with our strategic goals and fostering innovation. The team remains dedicated to continuously evolving the ERP system, ensuring it serves as a powerful tool for resource management and informed decision-making.

Revenue Enhancement

The integration of sales, customer relationship management, and financial data within the ERP system holds the potential to analyze revenue cycle with more accuracy. A more holistic view of our operations will empower the Company to cater to customer preferences more effectively and seize new market opportunities.

Enhanced Financial Planning

With advanced forecasting and analytics capabilities, the ERP system will be providing a free hand to make financial decisions in an effective manner. Further, this foresight will result in more accurate budgeting, improved resource allocation, and a greater ability to adapt to evolving market conditions.

Streamlined Accounting

The ERP system will replace various manual processes with automated workflows. This will lead to faster and more accurate financial data recording, reducing the risk of errors and expediting financial reporting.

Real-time Insights

The ERP system's real-time data availability will equip our decision-makers with timely insights into financial performance. This swift availability of essential information will enable us to respond quickly to shifting market dynamics and guarantee our proactive stance in staying ahead of industry trends.

Integrated Inventory and Supply Chain Management

The ERP system's integrated approach to inventory and supply chain management will optimize the Company's overall operations. Through better demand forecasting and supply chain coordination, the management anticipate improved efficiency and reduced costs.

Management Support in the Effective Implementation

Effective implementation and continuous updating of an ERP system requires strong management support, which plays a crucial role in ensuring the system aligns with the Company's strategic goals. By supporting the effective implementation, management ensures that the system is consistently updated to meet evolving business needs, thereby enhancing operational efficiency, improving decision-making processes, and maintaining a competitive edge in the market.

ERP User Trainings

ERP training ensures that end-users are confident and competent in using the ERP system, because well-trained users can quickly adapt to new workflows and functionalities. To support this approach, the management tailored comprehensive training sessions to various user roles, ensuring that employees at all

levels can effectively utilize the ERP system. This training includes hands-on workshops, interactive tutorials, and practical scenario to increase the overall operational efficiency.

Managing Risk Factors in ERP System

The Company manages risks related to ERP projects by implementing a comprehensive risk management strategy that involves identifying, assessing, and mitigating potential risks throughout the project lifecycle. The main risks associated with the overall ERP project were:

- Application complexity.
- Lack of user experience.
- Lack of role clarity / role definitions of employees on the project.
- System credibility & employee satisfaction level.

By allocating sufficient time and resources on the above risk factors, the management ensures that ERP projects stay on track and achieve their desired outcomes accordingly.

System Security, & Segregation of Duties

Segregation of duties is a fundamental principle of internal controls and system security that ensures that roles are defined in a way that only specific individuals have complete control over critical or sensitive data. The company's management implements segregation of duties through a comprehensive approach that involves regular audits, advanced monitoring tools, and strict access controls. This approach is enforced to minimize the risk of fraud or errors by dividing responsibilities among different individuals or departments, preventing any single person from having unchecked control over key processes.

Impact of Government Policies on Business

The discussion on government policies and their impact on the Company's performance has been outlined in the section "Overview", "Economic Prospect", "Principal Risks and Uncertainty", and "Future Outlook" of the Directors' Report.

Company's Contribution to National Exchequer & Economy

During the year the Company has contributed Rs. 9,071 million in terms of duties, taxes and levies to the government authorities. Further, the Company was able to increase its export sales by 23% in USD term, with corresponding decrease in import by 33% in USD term, thereby adding positively to the foreign reserves. The Company was also able to increase its overall sales by 25% thereby adding to the overall economic growth.

Hues of Performance

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Analysis of Financial and Non-Financial Performance

Financial Performance

a) Financial Performance in comparison with Prior year

During the year the Company has managed to post a hefty net revenue of Rs. 72.72 billion (highest ever achieved by the Company since start of its operations) as compared to Rs. 57.99 billion for the Same Period Last Year (SPLY) with an increase of 25.39%, on account of increase in sales volume and price. However, the gross profit margins reduced from 10.63% in SPLY to 6.90%, with the net profit of Rs. 794 million in this year as compared to Rs. 3.29 billion in the SPLY, mainly on account of high power and finance costs.

The detailed analysis of the Company's performance in comparison to the previous year has been reported in the 'Financial Results' section of Directors' Report. Further details can also be viewed in the section Horizontal/Vertical Analysis of this Annual Report

b) Financial Performance in comparison with Budget

The management has a practice of making yearly budgets and monitoring the performance against the same. Deviation, if any, is bifurcated into controllable and non-controllable factors in order to assess the effectiveness of teams responsible for setting the budget. For controllable factors, timely corrective actions are taken. For non-controllable factors, risk management policies are considered, and strategies are designed to minimize its negative effect.

The Company's sales number were almost in line with the budgeted numbers. However, the profitability gets distorted than budgeted mainly on account of higher than expected increase in power cost (on account of significant surge in gas tariffs) and the finance costs.

Key Performance Indicators

Key Performance Indicators (KPIs) are the measurable values that determine the effectiveness and efficiency of achievement of the key business objectives. The Company has used the KPIs to evaluate the success of the business on reaching the targets. The evaluation of GTML's business functions KPIs and to measure the achievements against its objectives has been detailed below:

Revenue Rs. in million 72,724 ₂₀₂₄ 57,997 ₂₀₂₃ % change 25.39%	Operating Profit Rs. in million 5,363 ₂₀₂₄ 6,931 ₂₀₂₃ % change (22.62%)
Profit Before Tax Rs. in million 1,389 ₂₀₂₄ 4,782 ₂₀₂₃ % change (70.96%)	Profit After Tax Rs. in million 795 ₂₀₂₄ 3,292 ₂₀₂₃ % change (75.86%)
EBITDA Rs. in million 7,517 ₂₀₂₄ 8,136 ₂₀₂₃ % change (7.61%)	EBITDA in % of sales 10.34% ₂₀₂₄ 14.03% ₂₀₂₃ % change (26.32%)
Equity Rs. in million 21,498 ₂₀₂₄ 20,691 ₂₀₂₃ % change 3.90%	Return on Capital Employed in % 18.10% ₂₀₂₄ 25.65% ₂₀₂₃ % change (29.45%)
Return on Fixed Assets in % 3.47% ₂₀₂₄ 20.41% ₂₀₂₃ % change (83.00%)	Earnings Per Share Rupees 28.35 ₂₀₂₄ 117.44 ₂₀₂₃ % change (75.86%)
Market Capitalization Rs. in million 4,874 ₂₀₂₄ 6,824 ₂₀₂₃ % change (28.57%)	Net Cash from Operating Activity Rs. in million 4,998 ₂₀₂₄ (3,139) ₂₀₂₃ % change 259.21%
Capital Expenditure Rs. in million 5,266 ₂₀₂₄ 11,501 ₂₀₂₃ % change (54.21%)	SoP from Associates Rs. in million 1,429 ₂₀₂₄ 1,690 ₂₀₂₃ % change (15.42%)

Non-Financial Indicators

Capital Form	Objectives	KPI Monitored
Manufactured Capital	Implementation of innovative technology and effective techniques.	Reduction in defect ratio by adopting latest and sustainable techniques to ensure total quality management.
	Sustain industry leadership.	Significant CAPEX made during the year in technologically advanced machines.
Human Capital	Provide a safe and healthy working environment for our employees.	Implementation of organizational safety programs, especially w.r.t. increased number of HSE training session and safety drills.
Natural Capital	Encouraging best customs to support environmental sustainability.	Participated in environmental sustainability activities, including tree plantation. Further also ensured efficient use of sustainable raw material for manufacturing yarn and efficient use of gas for power generation. Further also invested in Solar Plant of 10 MW till date and agreement for further 7 MW has been executed.
Social and Relationship Capital	Contribute effectively as a corporate entity.	Active participation in events and activities for creating a corporate image and building a sense of shared values and mutual respect.
Intellectual Capital	Achieve overall business synergies by maintaining operational efficiencies.	Operational efficiencies of the Company are maintained by utilizing the strength of high profile and skilled employees and along with the upgradation of IT system. During the year new in house ERP has been developed, which will result in efficiency, better decision making, cost saving and enhance collaboration.

Budget

In addition to setting budgets for its financial indicators, the Company also places emphasis on its non-financial indicators and accordingly has allocated budget for the development of its manufactured / human / social / relationship capital for the upcoming year.

The management continuously monitors the above mentioned KPIs and significant variations from the previous year are investigated for corrective actions to be taken. Further, these KPIs are reviewed by the Board on a quarterly basis. The management anticipates these KPIs to be relevant in the future as well in order to assess the Company's performance.

Methods and Assumptions used in compiling the indicators

The Company uses different sets of methods and assumptions while compiling its financial and non-financial indicators. For compiling non-financial indicators, the Company considers its market positioning, competitor's strengths, employee's capabilities, working environment, and technological advancements.

For financial indicators, the Company analyzes sales, gross profit, profit after tax, EPS, DPS, and market value of its share on a regular basis to gauge its performance.

The comparison of profit after tax to sales depicts how much the Company is able to retain the distributable profit for the provider of equity in comparison to its sales.

The dividend payment indicates that how much the Company wants to retain the amount from the distributable profits of shareholders for future business expansion / growth.

The Company also analyses the market price of share with its book value to evaluate investors' confidence in the script.

In addition, the Company also actively monitors cash flow from operating activities and access to its liquidity position and working capital requirements.

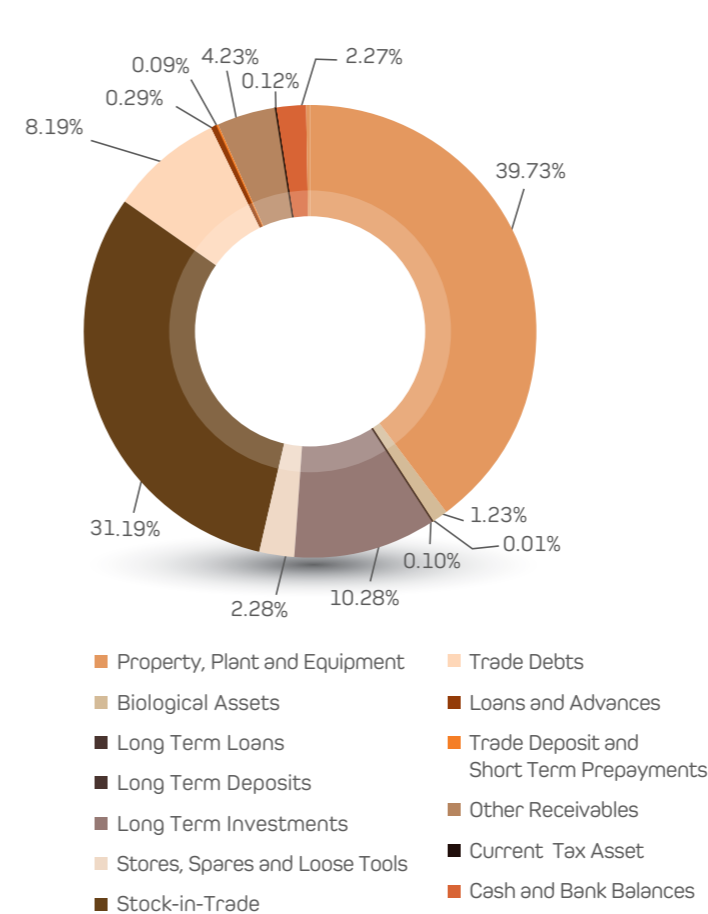
Six Years at a Glance

	2024	2023	2022	2021	2020	2019
(Rupees In '000)						
Assets Employed						
Property, Plant and Equipment	24,563,610	21,242,834	11,016,751	10,253,638	10,165,007	9,870,359
Biological Assets	761,358	753,053	365,430	208,396	190,214	129,665
Long Term Loans, Deposits And Deferred Costs	72,339	77,080	80,888	62,526	69,137	72,804
Long Term Advances	-	-	-	-	-	-
Current Assets	30,076,820	31,755,061	25,146,885	17,131,011	17,258,436	14,342,045
Long Term Investments	6,357,687	5,497,655	4,233,555	3,570,625	3,150,556	2,890,606
Total Assets Employed	61,831,814	59,325,683	40,843,509	31,226,196	30,833,350	27,305,479
Equity and Liabilities						
Shareholders' Equity	21,498,298	20,691,202	18,003,149	12,610,075	9,084,358	9,209,433
Long Term Finance	5,887,345	9,431,586	4,008,570	3,906,240	3,526,689	2,622,363
Deferred Government Grant	140,159	180,342	186,528	144,078	-	-
Current Portion of Long Term Finance	679,913	666,994	763,011	735,143	68,092	52,728
Current Portion of Deferred Government Grant	40,132	54,879	56,327	54,077	-	-
	6,747,549	10,333,801	5,014,436	4,839,538	3,594,781	2,675,091
Retirement Benefit Obligation	1,205,342	1,008,944	820,993	714,068	629,205	562,984
Deferred Tax Liabilities	944,968	1,415,003	756,100	780,817	810,001	890,390
Current Liabilities	32,155,702	26,598,606	17,068,169	13,070,918	16,783,097	14,020,309
Current Portion of Long Term Finance	(720,045)	(721,873)	(819,338)	(789,220)	(68,092)	(52,728)
	31,435,657	25,876,733	16,248,831	12,281,698	16,715,005	13,967,581
Total Equity and Liabilities	61,831,814	59,325,683	40,843,509	31,226,196	30,833,350	27,305,479
Turnover and Profit						
Turnover	72,723,982	57,997,240	54,828,147	41,009,841	28,986,781	31,217,479
Gross Profit	5,017,444	6,167,845	8,340,757	4,975,580	2,241,286	2,892,723
Operating Profit	5,363,124	6,930,913	7,464,287	4,657,161	1,246,797	2,768,530
Profit/(Loss) Before Taxation	1,388,904	4,782,283	6,918,066	4,026,100	337,717	1,668,457
Profit/(Loss) After Taxation	794,548	3,291,867	5,713,572	3,534,101	45,499	1,186,102
Cash Dividend	-	-	560,592	336,355	-	238,251
Earnings Per Share (PKR)	28.35	117.44	203.84	126.08	1.62	42.32
Book Value Per Share (PKR)	766.99	738.19	642.29	449.88	324.10	328.56

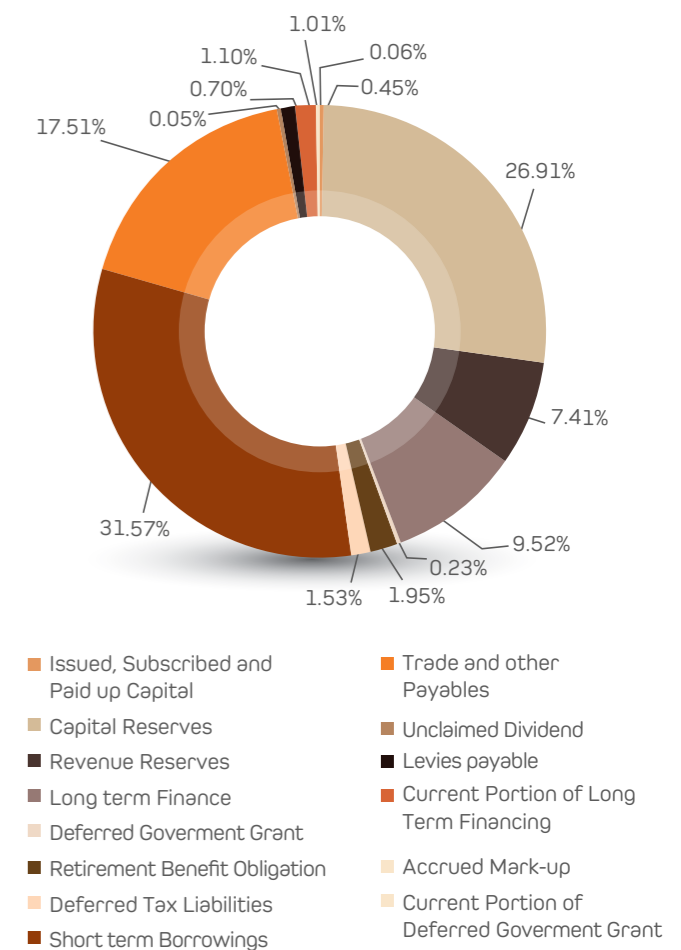
Graphical Presentation

statement of financial position and profit or loss for the year June 30, 2024

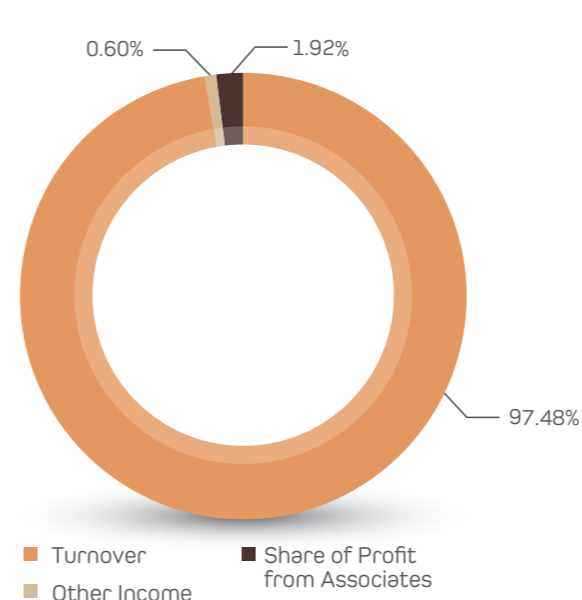
Total Assets



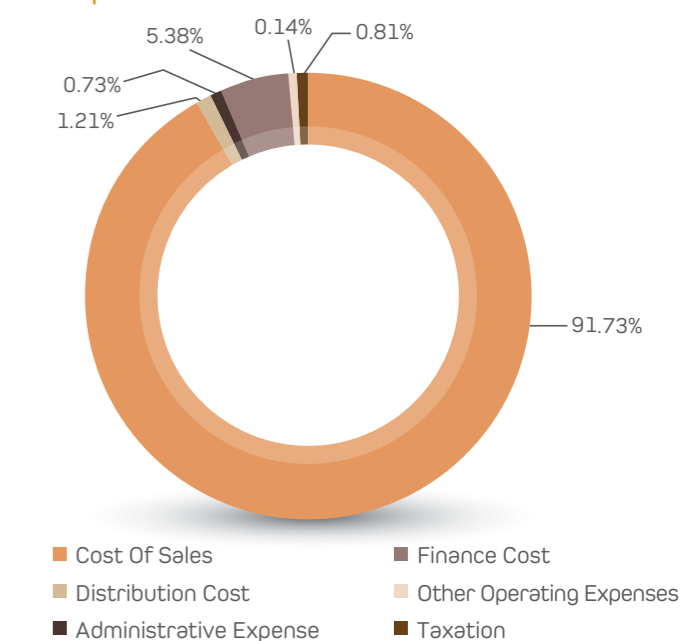
Total Equity and Liabilities



Income



Expense

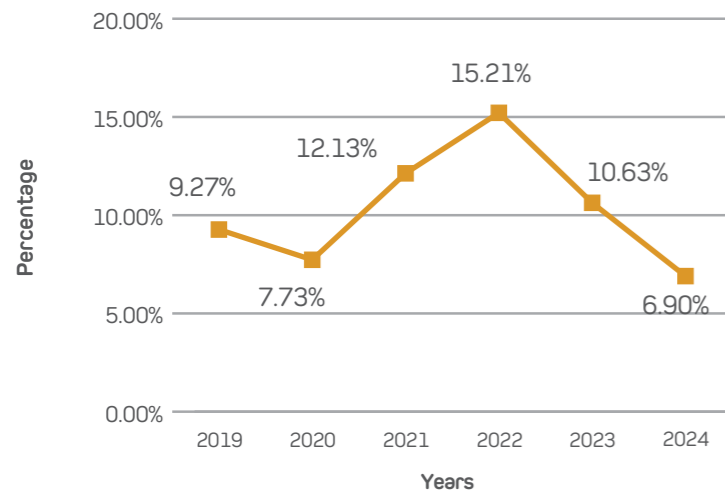


Financial Ratios

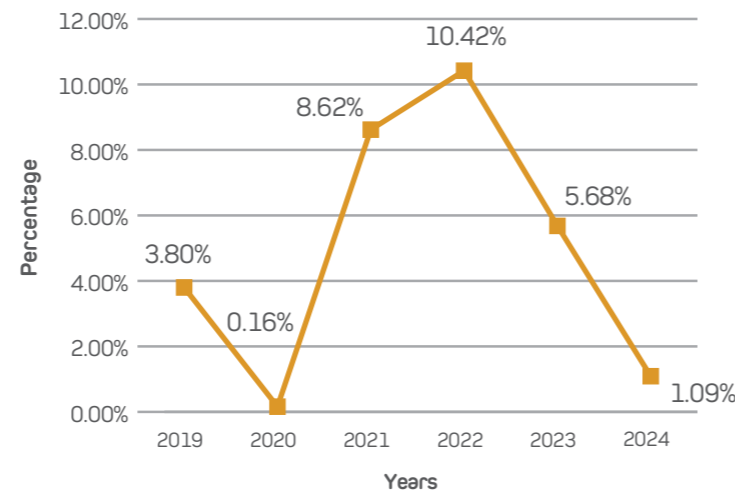
Profitability Ratios

	UoM	2024	2023	2022	2021	2020	2019
GP to Sales	Percentage	6.90%	10.63%	15.21%	12.13%	7.73%	9.27%
PAT to Sales	Percentage	1.09%	5.68%	10.42%	8.62%	0.16%	3.80%
EBITDA to Sales	Percentage	10.34%	14.03%	15.54%	13.75%	7.80%	11.41%
EBDA to Sales	Percentage	4.05%	7.75%	12.35%	11.02%	3.66%	6.35%
Operating Leverage	Times	(0.89)	(1.24)	1.79	6.59	7.69	2.65
Return on Equity After Tax	Percentage	3.77%	17.01%	37.33%	32.58%	0.50%	13.62%
Return on Capital Employed	Percentage	18.10%	25.65%	36.89%	30.92%	10.15%	26.76%
Return on Fixed Assets	Percentage	3.47%	20.41%	53.72%	34.62%	0.45%	13.43%
Total Shareholders Return	Percentage	(28.57%)	(9.83%)	12.20%	69.56%	15.30%	(41.73%)
Return on Investment	Percentage	283.47%	1,174.43%	2,038.41%	1,260.85%	16.23%	423.16%

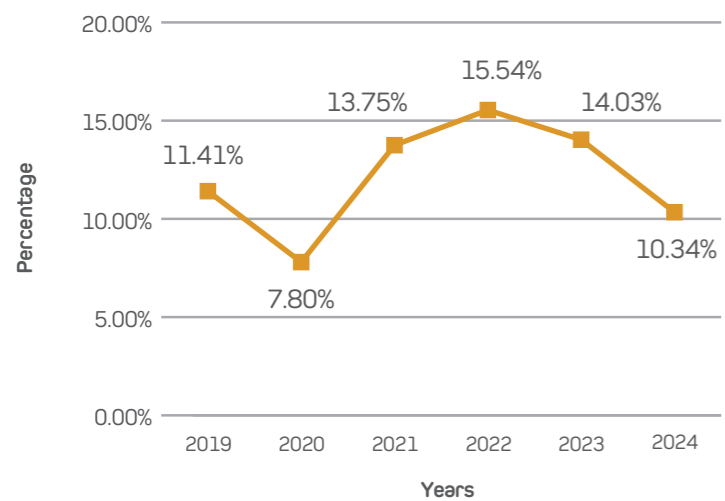
GP to Sales



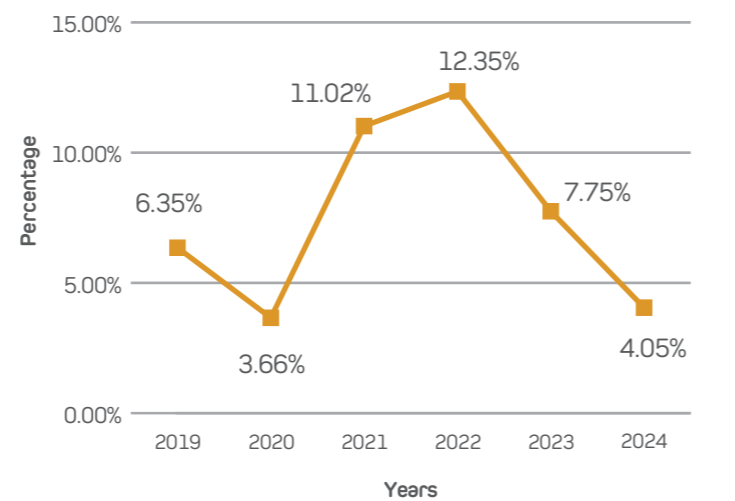
PAT to Sales



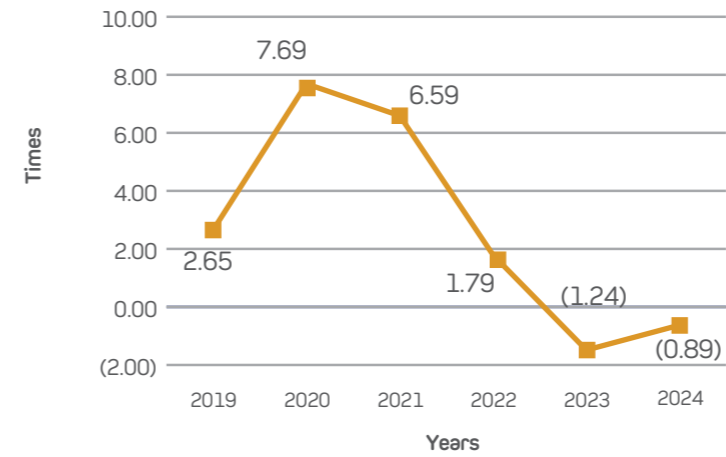
EBITDA to Sales



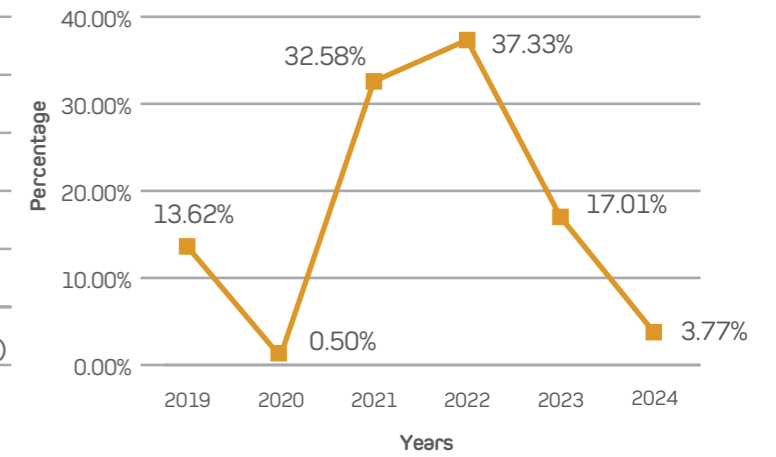
EBDA to Sales



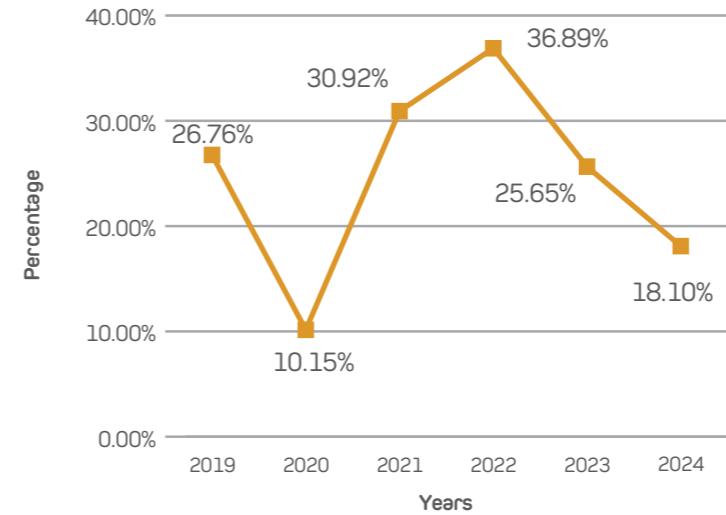
Operating Leverage



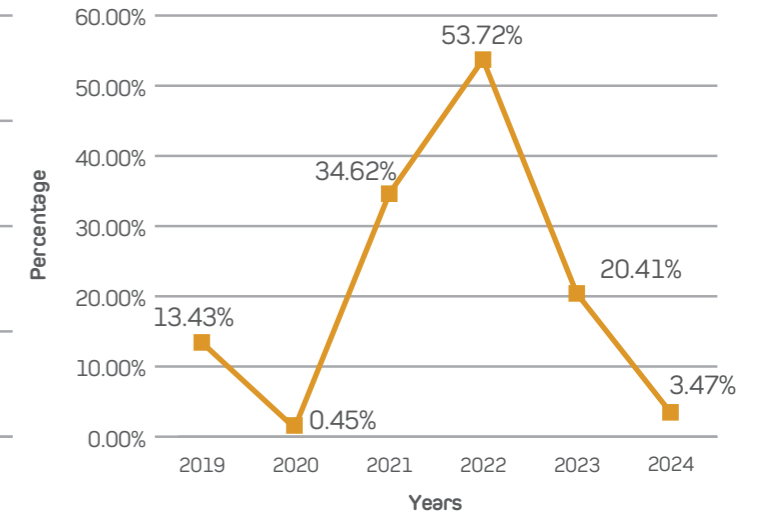
Return on Equity After Tax



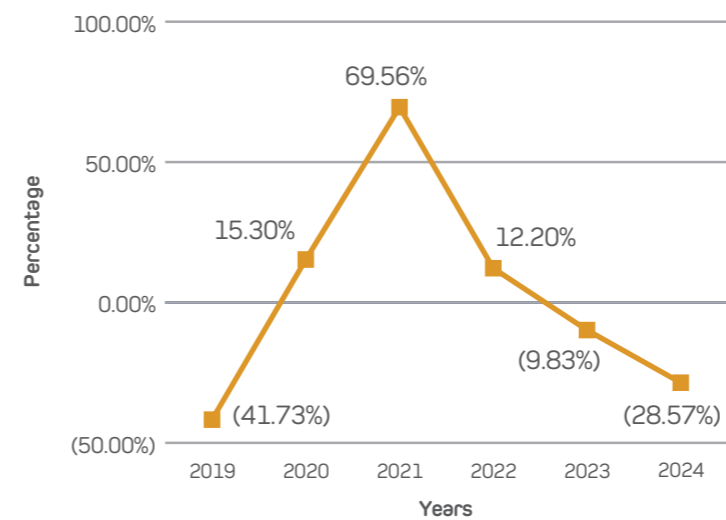
Return on Capital Employed



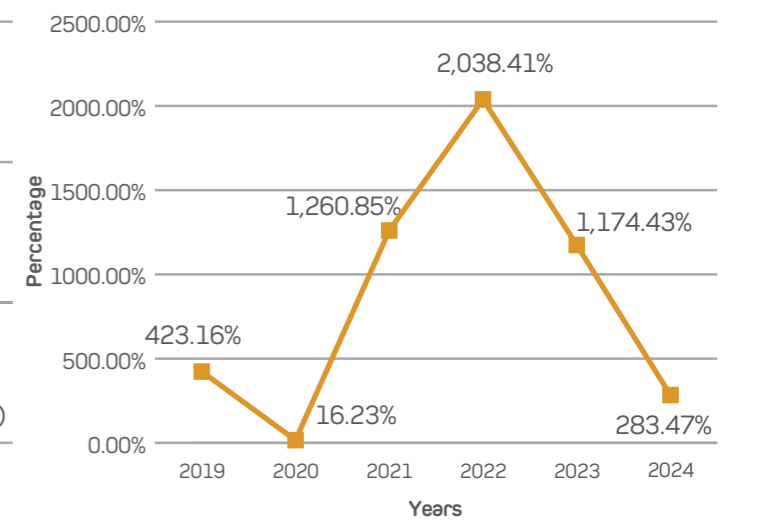
Return on Fixed Assets



Total Shareholders Return



Return on Investment



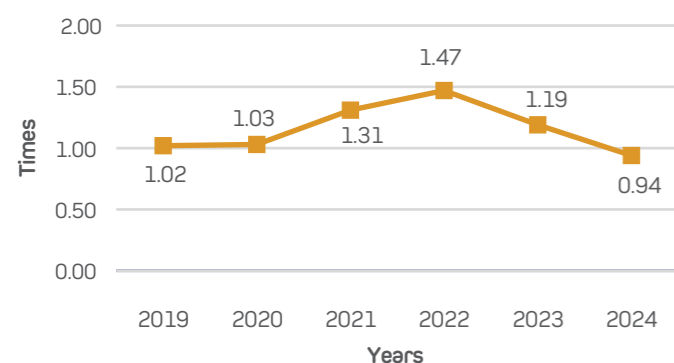
Comments:

The profitability ratios, which were on the increasing trend in the past years, have been affected in the last two years mainly on account of increased power cost and the finance cost.

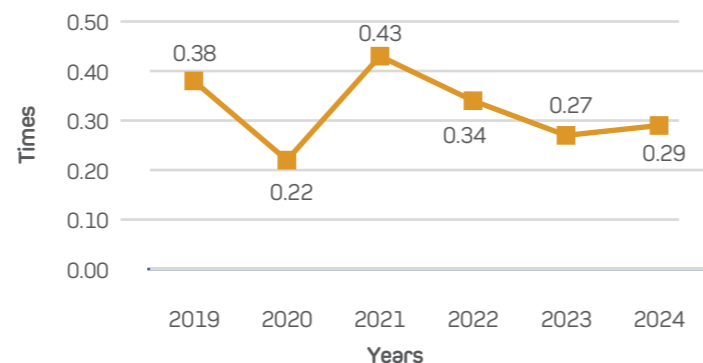
Liquidity Ratios

	UoM	2024	2023	2022	2021	2020	2019
Current Ratio	Times	0.94	1.19	1.47	1.31	1.03	1.02
Quick Ratio	Times	0.29	0.27	0.34	0.43	0.22	0.38
Cash to Current Liability	Times	0.04	0.01	0.01	0.01	0.01	0.01
Cash Flow from Operation to Sales	Times	0.07	(0.05)	0.14	0.19	(0.06)	0.03
Cash flow to capital expenditures	Times	0.95	(0.27)	0.27	6.41	(1.38)	0.35
Cash flow coverage ratio	Times	1.35	(3.29)	10.12	0.62	(1.91)	2.71

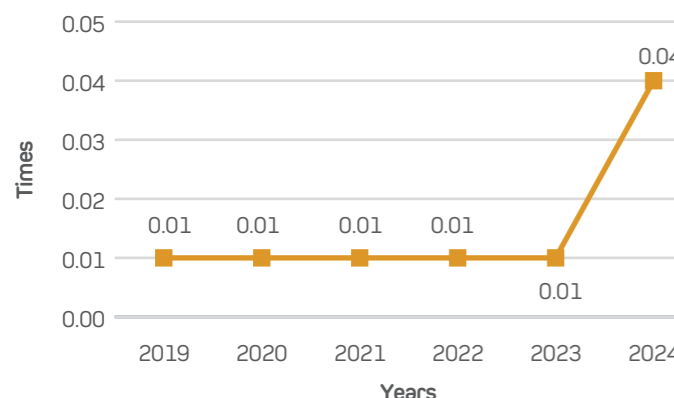
Current Ratio



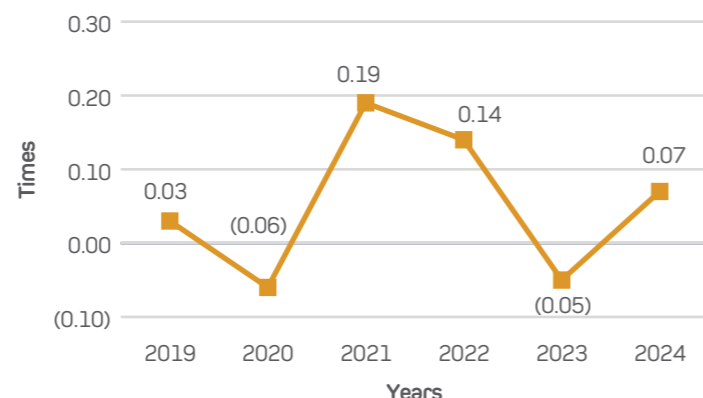
Quick Ratio



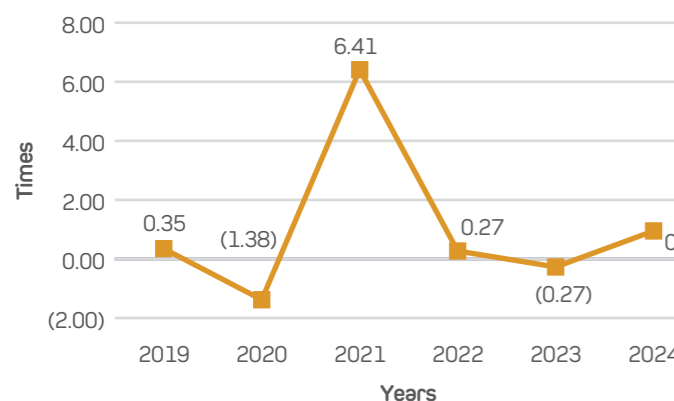
Cash to Current Liability



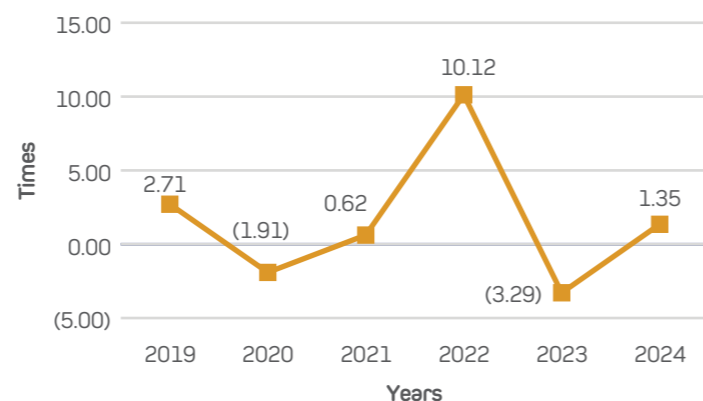
Cash Flow from Operation to Sales



Cash Flow to Capital Expenditures



Cash Flow Coverage Ratio



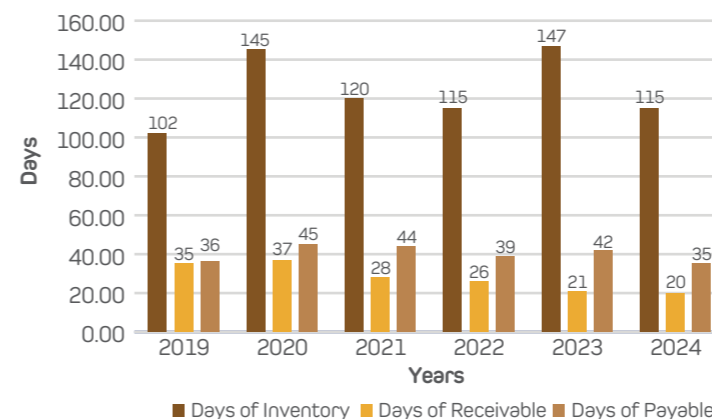
Comments:

Liquidity ratios remained consistent over the years, however, this year the decline in current ratio is mainly on account of significant CAPEX incurred in the last two years, major portion of which has been financed through Short term borrowings, thereby distorting the ratio. Further, the Cash Flow from Operations to sales have shown improvement as the Company was able to manage its Working Capital more effectively.

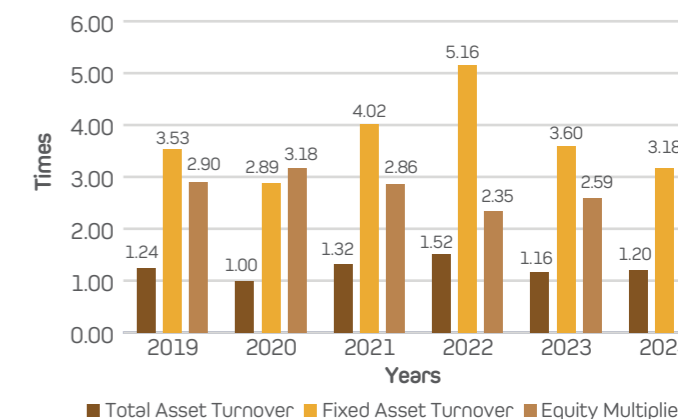
Operating Ratios

	UoM	2024	2023	2022	2021	2020	2019
Inventory Turnover	Times	3.17	2.48	3.18	3.03	2.51	3.57
No. of Days in Inventory	Days	115	147	115	120	145	102
Debtor Turnover	Times	18.10	17.25	14.08	12.87	9.91	10.44
No. of Days in Receivable	Days	20	21	26	28	37	35
Creditor Turnover	Times	10.30	8.60	9.25	8.31	8.03	10.00
No. of Days in Payable	Days	35	42	39	44	45	36
Operating Cycle	Days	101	127	102	104	137	101
Total Assets Turnover	Times	1.20	1.16	1.52	1.32	1.00	1.24
Fixed Assets Turnover	Times	3.18	3.60	5.16	4.02	2.89	3.53
Equity Multiplier	Times	2.87	2.59	2.35	2.86	3.18	2.90

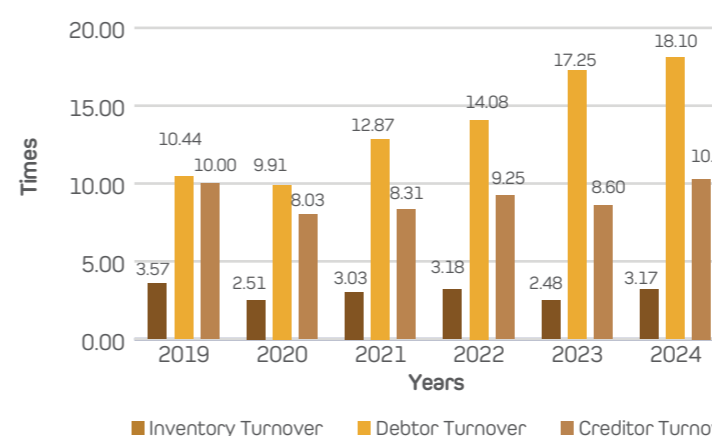
Working Capital Ratios (in Days)



Turnover Ratios (in Times)



Working Capital Ratios (in Times)



Comments:

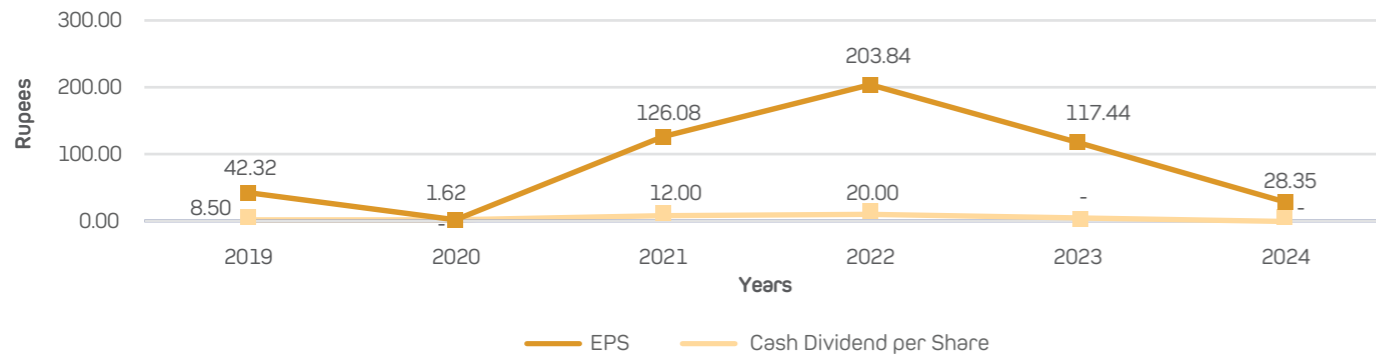
The operating cycle of the Company has decreased mainly on account of efficient inventory management.

Fixed assets turnover and total assets turnover have shown a downward trend in the last two years primarily on account of significant CAPEX made for expansion and modernization, which will fetch revenue in the coming years and resultantly the ratio will improve.

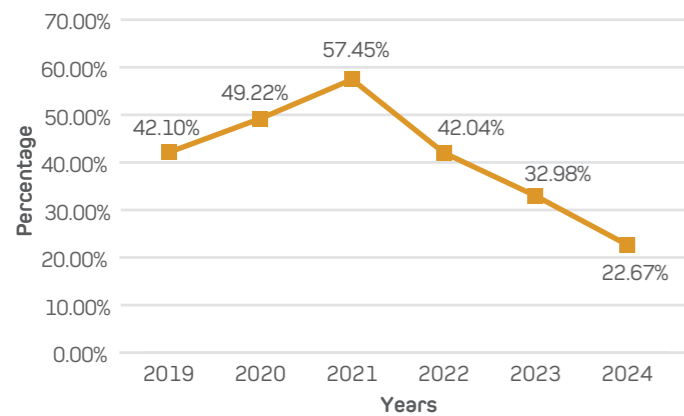
Market Ratios

	UoM	2024	2023	2022	2021	2020	2019
EPS	Rupees	28.35	117.44	203.84	126.08	1.62	42.32
Price to Earning Ratio	Times	6.13	2.07	1.32	2.05	98.46	3.27
Price to Book Ratio	Percentage	22.67%	32.98%	42.04%	57.45%	49.22%	42.10%
Dividend Yield	Percentage	-	-	7.41%	4.64%	-	6.14%
Dividend Payout Ratio	Percentage	-	-	9.81%	9.52%	-	20.09%
Dividend Cover	Times	-	-	10.19	10.51	-	4.98
Cash Dividend Per Share	Rupees	-	-	20.00	12.00	-	8.50
Book value Per Share	Rupees	766.99	738.19	642.29	449.88	324.10	328.56
Market Value Per Share as at June 30th	Rupees	173.90	243.45	270.00	258.46	159.51	138.34
Highest Share Price During the Year	Rupees	244.63	279.00	393.00	267.08	257.89	315.00
Lowest Share Price During the Year	Rupees	172.60	180.00	236.00	164.00	115.00	138.34

EPS vs DPS



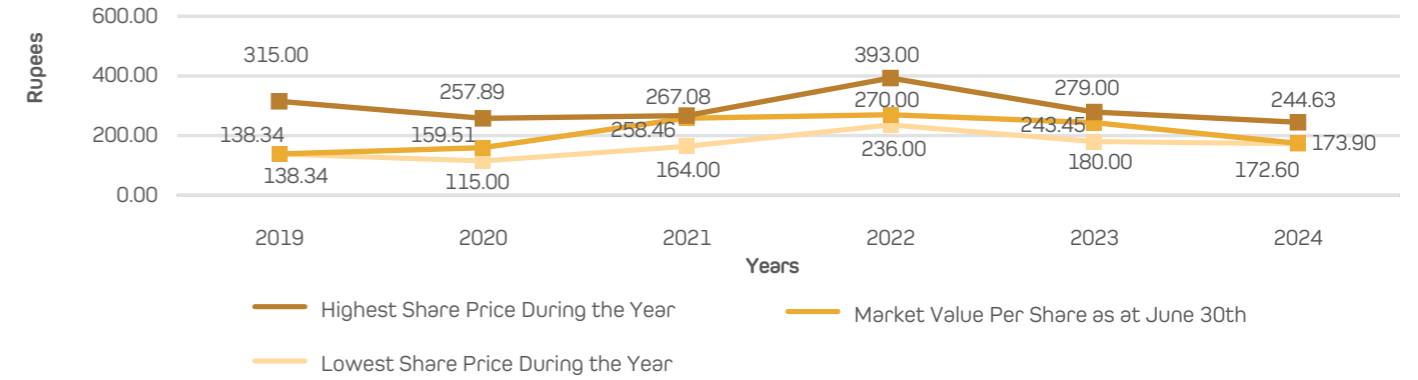
Price / Book Ratio



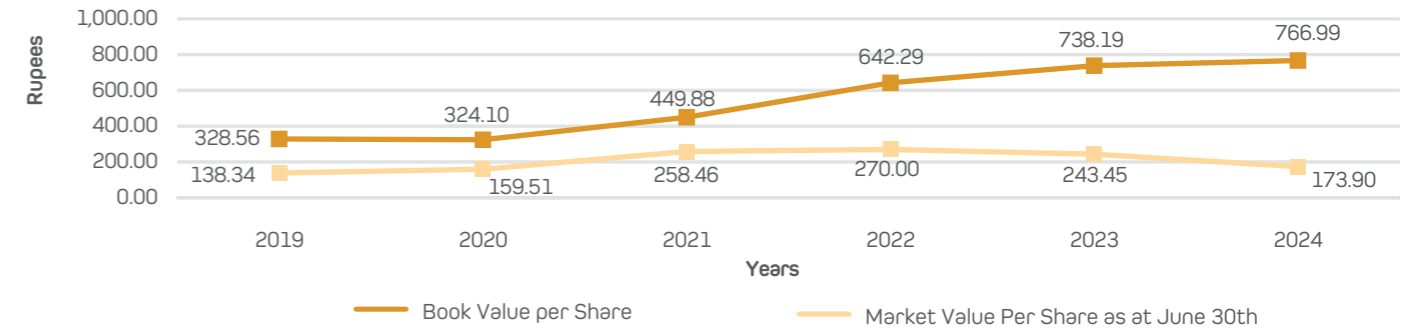
Earnings Ratio



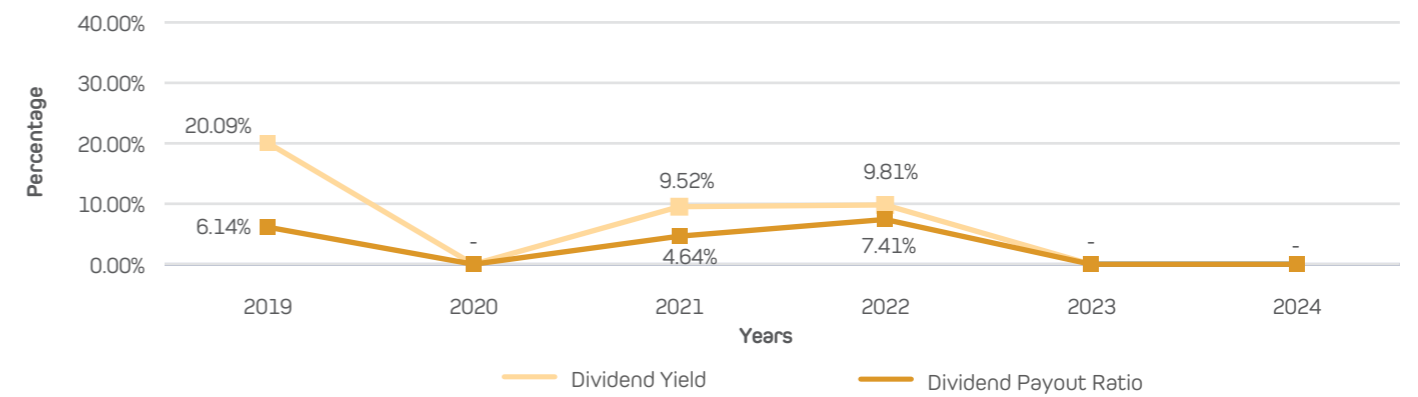
Market Value



Book Value vs Market Value



Dividend Ratio



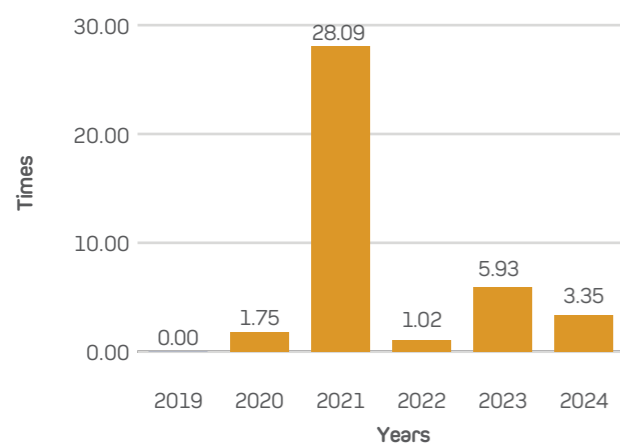
Comments:

The PSX has shown a rising trend during the current FY mainly on account of revival of economic activities to some extent, having an impact on the investors' confidence. Company has under gone heavy capital expenditure during the last 2 years. This resulted in increased finance cost and lower profits, having a negative impact on the Company's share price, which has decreased compared to the last year.

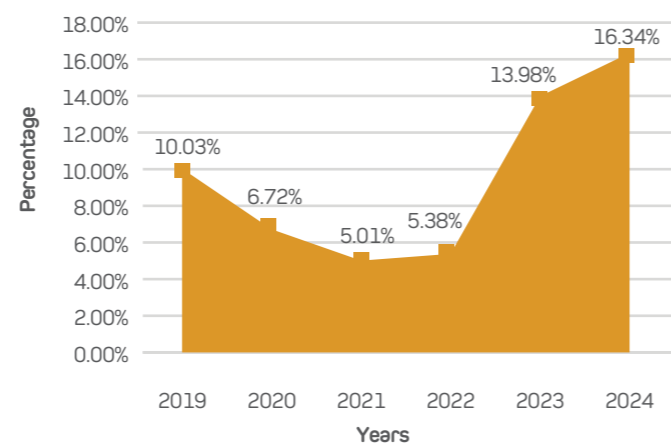
Capital Structure Ratios

	UoM	2024	2023	2022	2021	2020	2019
Degree of Financial Leverage Ratio	Times	3.35	5.93	1.02	28.09	1.75	0.00
Weighted Average Cost of Debt	Percentage	16.34%	13.98%	5.38%	5.01%	6.72%	10.03%
Debt to Equity Ratio (Book Value)	Percentage	31.39%	49.94%	27.85%	38.38%	39.57%	29.05%
Debt to Equity Ratio (Market Value)	Percentage	138.43%	151.44%	66.26%	66.80%	80.40%	68.99%
Interest Coverage Ratio	Times	1.35	3.23	13.67	7.38	1.37	2.52

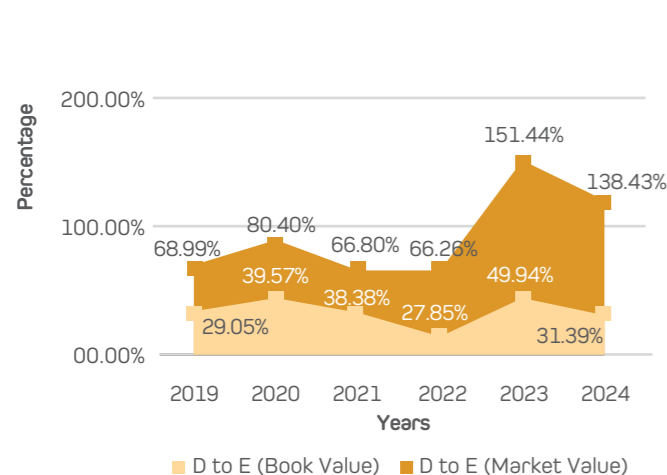
Degree of Financial Leverage Ratio



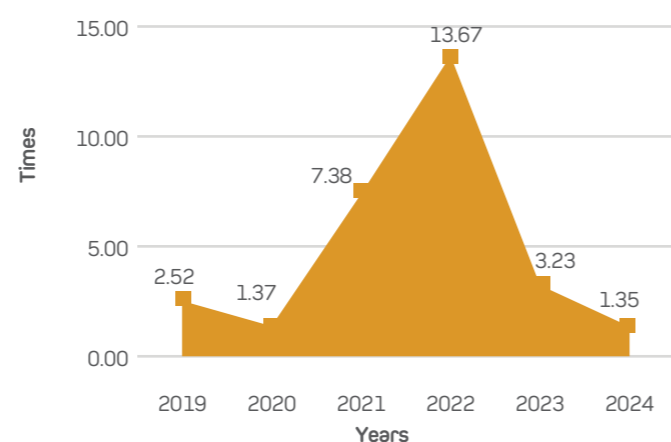
WACC of Debt



Debt to Equity Ratios



Interest Coverage Ratio



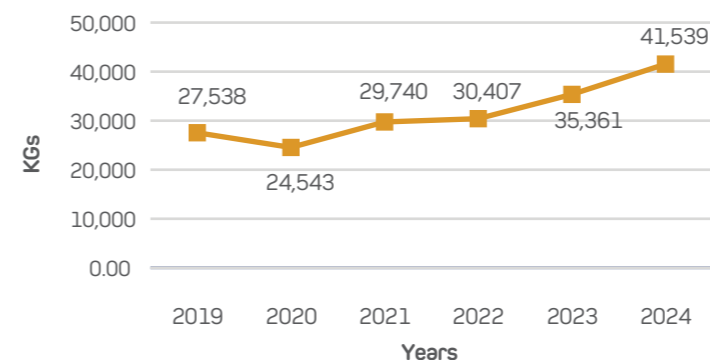
Comments:

During the year, the Company settled the Term Loan through short-term running finance, which resultantly has decreased the Debt to Equity Ratio. Further, the WACC of debt for the year has increased mainly due to higher policy rates in this period as compared to previous ones. The Higher WACC resulted in high finance cost which in combination with declining profits further reduced the interest coverage ratio.

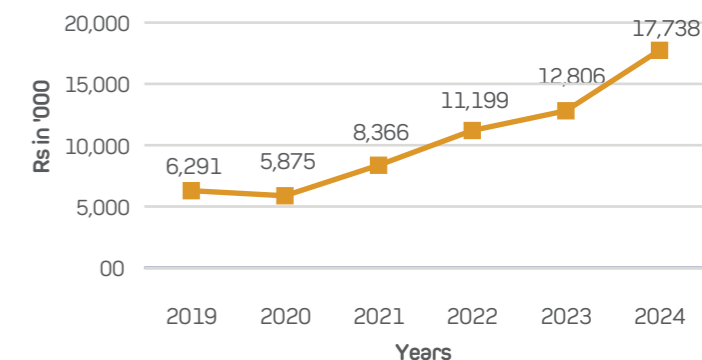
Non-Financial Ratios

	UoM	2024	2023	2022	2021	2020	2019
Production per Employee	Kgs	41,539	35,361	30,407	29,740	24,543	27,538
Revenue per Employee	Rs in '000	17,738	12,806	11,199	8,366	5,875	6,291
Spares Inventory as % of Total Asset	Percentage	1.28%	1.32%	1.25%	1.45%	1.46%	1.51%
Maintenance Cost as % of Operating Expenses	Percentage	0.13%	0.30%	0.55%	0.23%	0.23%	0.29%

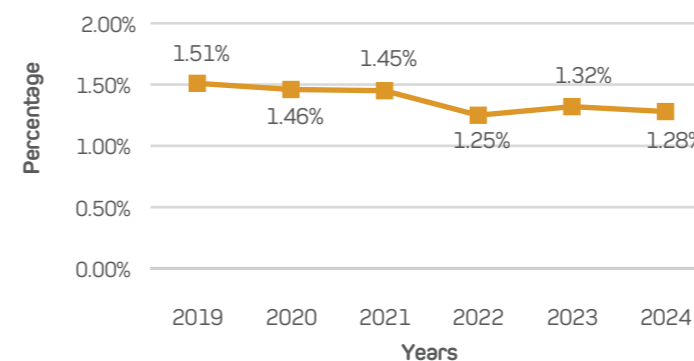
Production per Employee



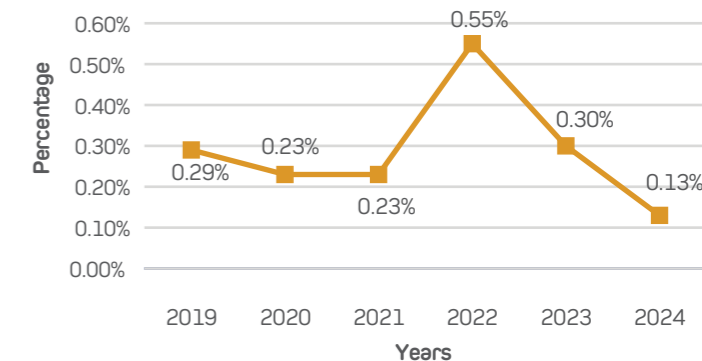
Revenue per Employee



Spares Inventory as % of Total Asset



Maintenance Cost as % of Operating Expenses



Comments:

The non-financial ratios have been depicting positive sign mainly on account of technological advancement which has resulted in increase in production and revenue per employee of the Company. Further, the spares inventory as % of total asset has remained in line over the years. However, maintenance cost as a percentage of operating expense has witnessed downward trends over the year which mainly can be attributable to CAPEX incurred over the years.

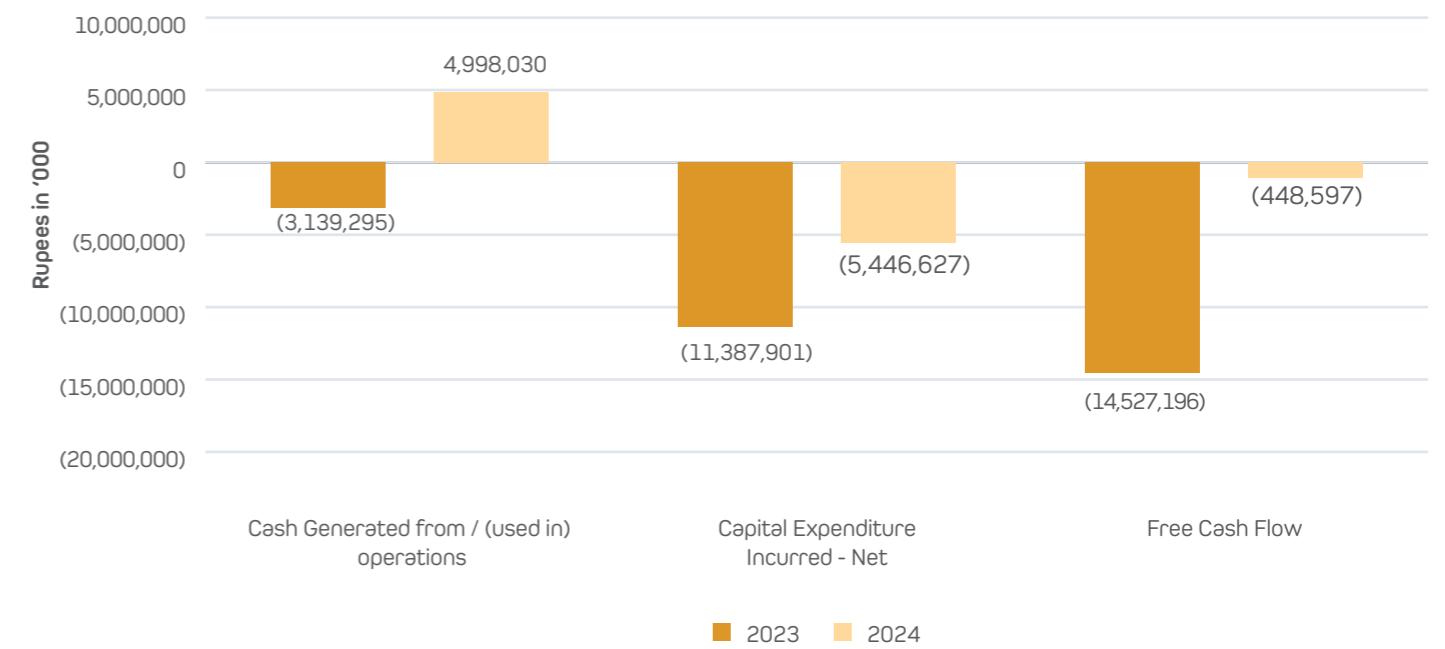
Dupont Analysis



Years	Profit Margin (A)	Asset Turnover (B)	Equity Multiplier (C)	ROE A x B x C
2024	1.09%	1.18	2.93	3.77%
2023	5.68%	0.98	3.07	17.01%
2022	10.42%	1.34	2.67	37.33%
2021	8.62%	1.31	2.88	32.58%
2020	0.16%	0.94	3.37	0.50%
2019	3.80%	1.14	3.13	13.62%

Free Cash Flow

	2024	2023
	(Rupees in '000)	
Cash Generated from / (used in) operations	4,998,030	(3,139,295)
Capital Expenditure Incurred - Net	(5,446,627)	(11,387,901)
Free Cash Flow	(448,597)	(14,527,196)

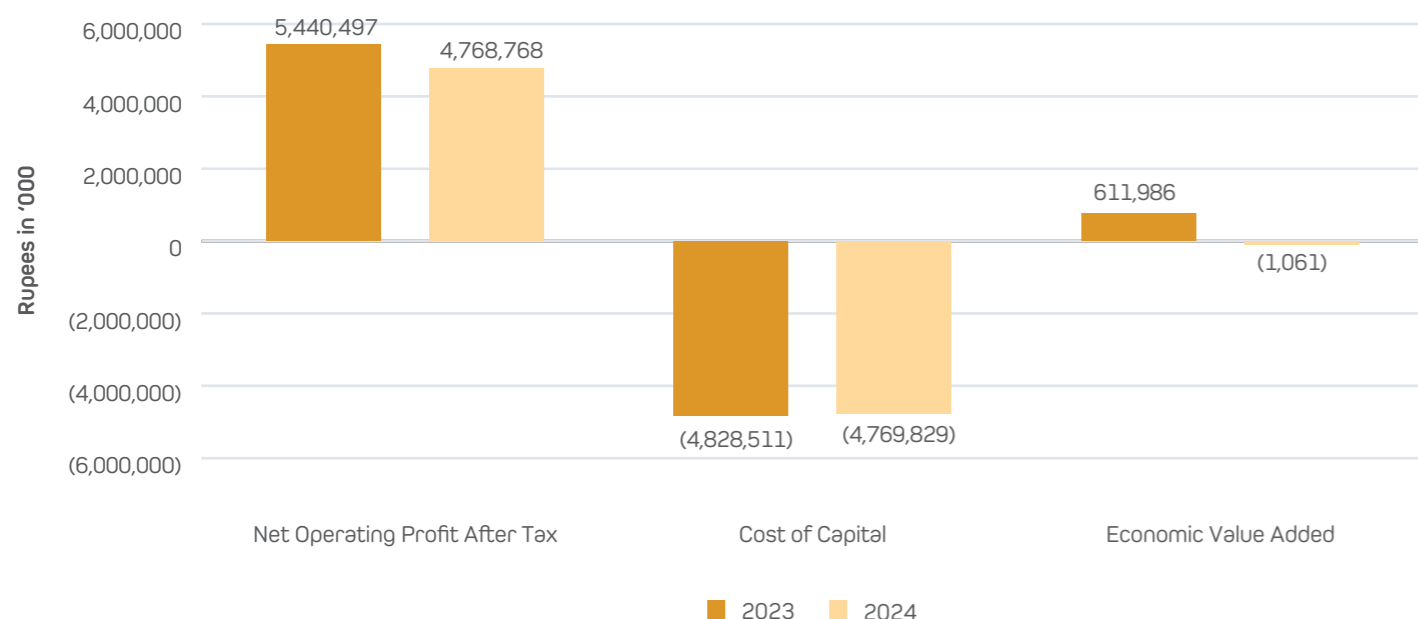


Comment:

Free cash flows remained negative during the period, mainly on account of CAPEX of Rs. 5.2 billion incurred during the year, despite the fact that reduction in inventory levels impacted positively on the Cash flows from operations.

Economic Value Added

	2024	2023
	(Rupees in '000)	
Net Operating Profit After Tax	4,768,768	5,440,497
Cost of Capital	(4,769,829)	(4,828,511)
Economic Value Added	(1,061)	611,986
Cost of Capital		
Total Assets	61,831,814	59,325,683
Less: Current Liabilities	(33,585,967)	(28,300,680)
Invested Capital	28,245,847	31,025,003
WACC	16.89%	15.56%
Cost of Capital	4,769,829	4,828,511



Comment:

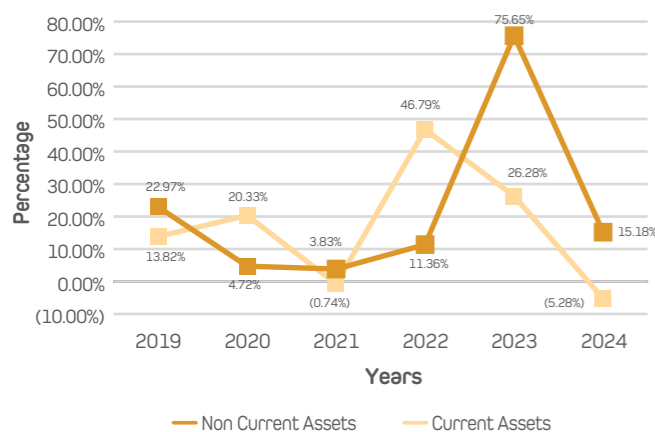
Economic value addition has decreased in comparison to last year, mainly on account of a decrease in operating profits and increase in WACC. Further, WACC has increased mainly on account of increase in cost of debt (due to increase in interest rates) and cost of equity (due to better performance by PSX).

Horizontal Analysis

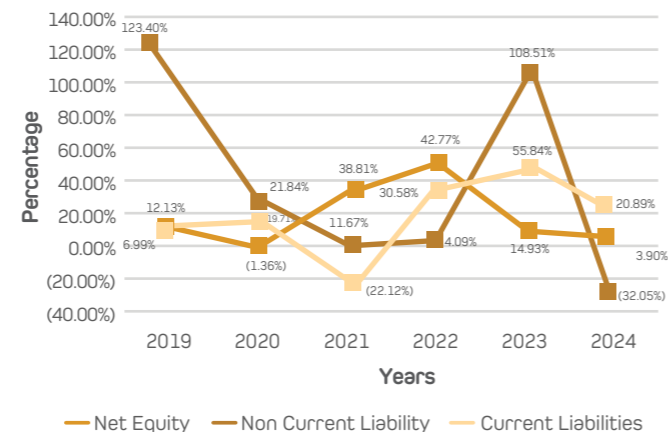
Statement of Financial Position - Horizontal Analysis

	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018
Assets						
Non Current Assets						
Property, Plant and Equipment	15.63%	92.82%	7.44%	0.87%	2.99%	26.67%
Biological Assets	1.10%	106.07%	75.35%	9.56%	46.70%	100%
Long Term Advances	-	-	-	-	-	-
Long Term Loans	(79.57%)	(17.77%)	59.40%	(26.95%)	(9.26%)	23.62%
Long Term Deposits	65.03%	12.65%	3.47%	13.80%	1.30%	5.08%
Long Term Investment	15.64%	29.86%	18.57%	13.33%	8.99%	7.58%
	15.18%	75.65%	11.36%	3.83%	4.72%	22.97%
Current Assets						
Stores, Spares and Loose Tools	11.24%	41.16%	38.53%	2.41%	4.30%	10.42%
Stock in Trade	(17.62%)	27.35%	68.99%	(15.77%)	53.61%	12.55%
Trade Debts	70.34%	(20.77%)	(7.11%)	73.10%	(33.68%)	42.76%
Loans and Advances	(75.82%)	37.54%	128.41%	90.44%	(38.53%)	(30.32%)
Trade Deposit and Other Short Term Prepayments	807.37%	(61.06%)	(63.47%)	79.22%	156.45%	(72.42%)
Other Receivables	(13.22%)	117.43%	116.28%	12.54%	(20.85%)	(24.86%)
Current Tax Asset	(15.17%)	323.80%	(95.99%)	(11.90%)	(12.38%)	1.07%
Sales Tax Refund Bond	-	-	-	-	100.00%	100%
Cash and Bank Balance	428.33%	65.90%	11.65%	66.24%	(23.46%)	(40.42%)
	(5.28%)	26.28%	46.79%	(0.74%)	20.33%	13.82%
Total Assets	4.22%	45.25%	30.80%	1.27%	12.92%	17.99%
Equity & Liabilities						
Issued, Subscribed and Paid-up Capital	-	-	-	-	-	-
Capital Reserves	-	119.96	-	-	-	-
Revenue Reserves	21.39%	(78.54%)	44.23%	40.68%	(1.42%)	12.78%
Total Equity	3.90%	14.93%	42.77%	38.81%	(1.36%)	12.13%
Non Current Liabilities						
Long Term Financing	(37.58%)	135.29%	2.62%	10.76%	34.49%	341.22%
Deferred Government Grant	(22.28%)	(3.32%)	29.46%	100.00%	-	-
Retirement Benefit Obligation	19.47%	22.89%	14.97%	13.49%	11.76%	5.47%
Deferred Tax Liabilities	(33.22%)	87.14%	(3.17%)	(3.60%)	(9.03%)	27.88%
	(32.05%)	108.51%	4.09%	11.67%	21.84%	123.40%
Current Liabilities						
Short Term Borrowings	26.26%	152.74%	21.42%	(59.24%)	24.53%	0.63%
Trade and Other Payables	16.69%	(5.31%)	37.97%	69.83%	12.99%	19.83%
Unclaimed Dividend	(6.16%)	30.74%	17.43%	(4.76%)	7.85%	2.13%
Levies Payable	139.81%	75.80%	100.00%	-	-	-
Current Portion of Long Term Financing	1.94%	(12.58%)	3.79%	979.63%	29.14%	100%
Current Portion of Deferred Government Grant	(26.87%)	(2.57%)	4.16%	100.00%	-	-
Accrued Mark-up	(32.45%)	352.22%	71.85%	(19.64%)	(53.62%)	145.09%
	20.89%	55.84%	30.58%	(22.12%)	19.71%	6.99%
Total Liability	4.40%	69.15%	22.69%	(14.40%)	20.19%	21.21%
Total Equity and Liability	4.22%	45.25%	30.80%	1.27%	12.92%	17.99%

Horizontal Analysis of Total Assets



Horizontal Analysis of Total Equity & Liabilities



Profit or Loss - Horizontal Analysis

	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018
Turnover	25.39%	5.78%	33.70%	41.48%	(7.15%)	13.29%
Cost of Sales	30.63%	11.49%	29.01%	34.73%	(5.58%)	10.60%
Gross Profit	(18.65%)	(26.05%)	67.63%	122.00%	(22.52%)	48.73%
Distribution Cost	5.71%	(43.10%)	134.82%	33.49%	18.07%	(8.13%)
Administrative Expense	12.63%	32.28%	14.83%	17.52%	(3.29%)	23.52%
Operating Profit	(26.00%)	(25.39%)	61.20%	168.67%	(32.29%)	72.52%
Finance Cost	84.97%	293.36%	(13.44%)	(30.58%)	(17.36%)	91.42%
Other Operating Expenses	(65.16%)	(32.23%)	49.54%	(68.96%)	829.90%	(38.80%)
Other Income	(34.45%)	133.02%	24.20%	36.59%	1.68%	(61.98%)
Share of Profit from Associates	(15.42%)	53.10%	62.91%	37.55%	2.07%	1.13%
Profit Before Taxation	(70.96%)	(30.87%)	71.83%	1092.15%	(79.76%)	13.22%
Taxation	(60.12%)	23.74%	144.82%	68.37%	(39.42%)	67.28%
Profit for the year	(75.86%)	(42.39%)	61.67%	7667.43%	(96.16%)	0.07%

Comments on Statement of Financial Position - Horizontal Analysis

Fixed Assets

Fixed assets of the Company grew by 148.86% over past six years, with major additions in the last two years on account of significant BMR, investment in efficient generators & solar plant, and expansion of value-added segment.

Long Term Investments, Loan, Deposits.

Long Term Investments have increased over the years on account of an increasing Share of Profits from associates. Long term loans has reduced owing to recovery from employees. Further, the increase in Long term deposit is attributable to amount paid to utility companies owing to increase in gas tariff.

Stores, Spare parts & loose tools, Stock in trade and Trade debts

Stores, spare & loose tools have increased on account of growing operation. Stock in trade which was on increasing trend for last two years have been reduced in this period. Further, the trade debts have increased mainly on account increase in export sales of knitted bedding products.

Other Receivables

Other receivables mainly include sales tax, claim and rebate receivable. Sales tax refunds have shown both increasing / decreasing trends over the years, and its recovery depends on multiple factors including but not limited to funds available at the Government treasury, pending verification of sales tax claim by the sales tax department on the basis of the sales tax audit.

Share Capital and Reserves

Reserves of the Company have been growing over the years (except for FY'2020 on account of Covid-19). A nominal increase of 3.9% has been witnessed in the current year owing to lower profits.

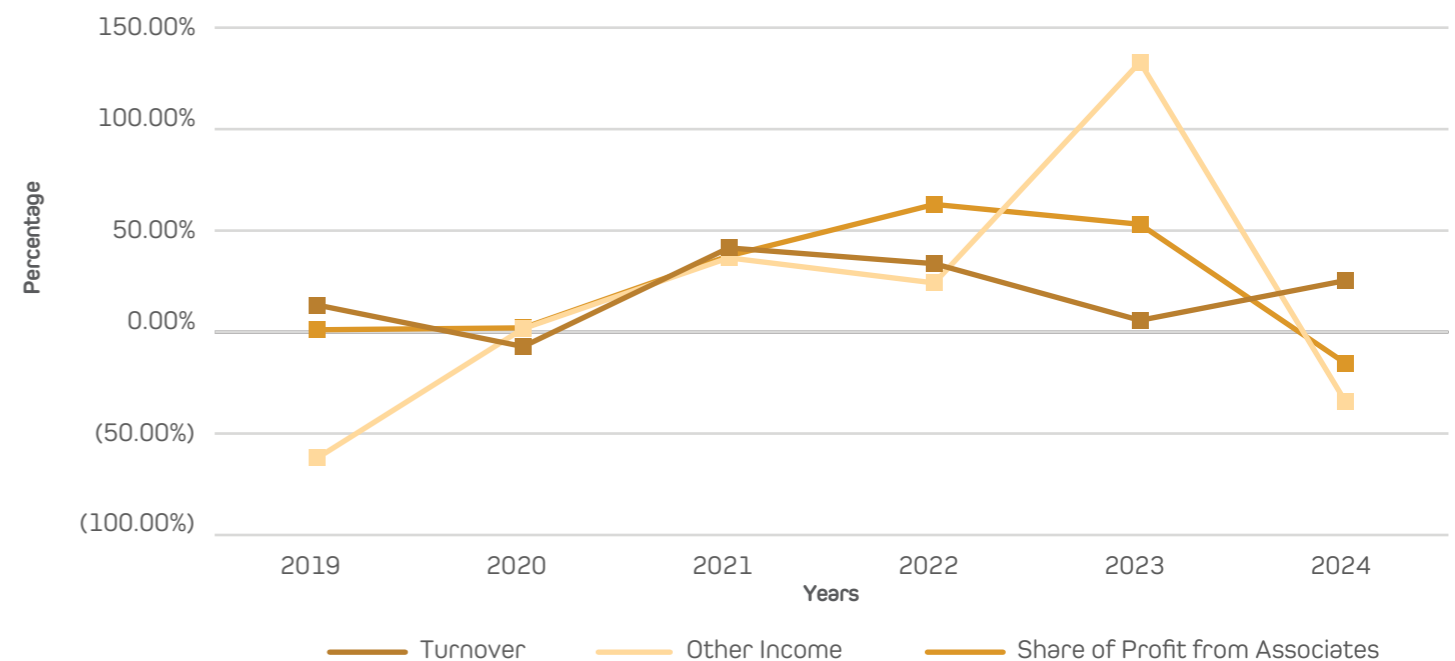
Long term Finance

The decrease in long-term financing during the year is mainly attributable to the settlement of term loan with the running finance.

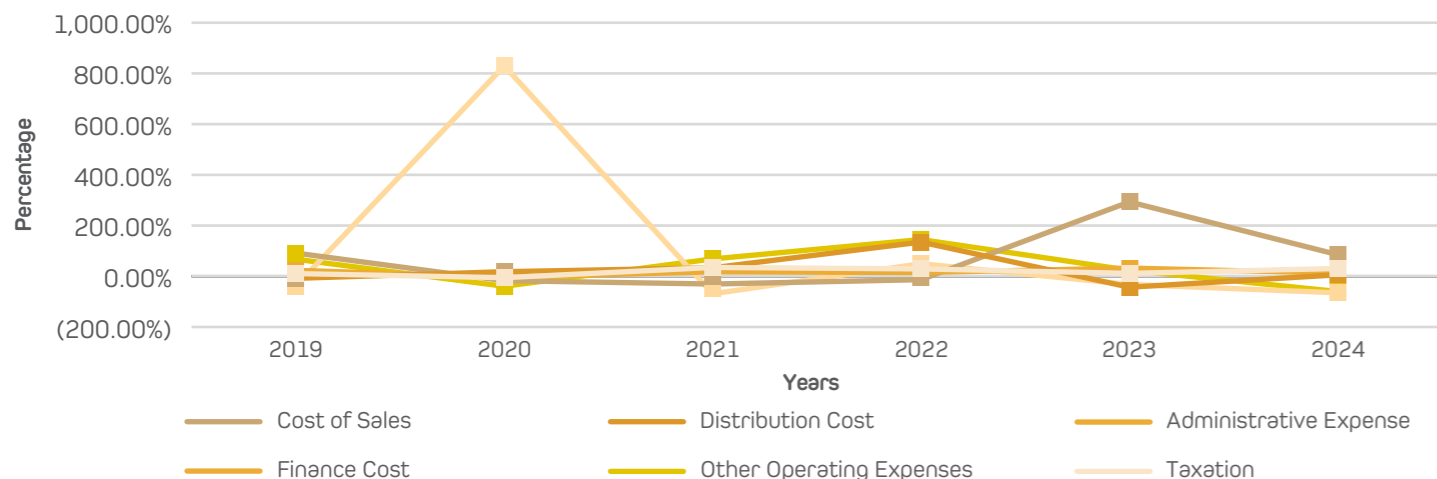
Current Liabilities

The Company has always taken measures to maintain its current liability at a manageable level. During the year, increase in current liability is mainly attributable to increased short term borrowings, mainly to finance the CAPEX.

Horizontal Analysis of Income



Horizontal Analysis of Expense



Horizontal Analysis of Profit



Comments on Profit or Loss - Horizontal Analysis

Turnover

Revenue has been on an increasing trend over the years mainly on account of aggressive marketing strategy including change in sales mix according to market demands, identification of new markets (locally and internationally), widening product ranges, and expansion in the value-added segment along with appreciation in market prices.

Gross profit

Gross profit showing increasing trend in past years has decreased in the last two years mainly on account of increased power cost and inflationary impact on costs.

Finance Cost

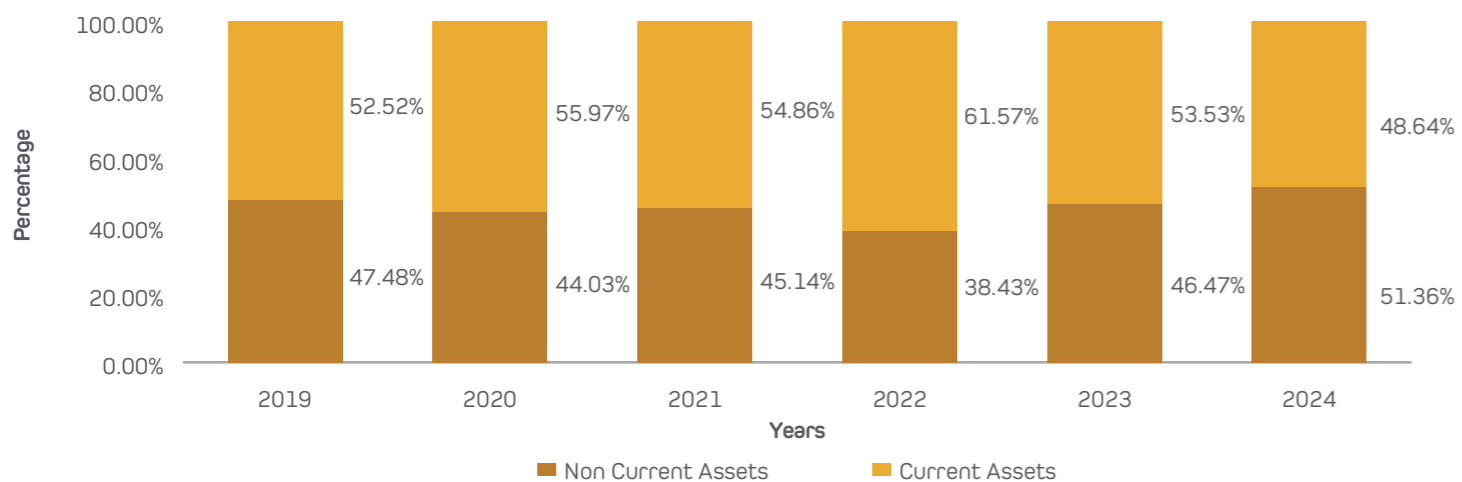
The finance cost during the period has increased significantly by 84.97%, totaling Rs.3,974 million. High Finance cost can be attributed to various factors, including higher policy rates, higher working capital requirements owing to inflationary impact / rupee devaluation / change in sales mix and the non-availability of cheaper source of financing alternatives for investments in new machinery, generators and expansion in the value-added sector, for which significant CAPEX has been incurred during the last two years.

Vertical Analysis

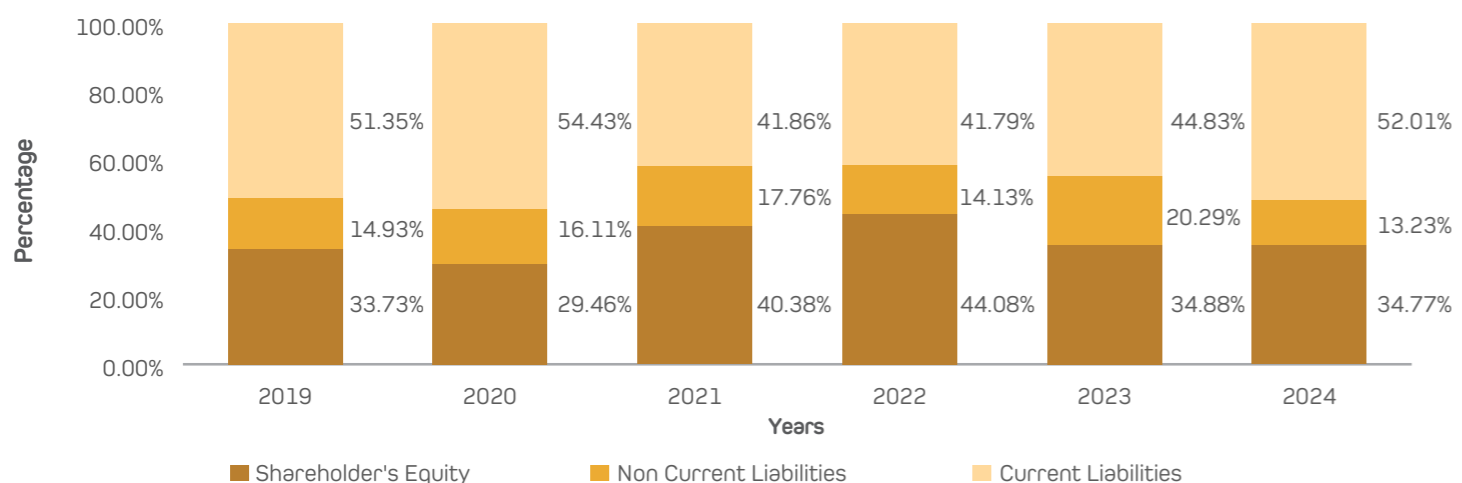
Statement Of Financial Position – Vertical Analysis

	2024	2023	2022	2021	2020	2019
Assets						
Non Current Assets						
Property, Plant and Equipment	39.73%	35.81%	26.97%	32.84%	32.97%	36.15%
Biological Assets	1.23%	1.27%	0.89%	0.67%	0.62%	0.47%
Long Term Advances	-	-	-	-	-	-
Long Term Loans	0.01%	0.06%	0.11%	0.09%	0.13%	0.16%
Long Term Deposits	0.10%	0.07%	0.09%	0.11%	0.10%	0.11%
Long Term Investment	10.28%	9.27%	10.37%	11.43%	10.22%	10.59%
	51.36%	46.47%	38.43%	45.14%	44.03%	47.48%
Current Assets						
Stores, Spares and Loose Tools	2.28%	2.14%	2.20%	2.07%	2.05%	2.22%
Stock in Trade	31.19%	39.46%	45.00%	34.83%	41.88%	30.79%
Trade Debts	8.19%	5.01%	9.18%	12.93%	7.57%	12.88%
Loans and Advances	0.29%	1.24%	1.31%	0.75%	0.40%	0.73%
Trade Deposit and Short Term Prepayments	0.09%	0.01%	0.04%	0.13%	0.07%	0.03%
Other Receivables	4.23%	5.08%	3.40%	2.05%	1.85%	2.64%
Current Tax Asset	0.12%	0.15%	0.05%	1.63%	1.87%	2.41%
Sales Tax Refund Bond	0.00%	0.00%	0.00%	0.00%	0.00%	0.41%
Cash and Bank Balance	2.27%	0.45%	0.39%	0.46%	0.28%	0.41%
	48.64%	53.53%	61.57%	54.86%	55.97%	52.52%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Equity & Liabilities						
Issued, Subscribed and Paid-up Capital	0.45%	0.47%	0.69%	0.90%	0.91%	1.03%
Capital Reserves	26.91%	28.04%	0.34%	0.44%	0.45%	0.50%
Revenue Reserves	7.41%	6.36%	43.06%	39.04%	28.11%	32.20%
Total Equity	34.77%	34.88%	44.08%	40.38%	29.46%	33.73%
Non Current Liabilities						
Long Term Financing	9.52%	15.90%	9.81%	12.51%	11.44%	9.60%
Deferred Government Grant	0.23%	0.30%	0.46%	0.46%	0.00%	0.00%
Retirement Benefit Obligation	1.95%	1.70%	2.01%	2.29%	2.04%	2.06%
Deferred Tax Liabilities	1.53%	2.39%	1.85%	2.50%	2.63%	3.26%
	13.23%	20.29%	14.13%	17.76%	16.11%	14.93%
Current Liabilities						
Short Term Borrowings	31.57%	26.06%	14.98%	16.14%	40.09%	36.35%
Trade and Other Payables	17.51%	15.64%	23.99%	22.74%	13.56%	13.55%
Unclaimed Dividend	0.05%	0.06%	0.06%	0.07%	0.08%	0.08%
Levies payable	0.70%	0.30%	0.25%	0.00%	0.00%	0.00%
Current Portion of Long Term Financing	1.10%	1.12%	1.87%	2.35%	0.22%	0.19%
Current Portion of Deferred Government Grant	0.06%	0.09%	0.14%	0.17%	0.00%	0.00%
Accrued Mark-up	1.01%	1.55%	0.50%	0.38%	0.48%	1.17%
	52.01%	44.83%	41.79%	41.86%	54.43%	51.35%
Total Liability	65.23%	65.12%	55.92%	59.62%	70.54%	66.27%
Total Equity and Liability	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Vertical Analysis of Total Assets



Vertical Analysis of Total Equity and Liabilities



Comments on Statement Of Financial Position - Vertical Analysis

Property, Plant and Equipment

Ratio of property, plant and equipment to total assets has increased during the year on account of CAPEX carried out during the year.

Stock-in-Trade

The stock in trade to total asset has decreased as compared to previous years mainly on account of reduction in raw material volume and prices.

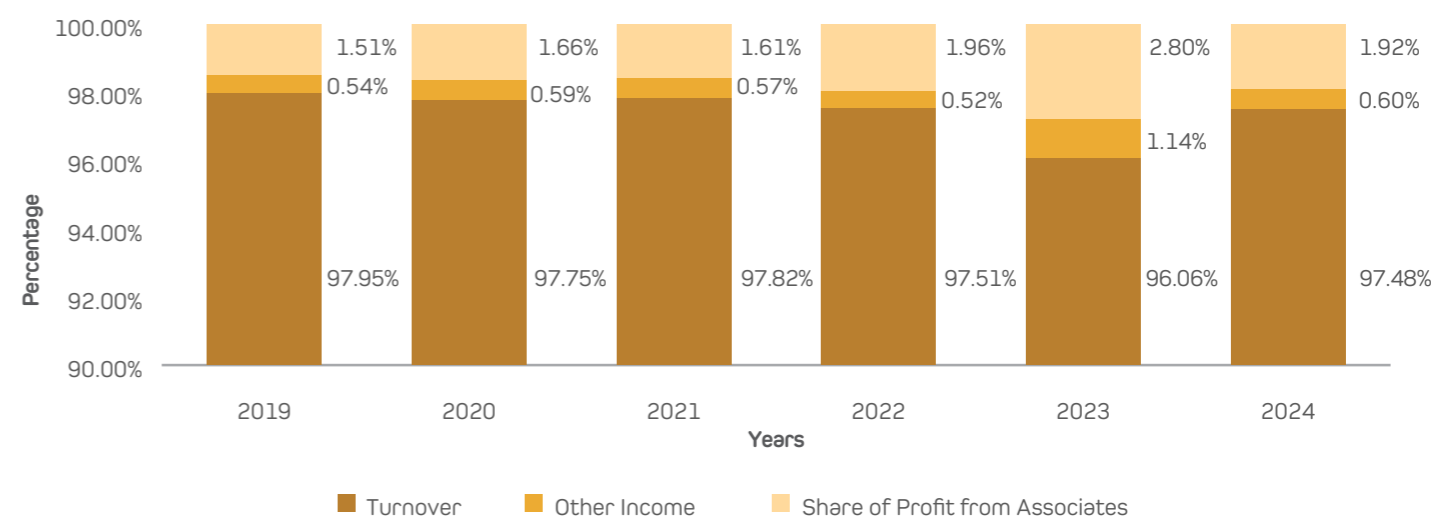
Equity / Long Term Finance

The equity has remained same due to low profit whereas on account of settlement of term loan through running finance, the long term liability has decreased with corresponding increase in short term borrowing / current liability.

Profit or Loss - Vertical Analysis

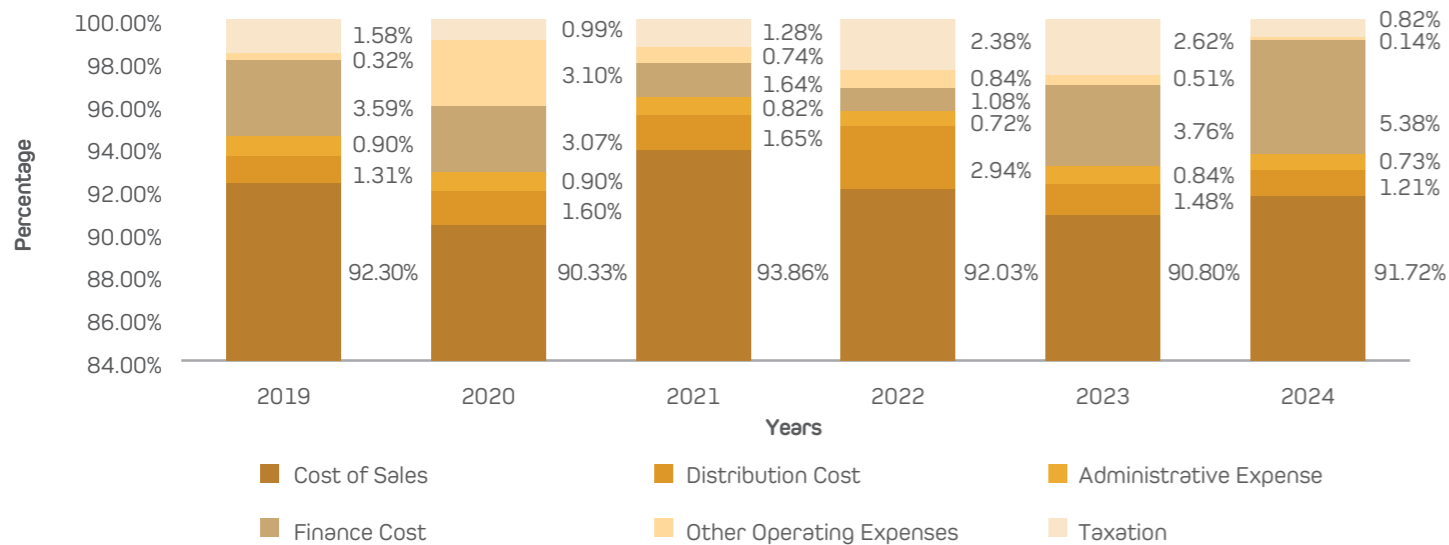
	2024	2023	2022	2021	2020	2019
Turnover	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Sales	-93.10%	-89.37%	-84.79%	-87.87%	-92.27%	-90.73%
Gross Profit	6.90%	10.63%	15.21%	12.13%	7.73%	9.27%
Distribution Cost	-1.23%	-1.46%	-2.71%	-1.54%	-1.64%	-1.29%
Administrative Expense	-0.74%	-0.82%	-0.66%	-0.77%	-0.92%	-0.89%
Operating Profit	4.93%	8.35%	11.84%	9.82%	5.17%	7.09%
Finance Cost	-5.46%	-3.70%	-1.00%	-1.54%	-3.14%	-3.52%
Other Operating Expenses	-0.14%	-0.50%	-0.78%	-0.70%	-3.17%	-0.32%
Other Income	0.62%	1.18%	0.54%	0.58%	0.60%	0.55%
Share of Profit from Associates	1.97%	2.91%	2.01%	1.65%	1.70%	1.55%
Profit Before Taxation	1.91%	8.25%	12.62%	9.82%	1.17%	5.34%
Taxation	-0.82%	-2.57%	-2.20%	-1.20%	-1.01%	-1.55%
Profit for the year	1.09%	5.68%	10.42%	8.62%	0.16%	3.80%

Vertical Analysis of Total Income



Summary of Cash Flow

Vertical Analysis of Total Expense



Comments on Profit or Loss - Vertical Analysis

Gross profit

Gross profit of the company has decreased from the last year in term of ratio and amount mainly on account of increased power and fuel and inflationary impact on costs.

Distribution Cost

The distribution cost to total sales has decreased slightly on account of increase in FOB sales and reduction in export freight as compared to SPLY.

Finance Cost

The finance cost to sales ratio has increased on account of the factors as mentioned in Horizontal Analysis section.

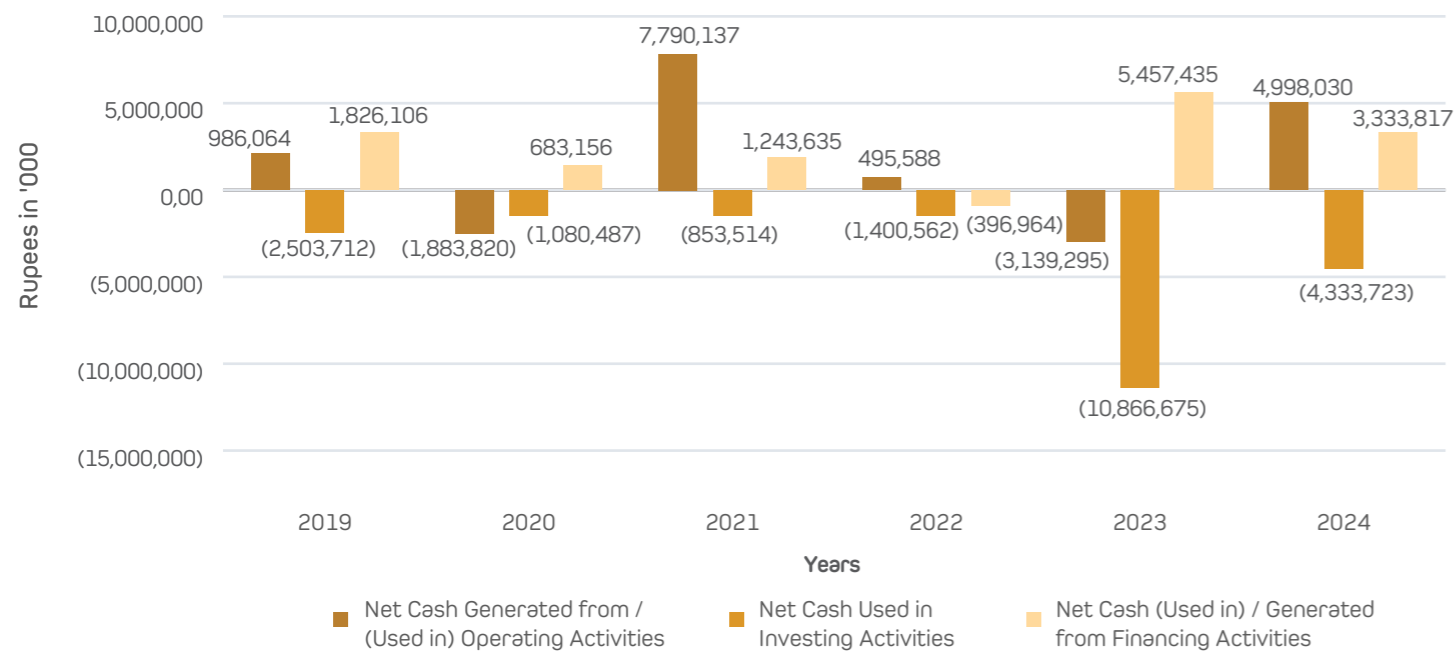
Share of Profit

The percentage of Share of Profit decreased mainly on account of a one-time gain recorded in previous year by Lucky Core Industries Limited arising from the partial disposal and remeasurement of remaining stake in NutriCo Morinaga (Private) Limited from 51% to 24.5%

2024 2023 2022 2021 2020 2019
(Rupees in '000)

Cash generated from / (used in) operations	10,315,003	(708,123)	1,504,211	9,035,000	(433,484)	2,059,299
Finance Cost Paid	(4,273,234)	(1,430,873)	(461,023)	(660,046)	(1,079,707)	(911,477)
Income Tax Paid	(803,029)	(822,553)	(640,856)	(451,067)	(304,748)	(293,314)
Rebate Received	-	-	242,664	10,263	48,111	242,639
Gratuity Paid	(240,710)	(177,746)	(149,408)	(144,013)	(113,992)	(111,083)
	(5,316,973)	(2,431,172)	(1,008,623)	(1,244,863)	(1,450,336)	(1,073,235)
Net Cash Generated from / (Used in) Operating Activities	4,998,030	(3,139,295)	495,588	7,790,137	(1,883,820)	986,064
Net Cash Used in Investing Activities	(4,333,723)	(10,866,675)	(1,400,562)	(853,514)	(1,080,487)	(2,503,712)
Net Cash Generated from / (Used in) Financing Activities	3,333,817	5,457,435	(396,964)	1,243,635	683,156	1,826,106
Net (Decrease) / Increase in Cash & Cash Equivalents	3,998,124	(8,548,535)	(1,301,938)	8,180,258	(2,281,151)	308,458
Cash & Cash Equivalents at the Beginning of the Year	(13,163,794)	(4,615,259)	(3,313,321)	(11,493,579)	(9,212,428)	(9,520,886)
Cash & Cash Equivalent at the End of the Year	(9,165,670)	(13,163,794)	(4,615,259)	(3,313,321)	(11,493,579)	(9,212,428)

Statement of Cash Flows – Direct Method



Comments:

Cash Generated from / (Used in) Operating Activities

The Company's net cash generated for the year is Rs. 4.99 billion after payments of Rs. 5.31 billion in respect of finance cost, gratuity and income taxes. Better working capital management mainly inventory has resulted in availability of cash, resultantly cash flow from operations are positive in this year.

Cash Used in Investing Activities

The Company's net cash used in investing activity over the years mainly represents amount invested in purchase of plant and machinery and related civil work. This year also significant CAPEX has been incurred for BMR, renewable energy projects and expansion of value added segment.

Cash (Used in) / Generated from Financing Activities

The Company's net cash generated from financing activity has remained positive as the Company has secured the Renewable energy finance for solar plant and import loan for raw material payments.

2024
2023
(Rupees in '000)

A. CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	70,771,391	58,858,382
Cash Paid to Suppliers, Employees and Others	(60,456,388)	(59,566,505)
Finance Cost Paid	(4,273,234)	(1,430,873)
Income Tax Paid	(803,029)	(822,553)
Gratuity Paid	(240,710)	(177,746)
Net Cash Generated from / (Used in) Operating Activities	4,998,030	(3,139,295)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property, Plant and Equipment	(5,265,702)	(11,500,676)
Sale Proceeds from Disposal of Property, Plant and Equipment	152,546	112,775
Short Term Investments Made	-	(3,083,349)
Short Term Investments Disposed Off	-	3,083,349
Purchase of Biological Assets	-	(9,876)
Sale Proceeds from Disposal of Biological Assets	90,099	38,415
Loans Repaid by / (Paid to) Employees	37,765	19,599
Long Term Deposits Given	(25,450)	(4,394)
Long-term Advance Received	22,222	22,223
Profit Received from Bank Deposits	72,094	42,299
Dividend Received	582,703	412,960
Net Cash Used in Investing Activities	(4,333,723)	(10,866,675)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long Term Finance Obtained	-	434,362
Repayment of Long Term Finance	(490,791)	(538,473)
Term Loan Obtained	1,263,806	5,623,323
Repayment of Term Loan	(5,087,129)	-
Repayment of Salary Refinance	-	(281,139)
Temporary Economic Refinance Facility Obtained	-	81,292
Repayment of Temporary Economic Refinance Facility	(109,645)	-
Renewable Energy Financing Obtained	837,507	-
Export Refinance - net	1,421,524	690,550
Import Loan - net	5,500,669	-
Dividend Paid	(2,124)	(552,480)
Net cash Generated from Financing Activities	3,333,817	5,457,435
Net increase / (decrease) cash and cash equivalents (A+B+C)	3,998,124	(8,548,535)
Cash and Cash Equivalents at the Beginning of the Year	(13,163,794)	(4,615,259)
Cash and Cash Equivalents at the End of the Year	(9,165,670)	(13,163,794)

Segmental View of Business Performance

Based on internal management reporting structure and products produced and sold, the Company is organized into the following two operating segments:

- Spinning segment: manufacturing and sale of yarn
- Manufacturing and sale of knitted bedding products
- Unallocated segments includes production and sale of milk and dyeing services

The detail regarding segment wise performance is appearing in the financial statement of the Company.

Share Price Sensitivity Analysis

The share price of the Company depends on the Company's overall performance and reputation in the respective industry in which it exists, combined with other external factors on which management has lesser or no control. The Company's share price is sensitive to the following uncontrollable external factors:

Stock Market

Company's share price depends on overall market performance, investor confidence in the economy and particular sector and the overall fundamentals of the Company. Positive sentiments, news-flows prevailing in the market may result in an appreciation of the share price of the Company.

Government Policies

Company is exposed to Government regulations, taxes schemes, policies, incentive schemes which directly affect the Company's financial performance which in turn may affect the share price.

Political Instability

The stable political situation in the Country improves the overall business performance, investor confidence and also encourages foreigners to deal with some of the prestigious companies in the Country, which may have an impact on the Company's share price.

Exchange Rate

Company generated 16.60% of its revenue from direct exports and imported 61.78% of its raw material, through which the entity is exposed to exchange rate risk. Any favorable or unfavorable movement in exchange rates might affect the Company's profitability and hence, affect the share price. The Company has also adopted effective strategies to minimize the risk of exchange rates.

Interest Rate

The Company's finance cost is 5.46% of the turnover. Any interest rate movement will affect the Company's profitability and hence, affect the share price.

Availability of Raw Material

The Company's performance is largely dependent upon the availability of raw material, which is highly sensitive to seasonal fluctuations. Thus, any negative or positive change in the raw material prices will dampen the Company's performance and influence the share price.

Share Price Analysis



Composition of Local versus Imported Material / Sensitivity Analysis

As a yarn manufacturer, raw cotton is the main raw material. The composition of the raw material procured during the fiscal year is stated as follows:

Raw Material Purchases	Imported		Local		Total	
	KG (in '000)	Amount (in '000)	KG (in '000)	Amount (in '000)	KG (in '000)	Amount (in '000)
For the Year						
2024	64,397	26,621,503	37,979	16,467,295	102,376	43,088,798
2023	67,229	34,838,565	29,656	9,886,469	96,886	44,725,035

If the Pakistani Rupee had weakened / strengthened by 10% against the US Dollars, Euros and Swiss Franc with all variables held constant, the raw material cost for the year would have been lower / higher by Rs. 2.66 billion (2023: Rs. 3.48 billion). This analysis assumes that all other variables, in particular interest rates, remain constant.

Disclosure of Market Share of the Company

The Company is among the largest spinning mills in Pakistan, boasting over 380,000 spindles. Its primary focus is the manufacturing and sale of yarn, but it also produces and sells knitted bedding products, offers dyeing services, and is involved in milk production and sales. While there are many competitors in the spinning industry, only a few can match the Company's scale. Due to the lack of industry data for precise market share measurement, the number of installed spindles is the key indicator. Based on this, it is clear that the Company holds one of the largest market shares in yarn sales within the Country.

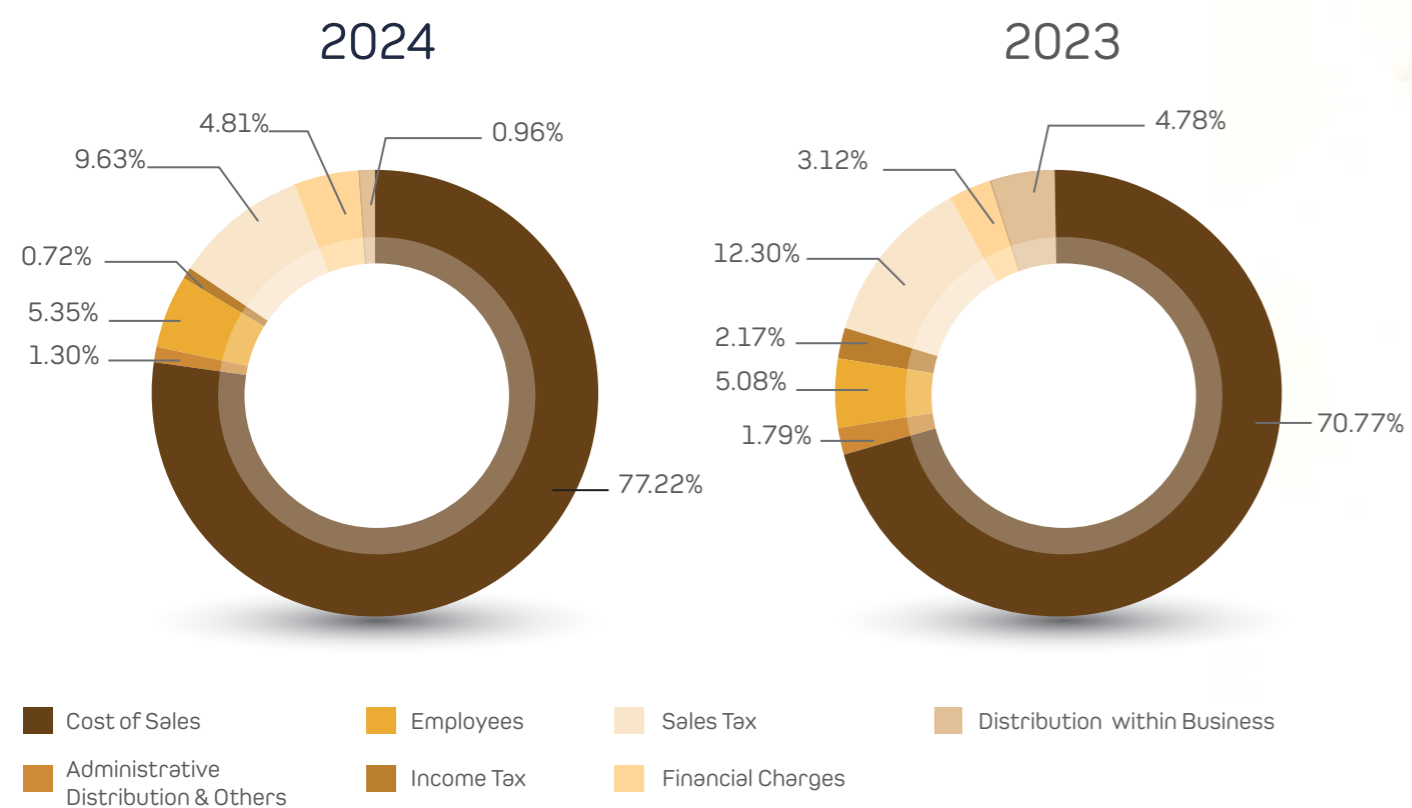
CEO Presentation Video on the Company's Business

Video presentation by CEO briefing about the business overview, performance, strategy and outlook has been uploaded on the media section of the Company's website and can be viewed at (www.gadoontextile.com/ceo-video-message/)

Statement of Value Added & its Distribution

	2024		2023	
	(Rupees in '000)	%	(Rupees in '000)	%
Wealth Generated				
Sales including Sales Tax	80,674,477	97.72%	66,461,594	96.55%
Other Operating Income	1,879,276	2.28%	2,376,210	3.45%
	<u>82,553,753</u>	<u>100.00%</u>	<u>68,837,804</u>	<u>100.00%</u>
Wealth Distribution				
Cost of Sales	63,746,055	77.22%	48,717,042	70.77%
Administrative, Distribution and Others	1,074,174	1.30%	1,229,380	1.79%
Employees	4,419,905	5.35%	3,496,115	5.08%
Income Tax	594,356	0.72%	1,490,416	2.17%
Sales Tax	7,950,495	9.63%	8,464,354	12.30%
Financial Charges	3,974,220	4.81%	2,148,630	3.12%
Distribution within Business	794,548	0.96%	3,291,867	4.78%
	<u>82,553,753</u>	<u>100.00%</u>	<u>68,837,804</u>	<u>100.00%</u>

Wealth Distribution



Hues of Security



- 166 Responsibility for The Implications of Cyber Risks
- 166 IT Governance Policy & Cybersecurity Procedures
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- 168 Independent Audit Policy
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Responsibility for The Implications of Cyber Risks

In an increasingly digital landscape, the potential threats to our data, operations, and reputation are significant and evolving. It's essential that we maintain robust cybersecurity measures, regularly assess vulnerabilities, and implement strategic initiatives to mitigate risks. We are committed to fostering a culture of awareness and preparedness, ensuring that our systems are resilient for any cyber threats. By prioritizing cybersecurity, we aim to protect our stakeholders and maintain trust in our operations.

IT Governance is an integral part of the Company and it helps to engage the Board members, executive management and underlying staff. Although there is no legal or regulatory requirement applicable which enforces Board responsibilities in case of any cyber risks, however, Board members are proactively involved in directing and controlling the actions and affairs of management for an effective monitoring.

Director IT is responsible for overseeing the cybersecurity risk and assessments and put forwards his findings and recommendations to the IT Steering Committee. He is also responsible to ensure training of IT and other staff members to mitigate any potential cyber risk.

IT team is responsible for developing and effectively monitoring security framework and ensure that the procedures are implemented to store, safeguard, retrieve and share information, exposed to cyber risks.

IT Steering Committee based on the recommendations assess the financial, reputational, and compliance risks and recommend its suggestion to the Board.

The Company also engage an expert consultant as an independent IT auditor for formal IT Audit, Risk Assessment, and Penetration test to set out the high-level principles of IT governance across the organization.

IT Governance Policy & Cybersecurity Procedures

The Company's IT and information security policies and procedures are in place which covers the requirement of information / cyber security components. This policy not only help us in precise dissemination and accurate presentation of information but, in particular, saves time and cost.

Policy Statement

- **Strategic Alignment:** Alignment of the strategic direction of IT with the business with respect to services and projects and verifying strategic compliance, i.e., achievement of organizational objectives through strategic IT objectives.
- **Benefit Realization (Value Delivery):** Organization's IT processes shall provide effective and efficient delivery of the IT services and early warnings including cost, schedule or functionality that may impact the expected outcomes of the services.
- **IT Risk Management:** Ensuring that processes are in place and effective to assess, manage and monitor the associated risks in IT investments, developments, and operations. Organization ensure that the IT risks do not exceed the enterprise risk appetite.
- **Resource Optimization:** Ensuring that there is an adequate IT capability and infrastructure assessment to support current and expected future business requirements.
- **Performance Management:** Reviewing the measurement of IT performance and the contribution of IT to the business.
- **Adequate Policies Framework and Its Independent Assurance:** Ensure that the appropriate policy controls are in place and the processes are documented.

Cybersecurity Procedure / Action Plan

In today's highly competitive and dynamic environment, companies must align themselves with modern advancements. The Company's Cybersecurity strategy is in place which defines the roadmap for technology enhancement and understand the role of cyber security by enforcing below mentioned action plan to ensure network security in a manner.

- The Company shall formulate cyber security action plan to anticipate, withstand, detect, and respond to cyber-attacks in line with standards and best practice.
- Development and implementation of robust cyber security awareness program shall be implemented whereby ensuring that end-users are aware of the importance of protecting sensitive information and the risks of mishandling information.
- Develop and implement assessment methods/procedures for determining security control effectiveness.

Board's Risk Oversight Function & Engagement

The organization's data security and risk management oversight always remain our top priority. Board is engaged in indirect oversight through the internal audit and risk compliance team, to have an update on cybersecurity matters.

On regular basis, the Board is briefed on the overall IT systems and the risk it is prone to.

The Board also check if the management committee meets frequently enough on cyber risks. Meanwhile, the management is liable to ensure a third-party independent audit by a reputed firm on a regular basis as per compliance with international standards of IT governance. Here, the services of external audits include the credibility / qualitative assessments of an information system against the required parameters and shortfalls to be addressed. This helps management to identify deficiencies in the security systems or controls for which recommendations can be made to avoid any sort of cyber breaches in the future.

Furthermore, logs are also reviewed regularly for any suspicious activities, and review results are to be retained for audit purposes as per Board's risk oversight function. This allows management to take proactive measures for safeguarding the information assets of the organization.

Committee & Risk Administration

The Company ensures that MIS on incidents, logs, breaches etc. are regularly reviewed by the management and critical incidents are submitted for review to the IT Steering Committee. There is formal IT Steering Committee with the members of senior management to address IT security matters. Any high-level query related to cybersecurity threat is escalated to Board level as and where required.

However, minor risk related decisions can be agreed between Director IT / Head of respective business units.

Risk Administration

Furthermore, risk administration exercise whether for new project / product or major upgrades usually conducted by compliance and security function in consultation with IT and relevant stakeholders within the Company. Following steps are taken during the risk identification / administration strategy.

- Vulnerability scanning is performed based on the scope of risk assessment.
- Database and Operating System hardening requirements are reviewed.
- Application security requirements are also reviewed.
- Penetration testing exercise is conducted to identify potential threats to the systems.
- Penetration testing report is shared with relevant stakeholders.
- Risks rated as high must be mitigated before deployment.

After administration of risks, the Asset Value is calculated, and each asset is first valued on confidentiality, integrity, and availability. The product of the values gives the Asset Value. Then rate the Asset Value according to nature of its criticality.

Company's Strategy on "Early Warning System"

An Early Warning System (EWS) allows harm, loss reduction, and dissemination of warning information about vulnerabilities taken as risks. Considering our environment, where there is no application hosted publicly, risk of cyber breach is minimum. Therefore, no requirement of deploying any real-time monitoring and reporting tool. Further, in case of such event, Incident Management Plan (IMP) is in place which escalates the matter to IT steering committee which can further update the matter to the Board.

Following are the steps or formal disciplinary process underlying real time monitoring by the management to encounter IMP within organization:

- The nature and gravity of the incident / breach and its impact on business;
- Whether or not this is a first or repeated offence.
- Whether or not the convicted staff was properly trained for allowed use;
- Relevant legislation;
- Business contracts; and
- In serious cases of misconduct, the process shall allow for instant removal of duties, access rights and privileges, and for immediate escorting out of the premises, if necessary.

Here, the above-mentioned process or responses are carried out on the basis of categories of incidents including Network Incident, Email, Applications Incident, DC Incident (Domain Controller), and Information / Cyber Security Incidents. The purpose of this process is to manage IT incidents effectively and efficiently as per the IT IMP. This shall ensure that all unplanned interruption or failures to an IT service or reduction in the quality of an IT service is recorded, analyzed, and resolved in a timely manner.

However, if any cyber security risk or incident is being monitored within the organization, the related responses are also communicated with the entire group of companies for better control over the incident and to reduce the chances of repetition.

Independent Audit Policy

Objective

Governance and Security functions within IT can also conduct reviews and monitoring to improve IT practices. However, to increase confidence level in the business systems, the Company has in the recent past engaged third party to conduct independent comprehensive security assessment which includes VAPT, risk assessment and network security configuration reviews. This allows management to take proactive measures for safeguarding the information assets of the organization.

Policy Statement

- External IT audit shall be conducted at least once a year by reputable auditing firms.
- Internal audit or governance review shall be conducted by a person / department independent of IT Division who shall be competent and qualified to perform such review/audits.
- As a first step, a risk assessment shall be carried out to highlight areas where the exposure to risk is relatively higher.
- A formal audit / review plan shall be prepared in consultation with CIO / Director IT based on the risk assessment and be concurred by Head of Internal Audit.
- Appropriate measures should be taken when granting system access to the auditors such as restricting the access to read-only.
- A draft audit report on the findings shall be prepared and submitted to the management. The issues highlighted in the report shall be discussed and agreed with the management.
- The management's comments shall be taken and incorporated in the auditors' report. Definite date for the actions to be taken by the management shall be mutually agreed and documented.
- CIO / Director IT shall be responsible for ensuring effective implementation of the action plan.

Scope of Audit

Furthermore, last independent audit was conducted for the period July-23 till June-24, under the scope of following functional aspects of review.

- IT Governance and Risk Management Analysis of Entity level Controls.
- Systems and Infrastructure Review.

- Business Continuity and Disaster Recovery Evaluation.
- IT / IS Policy and Procedure Review
- Information Technology Application Controls Review (ITGCs).

Disaster Recovery Plan & Cyber Insurance

In line with Business Continuity Management, the Company has formulated a Business Continuity Plan (BCP) / Disaster Recovery Plan (DRP) to minimize financial losses and mitigate the negative effects of disruptions on business while ensuring compliance with information and security policies. We have updated DRP in place and checked every evaluation carried out by the team on quarterly basis. This plan helps to ensure the continuity of operations and availability of critical resources in the event of disaster.

Policy Statement

BCP and DRP shall be made available to all key persons to ensure continuity in the event of a loss of service or disaster. BCP and DRP must incorporate adequate level of controls to comply with the information technology and security policies of the Company.

All IT systems must go through a Business Impact Analysis (BIA) to prioritize critical business process and systems.

Company's Cyber Insurance

The overall number of cyber risk incidents is minimum within the Company due to the strict monitoring and risk assessment planning. However, Company would be interested to move towards cyber insurance for a long-term protection in future. As it will be covering the financial losses that result from cyber events and incidents, the Company's management will closely review details first to ensure it contains the necessary protections and provisions to adhere.

Advancement in Digital Transformation

The Company is proud to be a proponent of digital transformation, moving towards digital era of cutting-edge experience. Our dedicated IT team has taken measured steps toward the digital transformation for

smooth operations and service delivery by maintaining high standards supplemented of growth.

To enrich information technology infrastructure, we are using AI in our surveillance system to monitor labor movement, attendance, discipline and strength related MIS. Perhaps, following are the major projects carried out during the year.

Launch of Advanced In-House ERP System

We are thrilled to announce a major technological advancement within our organization—the launch of our newly developed in-house Enterprise Resource Planning (ERP) system. The system went live on July 1st, 2024, and represents a significant step forward in our commitment to operational excellence, data security, and regulatory compliance.

Key Features and Benefits

- **Compliance and Standards:** Our in-house ERP system has been designed with best practices commonly adopted by leading ERP solutions. By incorporating these industry standards, we ensure that our system not only meets but exceeds current benchmarks for efficiency, reliability, and performance.
- **Data Integration:** One of the standout features of our ERP system is its robust data integration capability. By enabling seamless data sharing across all departments, the system fosters enhanced collaboration, informed decision-making, and improved overall efficiency. Real-time data accessibility will empower our teams to operate with greater accuracy and speed.
- **Updated Database and Application Versions:** The ERP system leverages the latest versions of our database and application software. These updates bring significant improvements in performance, reliability, and functionality, allowing us to capitalize on new features and technological advancements.
- **Enhanced Security:** Security is a top priority in the design of our new ERP system. It incorporates advanced measures such as secure data protocols and regular security updates. These features ensure our data is protected against threats, upholding the standards of integrity and confidentiality.

Gratitude & Acknowledgment

This landmark project would not have been possible without the tireless efforts and dedication of our development team and business process stakeholders. Their commitment to excellence has resulted in a robust, secure, and efficient ERP system that will serve as the cornerstone of our operations moving forward.

BI Integration with ERP System

Moving forward the goal is to successfully integrate Business Intelligence (BI) dashboards with our newly developed in-house ERP system. This integration will mark a significant milestone in our journey towards leveraging data-driven insights to enhance decision-making processes across the organization.

Digital Initiatives

The Company aims to minimize the usage of physical papers every year wherever possible in daily routine tasks. Furthermore, we have automated following key processes in this year:

- Integrated Approval Processes: Developed a mobile-compatible web portal to streamline and unify various approval processes across the organization.
- Face Recognition Attendance System: Implemented a face recognition system for attendance tracking at all locations to enhance accuracy and efficiency.
- Paperless Talent Acquisition Process: Transition to a paperless talent acquisition process, including digital applications, to improve efficiency and reduce environmental impact.
- Legal Document Repository and Follow-ups: Created a centralized repository for storing legal documents and manage follow-ups efficiently, ensuring compliance and easy access to critical information.

This strategic automation aims to minimize human intervention, ensuring timely and precise management for mitigating any potential gaps.

Education & Trainings on Cybersecurity Risks

Cybersecurity attacks are getting savvier and more crucial than ever, businesses with limited or no cybersecurity awareness training programs are at risk. Therefore, while investing in the latest cybersecurity recommended software's, arming employees with ongoing security skills can better ensure long-term protection of Company's confidential data. Under the scope of cybersecurity education, multiple information security awareness trainings have been conducted during the year. Following are the focused aspects or guidelines to educate workforce to avoid cyber security incidents in the future:

- Document management and notification procedures.
- Email and system security.
- Social engineering and phishing.
- Passwords and authentication.
- Safe internet habits.
- Clear desk policy.

Active participation is ensured and feedback surveys are also circulated among the participants to get user feedback in an efficient manner.

Hues of Tomorrow



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Forward-Looking Statement

At GTML, we remain steadfast in our commitment to innovation, sustainability, and excellence as we navigate the future. Our strategic initiatives are focused on enhancing operational efficiency, expanding our market presence, and driving sustainable growth. We are dedicated to investing in cutting-edge technologies and renewable energy sources to reduce our environmental impact and promote a greener future. Our ongoing efforts in employee development, community engagement, and corporate governance underscore our resolve to create long-term value for our stakeholders. As we look ahead, we are confident that our proactive approach and unwavering commitment to our core values will enable us to seize new opportunities, overcome challenges, and continue to thrive in an ever-evolving industry landscape.

The Company is persistently committed to cultivating success factors and encouraging innovation within the industry by contributing to the development of business and diversifying into value-added sectors of the market to augment shareholders' value. The Company is exploring and planning to grow its current value chain exposure with an extension of responsible consumption of natural resources.

Political stability, controlled law & order situation is a pre-requisite for any economy. The consistencies in policies are required for the businesses to grow and prosper. Moving forward, the inflation and interest rates are expected to follow downward trend, thereby adding positive to the economic growth. Further, it is expected that there will be no significant movement in the power tariffs.

The staff-level agreement with the International Monetary Fund (IMF) for a USD 7 billion Extended Fund Facility (EFF), if materialized, is anticipated to alleviate pressure on foreign exchange reserves. This would help reduce economic uncertainty, providing

increased stability and predictability for businesses and investors, thereby creating a more favorable environment for growth and investment.

The Company's management is confident that the substantial capital investments made this year and in previous years, will give the Company a competitive advantage. Furthermore, the Company is dedicated to maintaining its sales index in the coming year. However, the Company anticipates that high finance and energy costs will still continue to put pressure on overall profit margins.

The management has allocated a budget for the development of its resource capitals, i.e., human capital, manufactured capital, intellectual capital, social and relationship capital, and anticipates that it will be able to satisfy the need of all stakeholders.

Further, deliberation on the forward-looking statement has been made in the future outlook section of the Directors' Report.

Performance Against Last Year's Projection

From an economic perspective, this year presented significant challenges, marked by high inflation, fiscal deficit, and substantial external debt, along with persistent structural weaknesses. Despite these obstacles, the Company achieved its highest-ever revenue of Rs. 72.72 billion during the year, reflecting a 25.39% increase compared to the Same Period Last Year (SPLY), thereby fulfilling its sales target for the current year.

As forecasted in the last year's forward-looking statement, the CAPEX incurred over the years helped the Company to manage its cost to some extent by incorporating efficiencies. However, the impact of finance cost and power cost as anticipated last year, outweighed all the positive impacts.

Further, a comparison of financial performance with the budgeted projections is detailed in the analysis of the financial and non-financial performance section of this report.

Status of Projects

The Company lead the market position through focused investments in state-of-the-art & technologically advanced machineries, along with the empowering expansion in value added segment. The Company before investing in any projects, analyze the market trends, customer demands, competitive landscapes, and growth opportunities.

The expansion of value-added segment has been completed this year which will add positively to the Company's bottom line in the years to come. Apart from this, no other major projects are in pipelines from the previous year, the progress of which needs to be disclosed.

Sources of Information & Assumptions Used for Forecast

The Company's management collects and analyzes relevant data, market research, financial projections, industry trends, and internal information to form a comprehensive understanding of the organization's current state and potential future outcomes. Based on the gathered information and analysis, management sets specific goals and objectives that align with the organization's mission and long-term vision.

The Company based on current monetary and fiscal policies, affiliation / contacts with associations, consultation with industry experts, including advisory firms, market research including past trends, forecast the factors, i.e., exchange rate, interest rate, cotton prices, sales prices, etc. that have the significant impacts on the Company's operations and accordingly makes projections / budgets for the upcoming year.

Future Research & Development Initiatives

As part of our future outlook, the Company is dedicated to advancing overall Research & Development initiatives to drive innovation and sustainability. Our focus will be on utilizing the cutting-edge technologies that enhance production efficiency and reduce environmental impact. We plan to research on advanced material, aiming to create more sustainable and eco-friendly textile products. Additionally, we are exploring new energy-efficient processes and renewable energy integrations to further minimize our carbon footprint. Our commitment to continuous improvement and innovation ensures that we remain at the forefront of the industry, delivering value to our stakeholders and contributing to a sustainable future.

Hues of Partnership

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Stakeholders' Engagement Policy

GTML is fully committed to developing an effective working relationship with all its stakeholders. The objective of this policy is to lay down key principles of engagement with stakeholders. With respect to the engagement of its stakeholders, GTML is committed to:

- Providing accurate and timely information to all stakeholders.
- Obtaining regular feedback from stakeholders.
- Evaluating the effectiveness of stakeholder's engagement activities and working continuously to improve such engagements.

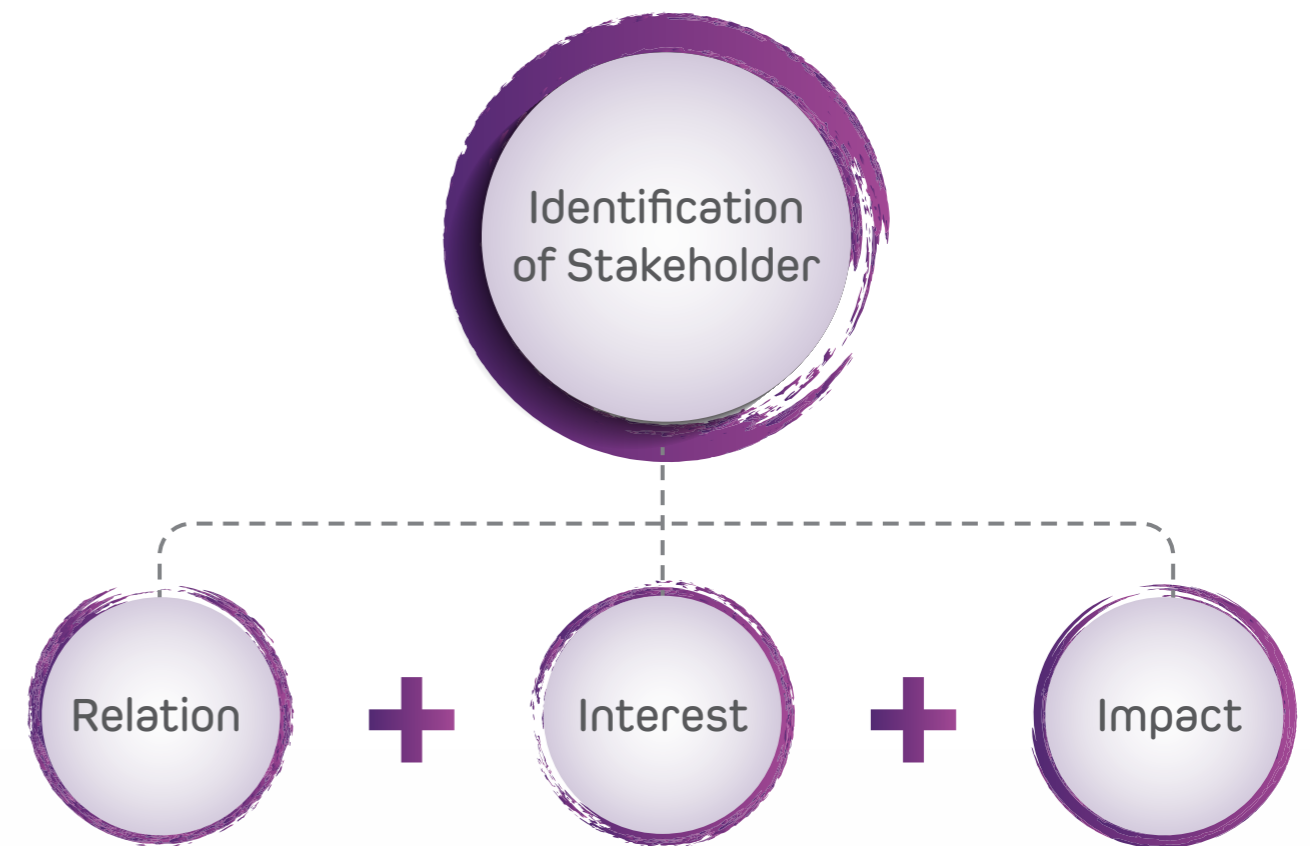
Frequency of stakeholder's engagements is based on the corporate and business requirements as laid down by the corporate laws, contractual obligations, as and when required. Ultimately, a robust stakeholder engagement strategy is essential for long-term growth and resilience in an ever-evolving business landscape.

Identification of Stakeholders

The Company focuses on identifying and establishing strong relationships with its stakeholders to encourage the growth and existence of the Company. A stakeholder is said to be an individual or a group that can be affected by or can affect the business operation either directly or indirectly. There are several factors involved in identifying the type or nature of a stakeholder some of which are as follows:

- Relation of a stakeholder with the business;
- Interest of a stakeholder in the business; and
- Impact of a business operation / decision on the stakeholder.

Nature / Type	Relation	Interest	Impact	Examples
Primary Stakeholder	Shares direct relation with the business activities	Are interested in day-to-day operations of the business	Are directly impacted by the decisions taken by the Company	Investors, lender of finance. Employees, customers, and suppliers
Secondary Stakeholder	Are indirectly related to the business operations / activities	Take interest once in a while or when major decision has been taken by the Company	Are indirectly impacted by the decisions taken by the Company	Media groups, regulators, community, and other external groups



Stakeholders' Engagement Process

GTML focuses on establishing strong relationships with its stakeholders to encourage the growth and existence of the Company. The Company makes use of commitment, sincerity, competence, effective communication, and reliable behavior to collaborate with its stakeholders. From short-term assessments to long-term strategic relationship building, 'Stakeholders' Engagement' lies at the core of the Company's business practices.

Stakeholders	Description	Frequency
Employees	The Company ensures to foster a positive work environment, offering professional development, and maintaining open communication channels. Engaging employees in the decision-making process and aligning their personal goals with the Company's objectives further strengthens their connection, leading to higher levels of productivity, innovation, and overall job satisfaction.	Continuous
Investors and shareholders	To update investors / shareholders about the Company's current performance / future plans and to provide them with a platform for raising their concerns. The Company engages with them through Annual General Meetings, Quarterly / Half Yearly / Annual Reports, website, and investor / corporate briefing sessions.	Yearly / Continuous / As required
Customer and Suppliers	The Company strives to come up with innovative ways to interact with its customers and suppliers. It engages with all its customers and suppliers through get-togethers, market visits, customer satisfaction surveys, and feedback on a periodic basis.	Continuous
Banks and Lenders of Finance	The Company considers the providers of funds to be its partners in success and ensures that they are frequently engaged with the Company and taken into confidence as and when required. The Company maintains excellent and lasting relationships with all the leading financial institutions in the Country for future partnerships.	Continuous / As required
Media	The Company engages with the media and disseminates news and other relevant updates to its stakeholders through press releases, corporate briefings, media announcements, presentations, and etc. Further, our Corporate Branding team regularly updates our social media platforms and website.	As required

Stakeholders	Description	Frequency
Regulators	The Company believes in strict compliance with applicable laws and regulations. To remain compliant, GTML ensures that all the regulators' queries are responded to on a timely basis, including the filing of various statutory returns / forms.	Periodic / As required
Local Committees	The Company actively participates in various CSR initiatives and activities in the health, education, and social sector.	Continuous

Relation with Stakeholders

A healthy relationship with stakeholders is the key to a successful business. Under this context, our management understands that any dispute with the stakeholder can cause hindrances in day-to-day business operations and therefore give due importance to their feedback / suggestion. Accordingly, stakeholders are allowed to have direct access to the Company Secretary in case of any grievance. Furthermore, the Company also ensures that all business activities between stakeholders are conducted through fair, legal, and ethical means.

By involving stakeholders in decision-making processes, addressing their concerns, and demonstrating transparency and accountability, companies can establish a positive image and strengthen relationships with stakeholders.

Encouraging Minority Shareholders

The shareholders hold immense value to the Company. GTML prioritizes the interests of its shareholders, and so their views are of utmost importance to us. The Company understands the importance of continuous collaboration with all its shareholders & believe that effective stakeholder engagement helps build trust and enhance the Company's reputation. Therefore, regardless of their shareholding value, we encourage all shareholders to attend the General Meetings.

The Company has adopted the following steps to encourage minority shareholders to attend the General Meeting:

- Notice is circulated within the regulatory timeframe.
- Notice is sent electronically on request.
- Notice is issued in English and Urdu newspapers having nationwide circulation.
- Notice is updated on the PSX portal as well as on official website of the Company.

Apart from timely submission of accounts and notices to shareholders, the Company encourages minority shareholders to attend the Annual General Meetings and provides the video conferencing facility to shareholders (having shareholding of 10% or more in aggregate), as per section 132(2) of the Companies Act, 2017, subject to availability of video conference facility in that city and receipt of intimation from the shareholders at least seven days prior to the date of the meeting. In addition to that, from last two years the Company has also arranged the online meeting facility for those shareholders who are interested to participate virtually in the General Meetings.

Further, to provide an additional opportunity to minority shareholders to interact with the management of the Company, the Company has been conducting corporate briefings and roadshows on a periodic basis throughout the year.

Investors' Relations Section

The Company communicates all major financial information needed for investors' decision-making by uploading it on the corporate website, i.e. (www.gadoontextile.com) under the section of Investor Relations, on a timely basis.

Investors' Corporate Briefing Session

Our stakeholder extends valuable contributions toward growth and existence. The Company understands the importance of continuous collaboration with all its stakeholders by maintaining open lines of communication on an ongoing basis, provide regular updates, share relevant information, and seek their input on key decisions or initiatives to ensure a more comprehensive and well-rounded decision-making process.

The Board has devised a mechanism to arrange interactive sessions between the management of the Company and its shareholders to solicit and understand the views of shareholders. The purpose of these sessions is to brief shareholders about the performance of the Company, macro and micro economic factors affecting the Company, prospects of the Company, and the steps taken by the Company to improve its performance in challenging circumstances. These communications help the Company to understand and resolve the concerns of the shareholders and to add a synergy factor to achieve better results for the Company's prospects.

The Board is pleased to inform you that the Company, held the Corporate briefing sessions for the year ended June 30, 2023, on October 10, 2023, at PSX auditorium and through a live online session and for the half year ended December 31, 2023, on February 22, 2024, through a live online session. An interactive session was held between

members, research analysts, fund managers, and management representatives where insight on the Company's performance was discussed along with future prospects.

Similarly, the Company is planning to hold the corporate briefing session for the year ended June 30, 2024, in the month of October 2024.



Link: gadoontextile.com/investor-info/

Redressal of Investors' Complaints

The Company practices a strategic support system to address & monitor the investors' complaints reported. To resolve the issues reported within the given time frame, an online investor grievances form is available on the official website of the Company. During the year no complain were received.

Corporate Benefit to Shareholders

Throughout the fiscal year, our dedication to enhancing shareholder value remained unwavering. During the past five years, shareholders have enjoyed the benefits of both value appreciation and dividend distributions. We continue to prioritize sustainable growth, with a focus on delivering long-term value through prudent financial management and strategic market positioning.



Hues of Clarity



Statement of Unreserved Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Company have been prepared in accordance with the IFRS issued by IASB as notified under the Companies Act, 2017, which ensures consistency, comparability, and credibility in corporate reporting.

Further, there are certain standards and interpretations which are yet to be effective in Pakistan and certain standards not adopted by SECP, as disclosed note 2.5 of the financial statements. However, the management believes these standards and interpretation does not have any material impact on the financial statements of the Company, other than certain additional disclosures.

Integrated Reporting

To meet excellence in corporate reporting, the Company continuously strives to meet the best corporate reporting standards and create values for its stakeholders. The Company aims to achieve excellence in transparent reporting along with consistent improvement in the quality of the information disclosed within the report. This approach allows stakeholders to gain a deeper understanding of the company's strategy, governance, performance, and prospects in the context of its external environment. By highlighting the relationships between financial and non-financial factors the report fosters transparency and accountability, helping to build trust with investors, customers, employees, and other stakeholders.

Management Approach

The Company adopted the International Integrated Reporting Framework to design this Annual Report with the on-going changes and improvements in the reporting standards.

The Company's management acknowledges its utmost responsibility to ensure the integrity of this report following Integrating Reporting (IR) Framework, International Financial Reporting Standards (IFRS), and Best Corporate Reporting (BCR) guidelines. The management is also committed to providing stakeholders a concise and transparent assessment of our value chain process including the business model, risks, processes, strategies, governance, and opportunities in an orderly manner.

Disclosures Beyond BCR

The Company, in order to promote transparency in its dealings, has added certain additional information for its stakeholders, which are beyond the required criteria of BCR Criteria (Page No. 252). Details are as follows:

Page No.	010	Product: Gallery	Page No.	033	Award and Achievements
Page No.	038	Calendar of Notable Events	Page No.	054	Materiality Determination
Page No.	066	United Nations SDGs	Page No.	076	HSE Roadshow
Page No.	100	CEO's Message	Page No.	107	Employee Engagement Activities

Hues of Transparency

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GADOON TEXTILE MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Gadoon Textile Mills Limited (the Company), which comprise the statement of financial position as at June 30, 2024, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profits, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key audit matters	How the matter was addressed in our audit
1	<p>Capital Expenditure</p> <p>(Refer Note 5 to the annexed Financial Statements)</p> <p>The company's financial statements for the year ended June 30, 2024 disclosed a significant capital expenditure of Rs. 5,584 million incurred during the year which primarily attributed to the establishment of dyeing processes, installation of solar plant & technological advanced machines.</p> <p>The capital expenditure incurred during the year represents significant transactions and requires appropriate application as per applicable financial reporting framework. In view of the above, we have identified this matter as a key audit matter</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <p>We evaluated the authorization and approval procedures for capital expenditure, checking compliance with company policies along with their budgeting.</p> <p>We tested samples of capital expenditure transactions to check the accuracy and valuation of the amounts recorded in the financial statements.</p> <p>We assessed management's criteria for capitalizing expenditure, as per the capitalization policy and evaluated consistency with the relevant accounting standards.</p> <p>We performed physical verification, on sample basis, of assets acquired to check the existence of assets.</p> <p>We examined the documentation supporting management's decisions regarding the capitalization of expenditure, such as contracts, and invoices.</p> <p>We evaluated the basis used by the management for depreciation charged in relation to the assets, by considering factors such as current useful life estimates and timing of capitalization.</p> <p>We assessed the adequacy of disclosures in accordance with the applicable financial reporting framework.</p>

Information Other than the Financial Statements and Auditor's Report Thereon-

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our Auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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


Report on Other Legal and Regulatory Requirements

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Arif Nazeer.



Chartered Accountants

Karachi

Date: August 22, 2024

UDIN: AR202410099YIWGrDBbN

Statement of Financial Position

As at June 30, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	24,563,610	21,242,834
Biological assets	6	761,358	753,053
Long term advance	7	-	-
Long term loans	8	7,753	37,944
Long term deposits		64,586	39,136
Long term investments	9	6,357,687	5,497,655
		<u>31,754,994</u>	<u>27,570,622</u>
Current Assets			
Stores, spares and loose tools	10	1,409,278	1,266,860
Stock-in-trade	11	19,283,229	23,408,079
Trade debts	12	5,062,757	2,972,086
Loans and advances	13	177,829	735,426
Trade deposits and short term prepayments		52,800	5,819
Other receivables	14	2,616,577	3,015,155
Current tax asset		73,339	86,459
Cash and bank balances	15	1,401,011	265,177
		<u>30,076,820</u>	<u>31,755,061</u>
Total Assets		<u><u>61,831,814</u></u>	<u><u>59,325,683</u></u>

EQUITY AND LIABILITIES

Share Capital and Reserves

Authorized
57,500,000 ordinary shares of Rs.10/- each

Issued, subscribed and paid-up capital

Capital reserves

Revenue reserves

Total Equity

Non-Current Liabilities

Long term finance

Deferred government grant

Retirement benefit obligation

Deferred tax liabilities

Current Liabilities

Trade and other payables

Unclaimed dividend

Levies payable

Current portion of long term finance

Current portion of deferred government grant

Accrued mark-up

Short term borrowings

Total Liabilities

Total Equity and Liabilities

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 44 form an integral part of these financial statements.

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Authorized		575,000	575,000
Issued, subscribed and paid-up capital	16	280,296	280,296
Capital reserves	17	16,637,541	16,637,541
Revenue reserves	17	4,580,461	3,773,365
		<u>21,498,298</u>	<u>20,691,202</u>
Long term finance	18	5,887,345	9,431,586
Deferred government grant	19	140,159	180,342
Retirement benefit obligation	20	1,205,342	1,008,944
Deferred tax liabilities	21	944,968	1,415,003
		<u>8,177,814</u>	<u>12,035,875</u>
Trade and other payables	22	10,826,480	9,278,163
Unclaimed dividend		32,380	34,504
Levies payable		431,977	180,135
Current portion of long term finance	18	679,913	666,994
Current portion of deferred government grant	19	40,132	54,879
Accrued mark-up		622,525	921,539
Short term borrowings	23	19,522,295	15,462,392
		<u>32,155,702</u>	<u>26,598,606</u>
Total Liabilities		<u>40,333,516</u>	<u>38,634,481</u>
Total Equity and Liabilities		<u><u>61,831,814</u></u>	<u><u>59,325,683</u></u>

MUHAMMAD ALI TABBA
Chairman

MUHAMMAD SOHAIL TABBA
Chief Executive Officer

MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Statement of Profit or Loss

For the Year Ended June 30, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Sales - net	25	72,723,982	57,997,240
Cost of sales	26	(67,706,538)	(51,829,395)
Gross profit		5,017,444	6,167,845
Distribution cost	27	(894,348)	(846,043)
Administrative expenses	28	(538,602)	(478,197)
		(1,432,950)	(1,324,240)
		3,584,494	4,843,605
Finance cost	29	(3,974,220)	(2,148,630)
Other expenses	30	(100,646)	(288,902)
		(490,372)	2,406,073
Other income	31	450,004	686,461
Share of profit from associates	9	1,429,272	1,689,749
Profit before final taxes, revenue taxes and income taxes		1,388,904	4,782,283
Final taxes	32	640,147	510,649
Profit before revenue taxes and income tax		748,757	4,271,634
Revenue taxes	32	432,324	352,670
Profit before income tax		316,433	3,918,964
Taxation - net	32	(478,115)	627,097
Profit for the year		794,548	3,291,867
Earnings per share - basic and diluted (Rupees)	33	28.35	117.44

The annexed notes from 1 to 44 form an integral part of these financial statements.



MUHAMMAD ALI TABBA
Chairman



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Statement of Comprehensive Income

For the Year Ended June 30, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Profit for the year		794,548	3,291,867
Other comprehensive income			
Items that will be reclassified subsequently to the statement of profit or loss			
Share of other comprehensive income / (loss) from associates - net of tax	9	10,314	(7,623)
Items that will not be reclassified subsequently to the statement of profit or loss			
- Remeasurement of defined benefit obligation	20.5	2,685	(27,879)
- Income tax relating to defined benefit obligation		(451)	(7,720)
		2,234	(35,599)
Other comprehensive income / (loss)		12,548	(43,222)
Total comprehensive income for the year		807,096	3,248,645

The annexed notes from 1 to 44 form an integral part of these financial statements.



MUHAMMAD ALI TABBA
Chairman



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Statement of Changes in Equity

For the Year Ended June 30, 2024

	Capital Reserves				Revenue Reserves				Grand total	
	Issued subscribed and paid-up share capital	Share premium	Amalgamation reserve	Reserves against long term investment capacity expansion & BMR	Sub Total	General reserve	Amalgamation reserve	Unappropriated profit		Sub total
(Rupees in '000)										
Balance as at July 1, 2022	280,296	103,125	34,416	-	137,541	1,000,000	727,333	15,857,979	17,585,312	18,003,149
Transaction with owners										
Final dividend @ Rs. 20/- per share for the year ended June 30, 2022	-	-	-	-	-	-	-	(560,592)	(560,592)	(560,592)
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	3,291,867	3,291,867	3,291,867
Other comprehensive income	-	-	-	-	-	-	-	(43,222)	(43,222)	(43,222)
Total comprehensive income for the year	-	-	-	-	-	-	-	3,248,645	3,248,645	3,248,645
Reclassification to Capital Reserves (Note 17.1)	-	-	-	16,500,000	16,500,000	-	-	(16,500,000)	(16,500,000)	-
Balance as at June 30, 2023	280,296	103,125	34,416	16,500,000	16,637,541	1,000,000	727,333	2,046,032	3,773,365	20,691,202
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	-	794,548	794,548	794,548
Other comprehensive income	-	-	-	-	-	-	-	12,548	12,548	12,548
Total comprehensive income for the year	-	-	-	-	-	-	-	807,096	807,096	807,096
Balance as at June 30, 2024	280,296	103,125	34,416	16,500,000	16,637,541	1,000,000	727,333	2,853,128	4,580,461	21,498,298

The annexed notes from 1 to 44 form an integral part of these financial statements.

MUHAMMAD ALI TABBA
Chairman

MUHAMMAD SOHAIL TABBA
Chief Executive Officer

MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Statement of Cash Flows

For the Year Ended June 30, 2024

A. CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from / (used in) operations
Finance cost paid
Income taxes and levies paid
Retirement benefits paid

Net cash generated from / (used in) operating activities

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment
Short term investments made
Short term investment disposed off
Purchase of biological assets
Sale proceeds from disposal of property, plant and equipment
Sale proceeds from disposal of biological assets
Loans repaid by employees
Long term advance received
Long term deposits given
Profit received from bank deposits
Dividend received
Net cash used in investing activities

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term finance obtained
Repayment of long term finance
Term loan obtained
Repayment of term loan
Repayment of salary refinance loan
Temporary economic refinance facility obtained
Repayment of temporary economic refinance facility
Renewable energy financing obtained
Export refinance - net
Import loan - net
Dividend paid
Net cash generated from financing activities

Net increase / (decrease) in cash and cash equivalents (A+B+C)
Cash and cash equivalents at the beginning of the year
Cash and cash equivalents at the end of the year

CASH AND CASH EQUIVALENTS

Cash and bank balances
Short term borrowings

Note	2024	2023
	(Rupees in '000)	
34	10,315,003	(708,123)
	(4,273,234)	(1,430,873)
	(803,029)	(822,553)
	(240,710)	(177,746)
	(5,316,973)	(2,431,172)
	4,998,030	(3,139,295)
	(5,265,702)	(11,500,676)
	-	(3,083,349)
	-	3,083,349
	-	(9,876)
	152,546	112,775
	90,099	38,415
	37,765	19,599
	22,222	22,223
	(25,450)	(4,394)
	72,094	42,299
	582,703	412,960
	(4,333,723)	(10,866,675)
	-	434,362
	(490,791)	(538,473)
	1,263,806	5,623,323
	(5,087,129)	-
	-	(281,139)
	-	81,292
	(109,645)	-
	837,507	-
	1,421,524	690,550
	5,500,669	-
	(2,124)	(552,480)
	3,333,817	5,457,435
	3,998,124	(8,548,535)
	(13,163,794)	(4,615,259)
	(9,165,670)	(13,163,794)
15	1,401,011	265,177
23	(10,566,681)	(13,428,971)
	(9,165,670)	(13,163,794)

CHANGES ARISING FROM FINANCING ACTIVITIES

	2023	Financing cash inflows	Financing cash outflows	Non-cash changes	2024
	(Rupees in '000)				
Long term finance	10,333,801	2,101,313	(5,687,565)	-	6,747,549
Unclaimed dividend	34,504	-	(2,124)	-	32,380

The annexed notes from 1 to 44 form an integral part of these financial statements.

MUHAMMAD ALI TABBA
Chairman

MUHAMMAD SOHAIL TABBA
Chief Executive Officer

MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Notes to the Financial Statements

For the Year Ended June 30, 2024

1. THE COMPANY AND ITS OPERATIONS

Gadoon Textile Mills Limited (the Company) was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn and knitted bedding products, dyeing services and production and sale of milk. Y.B. Holdings (Private) Limited is the holding company of the Company.

Following are the geographical location and address of all business units of the Company:

Head Office:

7-A, Muhammad Ali Society, Abdul Aziz Haji Hashim Tabba Street, Karachi, Province of Sindh, South, Pakistan.

Manufacturing Facility:

- a) 200-201, Gadoon Amazai Industrial Estate, District Swabi, Province of Khyber Pakhtunkhwa, North, Pakistan.
- b) 57 Km on Super Highway (near Karachi), Province of Sindh, South, Pakistan.

Liaison Office:

Office No. 401, 4th Floor, Tri Tower, Opposite Sarhad University, Ring Road, Peshawar.

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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except:

- obligations under the defined benefit plan are stated at present value;
- biological assets i.e. livestock are stated at fair value less estimated point-of-sale costs;
- investment in associates are accounted for using equity method; and
- obligations for TERF is stated at present value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and in future periods, if the revision affects both current and future periods.

Critical judgements

Management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

- a) determining the residual values and useful lives of the property, plant and equipment (note 4.1);
- b) valuation of biological assets (note 4.2);
- c) provisions - for slow moving stores, spares and loose tools (note 4.3);
- d) valuation of stock-in-trade - at lower of cost and NRV (note 4.4);
- e) impairment of financial assets and provisions - for loss allowance (notes 4.7.2);
- f) impairment of non financial assets (note 4.7.3);
- g) provision for taxation including deferred tax (note 4.10);
- h) accounting for retirement benefit obligation (note 4.11); and
- i) provisions against liability and contingencies (note 4.14).

2.5 Changes in accounting standards and interpretations

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

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

Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction. Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

2.5.2 New accounting standards and amendments that are not yet effective

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

	Effective from accounting period beginning on or after
- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants	January 01, 2024

- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements January 01, 2024
 - Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability January 01, 2025
 - IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) January 01, 2026
 - Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments January 01, 2026
- Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:
- IFRS 1 – First Time Adoption of International Financial Reporting Standards
 - IFRS 18 - Presentation and Disclosures in Financial Statements
 - IFRS 19 - Subsidiaries without Public Accountability: Disclosures

3. ADOPTION OF NEW ACCOUNTING POLICY

3.1 Accounting for minimum taxes and final taxes

The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The guide issued by ICAP provides two (2) approaches to account for minimum and final regime taxes, which is a choice of accounting policy of which the Company has chosen the following:

Designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Therefore, the effective rate of income tax is equal to the enacted rate of income tax.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax charged to entities as per provisions of Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy'. If super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37.

Advance taxes paid under any section of the Income Tax Ordinance, 2001 have been netted off with the levy amount and the net position is shown in the balance sheet.

The above changes have been accounted for in these financial statements as per the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy did not result in re-statement of financial statements since deferred tax liability recognised in the year ended June 30, 2023 was already at enacted rate and the application of this guide did not result in any material differences except for reclassifications which are presented as below:

	Current Classification ----- (Rupees in '000) -----	Previous Classification -----
Effect on statement of financial position: As at June 30, 2023		
Levies payable	(180,135)	-
Current tax asset / (liability)	86,459	(93,676)
	<u>(93,676)</u>	<u>(93,676)</u>
Effect on statement of profit or loss: For the year ended June 30, 2023		
Taxation:		
- Current year	-	863,319
- Prior year	(29,152)	(29,152)
- Deferred tax	656,249	656,249
Revenue taxes:		
- minimum taxes	352,670	-
Final taxes:		
- export sales	419,908	-
- dividend income	90,741	-
	<u>1,490,416</u>	<u>1,490,416</u>

3.2 Significant Accounting Policy to Material Accounting Policies Information

During the year, the company adopted Disclosure of Accounting Policies (Amendment to IAS 1). The amendment require the disclosure of "Material" rather than "Significant" accounting policies. Although the amendments did not result in any changes to accounting policies themselves.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment

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

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for intended use.

Depreciation is charged, from the month when the asset is available for use and ceased from the month of disposal, to the statement of profit or loss applying the reducing balance method except for leasehold land and solar system, which is depreciated using the straight-line method. The residual values, useful lives and depreciation methods are reviewed and changes, if any, are treated as change in accounting estimates, at each reporting date. Rates for depreciation are stated in note 5.1 to the financial statements.

Maintenance and repairs are charged to the statement profit or loss as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets are taken to the statement of profit or loss as and when incurred.

4.2 Biological assets

Livestock are measured at their fair value less estimated point-of-sale costs. Fair value of livestock is determined by an independent valuer on the basis of best available estimates for livestock of similar attributes.

Biological assets have been classified at level 2 of fair value hierarchy as disclosed in note 40 to the financial statements.

Gains or losses arising from changes in fair value less estimated point-of-sale costs of livestock are recognised in the statement of profit or loss.

4.3 Stores, spares and loose tools

These are stated at lower of cost and net realisable value. Cost is determined using moving average method. Items in transit are stated at invoice value plus other charges incurred thereon until the reporting date.

For items that are slow moving adequate provision is made, if necessary, for any excess carrying value over estimated realisable value and charged to the statement of profit or loss.

4.4 Stock-in-trade

Basis of valuation is as under:

- Raw material in hand (imported)	Lower of cost (weighted average / specific identification basis) and Net Realisable Value (NRV)
- Raw material in hand (local)	Lower of cost (weighted average) and NRV
- Raw material in hand (feed)	Lower of cost (weighted average) and NRV
- Raw material in-transit	Cost accumulated to end of reporting period
- Work-in-process	Lower of cost (weighted average) and NRV
- Finished goods	Lower of cost (weighted average) and NRV
- Finished goods (milk)	Fair value less estimated point-of-sale costs
- Waste	NRV

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

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

4.5 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks. Short term borrowings (except export refinance and import loan) availed by the Company which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

4.6 Investments

Investment in associates

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the associate after the date of acquisition. The Company's share of profit or loss of the associate is recognised in the statement of profit or loss. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognised in the associate's statement of profit or loss. The Company's share of those changes is recognised in the statement of comprehensive income of the Company.

The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognised in the statement of profit or loss.

4.7 Financial instruments

4.7.1 Financial assets

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

Financial assets at amortised cost

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

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

Financial assets at fair value through profit or loss (FVTPL)

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

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

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

4.7.2 Impairment of financial assets

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance, if any. The Company recognises a loss allowance for ECL on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

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

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

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

(i) Significant increase in credit risk

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

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

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

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

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

(ii) Definition of default

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

(iii) Credit-impaired financial assets

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

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

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derivative financial instruments

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

4.7.3 Non-financial assets

The Company assesses at each reporting date whether there is any indication that assets except inventories, biological assets and deferred tax asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in the statement of profit or loss. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

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

4.7.4 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the statement of profit or loss incorporates any interest paid on the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Borrowing costs are recognised as an expense in the year in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

Derecognition of financial liabilities

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

4.7.5 Offsetting of financial assets and financial liabilities

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

4.8 Borrowings and their costs

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost.

4.9 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes revenue taxes, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid has been netted off and the net position is shown in the statement of financial position.

i Revenue tax

Revenue tax includes amount representing excess of :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as minimum tax differential.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'

ii. Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4.10 Taxation

i. Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

ii. Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

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

4.11 Retirement benefit obligation - defined benefit plan

The Company operates an unfunded gratuity scheme for its confirmed employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. The most recent valuation of the scheme was carried out as at June 30, 2024.

Remeasurement changes which comprise actuarial gains and losses are recognised immediately in the statement of comprehensive income.

4.12 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into Pak Rupees at the rates prevailing on the reporting date.

Gains and losses arising on retranslation are included in the statement of profit or loss for the year.

4.13 Revenue recognition

Revenue from the sale of goods is recognised when the control of goods have passed to the buyer, usually on delivery of the goods.

Service revenue is recognized over the contractual period (i.e over the time) or as and when services are rendered to the customers and are calculated as per the terms defined in the contract between the Company and the customers.

Revenue from service fee is recognized at point in time, when customers utilize the services, in accordance with the terms mutually agreed upon by the company and its customers.

Interest income is recognised on a time proportionate basis using the effective rate of return.

4.14 Provisions

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

4.15 Deferred government grant

In accordance with IFRS 9 the benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) TERF, is accounted for as a government grant which is the difference between amount of loan received and the fair value of the loan on the date of disbursement. The differential amount presented in statement of financial position as deferred government grant. The amortisation of deferred government grant is netted off with finance cost within in the statement of profit or loss.

4.16 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders and appropriation to / from reserves is recognised in the year in which these are approved.

4.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors has identified different chief operating decision makers responsible for strategic decisions of all the reportable segments.

Operating segments that do not meet the quantitative thresholds, as defined in IFRS 8 'Operating Segments', has not been considered as reportable segments in these financial statements.

4.18 Earnings per share

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

	Note	2024 (Rupees in '000)	2023
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	22,937,175	13,737,910
Capital work-in-progress	5.2	1,626,435	7,504,924
		<u>24,563,610</u>	<u>21,242,834</u>

5.1 Operating fixed assets

Particulars	2024									
	Cost as at July 01, 2023	Re-classification	Additions / (Disposals)	Cost as at June 30, 2024	Accumulated depreciation as at July 01, 2023	Re-classification	Depreciation for the year / (Disposals)	Accumulated depreciation as at June 30, 2024	Carrying value as at June 30, 2024	Rate of depreciation
(Rupees in '000)										%
Land:										
Leasehold	196,169	-	-	196,169	16,371	-	1,503	17,874	178,295	1
Freehold	880	-	-	880	-	-	-	-	880	-
Buildings on leasehold land:										
Mills	2,436,237	-	57,041	2,493,278	1,559,474	-	93,745	1,653,219	840,059	10
Knitting unit	360,484	-	-	360,484	19,927	-	30,650	50,577	309,907	10
Dyeing unit	-	-	3,607,724	3,607,724	-	-	270,579	270,579	3,337,145	10
Roads	47,456	-	-	47,456	31,638	-	1,582	33,220	14,236	10
Power plant	194,578	-	22,609	217,187	136,510	-	7,608	144,118	73,069	10
Office	172,779	-	3,322	176,101	48,069	-	12,598	60,667	115,434	10
Workers' colony	66,122	123,727	807	190,656	58,768	107,554	1,187	167,509	23,147	10
Other	656,303	-	145,575	801,878	251,328	-	23,575	274,903	526,975	5
Buildings on freehold land:										
Family colony	319,737	-	-	319,737	201,400	-	11,834	213,234	106,503	10
Workers' colony	123,727	(123,727)	-	-	107,554	(107,554)	-	-	-	10
Plant and machinery	18,167,943	105,724	5,890,064 (300,770)	23,862,961	8,613,934	68,690	1,377,275 (209,571)	9,850,328	14,012,633	10
Power plant	2,588,020	-	1,681,716 (245,446)	4,024,290	1,030,121	-	242,008 (215,374)	1,056,755	2,967,535	10
Electric installations	435,984	(105,736)	44,224	374,472	311,384	(68,680)	10,321	253,025	121,447	10
Tools and equipment	57,462	(4,053)	1,850 (4,896)	50,363	22,403	(404)	3,246 (4,305)	20,940	29,423	10
Furniture and fittings	28,807	-	6,448 (5,917)	29,338	18,910	-	1,446 (5,525)	14,831	14,507	10
Computer equipment	69,716	-	15,278 (4,907)	80,087	41,904	-	10,612 (4,263)	48,253	31,834	30
Office equipment and installations	40,368	-	11,714 (6,381)	45,701	19,237	-	2,617 (5,533)	16,321	29,380	10
Fork lifters and tractor	71,675	9,755	-	81,430	46,276	4,474	6,136	56,886	24,544	20
Vehicles	426,833	(5,690)	705 (37,410)	384,438	191,184	(4,080)	45,215 (25,383)	206,936	177,502	20
Fire fighting equipments	11,778	-	-	11,778	8,756	-	302	9,058	2,720	10
June 30, 2024			11,489,077 (605,727)	37,356,408	12,735,148	-	2,154,039 (469,954)	14,419,233	22,937,175	

Additions to operating fixed assets include transfers from capital work-in-progress amounting to Rs. 11.46 billion.

5.1 Operating fixed assets

Particulars	2023									
	Cost as at July 01, 2022	Additions / (Disposals)	Transfer to store *	Cost as at June 30, 2023	Accumulated depreciation as at July 01, 2022	Depreciation for the year / (Disposals)	Depreciation transfer to store *	Accumulated depreciation as at June 30, 2023	Carrying value as at June 30, 2023	Rate of depreciation
	(Rupees in '000)									
Land:										
Leasehold	83,148	113,021	-	196,169	14,868	1,503	-	16,371	179,798	1
Freehold	880	-	-	880	-	-	-	-	880	-
Buildings on leasehold land:										
Mills	2,324,731	111,506	-	2,436,237	1,427,511	131,963	-	1,559,474	876,763	10
Knitting unit	360,484	-	-	360,484	19,927	-	-	19,927	340,557	10
Roads	47,456	-	-	47,456	29,881	1,757	-	31,638	15,818	10
Power plant	194,578	-	-	194,578	130,058	6,452	-	136,510	58,068	10
Office	104,127	68,652	-	172,779	41,105	6,964	-	48,069	124,710	10
Workers' colony	66,122	-	-	66,122	57,951	817	-	58,768	7,354	10
Other	630,021	26,282	-	656,303	231,281	20,047	-	251,328	404,975	5
Buildings on freehold land:										
Family colony	319,737	-	-	319,737	188,251	13,149	-	201,400	118,337	10
Workers' colony	123,727	-	-	123,727	105,757	1,797	-	107,554	16,173	10
Plant and machinery:										
Plant and machinery	14,817,731	3,620,468 (257,685)	(12,571)	18,167,943	7,978,405 (205,201)	850,301 (9,571)	8,613,934	9,554,009	10	
Power plant	1,694,393	893,627	-	2,588,020	948,464	81,657	-	1,030,121	1,557,899	10
Electric installations	473,320	3,607 (40,943)	-	435,984	333,766 (36,335)	13,953	-	311,384	124,600	10
Tools and equipment	55,432	2,030	-	57,462	19,029	3,374	-	22,403	35,059	10
Furniture and fittings	28,135	672	-	28,807	17,854	1,056	-	18,910	9,897	10
Computer equipment	59,270	10,946 (500)	-	69,716	33,270 (372)	9,006	-	41,904	27,812	30
Office equipment and installations	34,232	6,136	-	40,368	17,241	1,996	-	19,237	21,131	10
Fork lifters and tractors	71,675	-	-	71,675	39,926	6,350	-	46,276	25,399	20
Vehicles	376,562	85,074 (34,803)	-	426,833	164,091 (25,618)	52,711	-	191,184	235,649	20
Fire fighting equipments	11,778	-	-	11,778	8,420	336	-	8,756	3,022	10
June 30, 2023	21,877,539	4,942,021 (333,931)	(12,571)	26,473,058	11,807,056 (267,526)	1,205,189 (9,571)	12,735,148	13,737,910		

Additions to operating fixed assets include transfers from capital work-in-progress amounting to Rs. 4.81 billion.

* This represents transfer of spare parts of obsolete machinery to spares in hand

5.1.1 Depreciation charged for the year has been allocated as under:

	Note	2024 (Rupees in '000)	2023
Cost of sales	26.1 & 26.1.2	2,114,155	1,168,728
Administrative expenses	28	39,884	36,461
		2,154,039	1,205,189

5.1.2 Disposal of operating fixed assets having net book value in excess of Rs. 500,000

Description	Cost	Accumulated depreciation	Carrying value	Sales proceeds	(Loss) / gain	Mode of disposal	Purchaser
(Rupees)							
Power Plant machinery	77,572,361	67,340,902	10,231,459	20,600,000	10,368,541	Negotiation	Noa General Trading LLC
	83,936,809	73,972,998	9,963,811	20,500,000	10,536,189	Negotiation	Noa General Trading LLC
	83,936,809	74,060,400	9,876,409	20,000,000	10,123,591	Negotiation	Noa General Trading LLC
	245,445,979	215,374,300	30,071,679	61,100,000	31,028,321		
Plant and machinery	16,179,120	11,270,123	4,908,997	1,737,500	(3,171,497)	Negotiation	Ideal Trading Company
	16,179,120	11,270,123	4,908,997	1,737,500	(3,171,497)	Negotiation	Ideal Trading Company
	16,179,120	11,270,123	4,908,997	1,737,500	(3,171,497)	Negotiation	Ideal Trading Company
	13,500,836	8,880,980	4,619,856	1,737,500	(2,882,356)	Negotiation	Ideal Trading Company
	13,500,836	8,880,980	4,619,856	1,737,500	(2,882,356)	Negotiation	Ideal Trading Company
	13,500,836	8,880,980	4,619,856	1,737,500	(2,882,356)	Negotiation	Ideal Trading Company
	13,500,836	8,880,980	4,619,856	1,737,500	(2,882,356)	Negotiation	Ideal Trading Company
	13,500,836	8,880,980	4,619,856	1,737,500	(2,882,356)	Negotiation	Ideal Trading Company
	13,500,836	8,880,980	4,619,856	1,737,500	(2,882,356)	Negotiation	Ideal Trading Company
	13,500,836	8,880,980	4,619,856	1,737,500	(2,882,356)	Negotiation	Ideal Trading Company
	16,179,120	11,605,781	4,573,339	3,389,831	(1,183,509)	Negotiation	Ideal Trading Company
	16,179,120	11,605,781	4,573,339	3,389,831	(1,183,509)	Negotiation	Ideal Trading Company
	16,179,120	11,605,781	4,573,339	3,389,831	(1,183,509)	Negotiation	Ideal Trading Company
	3,221,917	1,978,999	1,242,918	1,446,186	203,268	Negotiation	Manoj Kumar
	3,221,917	1,978,999	1,242,918	1,446,186	203,268	Negotiation	Manoj Kumar
3,221,917	1,978,999	1,242,918	1,446,186	203,268	Negotiation	Manoj Kumar	
3,221,917	1,978,999	1,242,918	1,446,186	203,268	Negotiation	Manoj Kumar	
3,221,917	1,978,999	1,242,918	1,446,186	203,268	Negotiation	Manoj Kumar	
3,898,012	2,725,403	1,172,609	662,500	(510,109)	Negotiation	Ideal Trading Company	
3,898,012	2,725,403	1,172,609	662,500	(510,109)	Negotiation	Ideal Trading Company	
1,250,759	645,693	605,066	315,958	(289,108)	Negotiation	Al-Mushtaq Corporation	
1,770,854	1,218,486	552,368	295,989	(256,379)	Negotiation	Al-Mushtaq Corporation	
1,770,854	1,218,486	552,368	295,989	(256,379)	Negotiation	Al-Mushtaq Corporation	
1,770,854	1,218,487	552,367	295,989	(256,378)	Negotiation	Al-Mushtaq Corporation	
	214,992,500	145,518,543	69,473,957	38,459,220	(31,014,740)		
Vehicle	6,455,280	4,375,268	2,080,012	4,518,696	2,438,684	Company Policy	Mr. Shafiqat Mumtaz - employee
	6,482,300	4,498,018	1,984,282	4,537,610	2,553,328	Company Policy	Mr. Asad Ansari - employee
	6,455,280	4,513,935	1,941,345	4,518,696	2,577,351	Company Policy	Mr. Nadeem Riaz - employee
	2,027,490	1,174,538	852,952	1,540,892	687,940	Company Policy	Mr. Tahir Bawany - employee
	2,273,580	1,588,070	685,510	1,842,906	1,157,396	Company Policy	Mr. Muhammad Ayub - employee
	1,968,490	1,327,487	641,003	1,398,943	757,940	Company Policy	Mr. Saleem Khan - employee
	1,972,170	1,331,314	640,856	1,380,519	739,663	Company Policy	Mr. Asad Latif - employee
	1,654,530	1,137,975	516,555	1,158,171	641,616	Company Policy	Mr. Naeem Butt - employee
		29,289,120	19,946,605	9,342,515	20,896,433	11,553,918	

5.1.3 Leasehold and freehold land pertain to the manufacturing facilities having combined area of 147.8 acres (2023:147.8 acres).

5.2 Capital work-in-progress

	Civil works	Plant, machinery and equipments	Vehicles	Markup capitalised	Total
(Rupees in '000)					
Year ended June 30, 2024					
Balance as at July 1, 2023	2,501,687	4,549,363	-	453,874	7,504,924
Additions during the year	1,556,748	3,743,589	3,920	279,341	5,583,598
Transfers to operating fixed assets	(3,566,142)	(7,181,121)	(705)	(714,119)	(11,462,087)
Balance as at June 30, 2024	492,293	1,111,831	3,215	19,096	1,626,435

Year ended June 30, 2023

Balance as at July 1, 2022	716,623	207,986	160	21,499	946,268
Additions during the year	1,991,504	8,861,109	84,914	432,375	11,369,902
Transfers to operating fixed assets	(206,440)	(4,519,732)	(85,074)	-	(4,811,246)
Balance as at June 30, 2023	2,501,687	4,549,363	-	453,874	7,504,924

6. BIOLOGICAL ASSETS

	Note	2024	2023
(Rupees in '000)			
Dairy livestock			
- Mature		468,936	491,986
- Immature		292,422	261,067
	6.1	761,358	753,053

6.1 Reconciliation of biological assets

Balance as at July 1	753,053	365,430
Purchases during the year	-	9,876
Livestock expired	(14,433)	(13,152)
Sale of livestock	(170,640)	(61,491)
Gain on fair valuation of livestock due to:		
- new births	45,038	57,604
- price and age change	148,340	394,786
	193,378	452,390
Balance as at June 30	761,358	753,053

6.2 At June 30, 2024, the Company held 644 mature livestock - including pregnant livestock (2023: 669 mature livestock) able to produce milk and 669 immature livestock (2023: 652 immature livestock) which are being raised to produce milk in the future.

6.3 During the year, the Company produced approximately 5,608,378 (2023: 4,748,122) gross litres of milk from mature livestock.

6.4 As at June 30, 2024, the Company held 47 breeding bulls (2023: 33 breeding bulls).

6.5 The valuation of dairy livestock as at June 30, 2024 has been carried out by an independent valuer. In this regard the valuer examined the physical condition of the livestock, assessed the key assumptions and estimates and relied on the representations made by the Company. Livestock has been valued on the basis of market values of livestock of similar attribute. The valuation is considered to be a level II in the fair value hierarchy due to observable market data other than quoted prices in the active markets.

6.6 Cost to sell is considered immaterial and has not been taken into account while valuing the biological assets.

7. LONG TERM ADVANCE

- Considered doubtful

	Note	2024	2023
(Rupees in '000)			
Investment in a joint venture - advance	7.1 / 7.3	22,222	44,444
Provision against advance		(22,222)	(44,444)
		-	-
7.1 Opening balance of investment		44,444	66,666
Less: recovery		(22,222)	(22,222)
Closing balance of investment		22,222	44,444
7.2 Opening balance of impairment		(44,444)	(66,666)
Less: reversal of impairment		22,222	22,222
Closing balance of impairment		(22,222)	(44,444)
Closing balance		-	-

7.3 This represents first and second tranche of advance for a Joint Venture project amounting to Rs. 4,250 million. The principal activity of the Joint Venture project was acquisition and development of a real estate project in Karachi through a Joint Venture Company. The Company's share in this Joint Venture project is ten percent. The Project could not be executed and accordingly the amount was provided in previous years. However, last year the parties to the Joint Venture have agreed to settle the amount spent for the project. In this respect the Company had received Rs. 22.22 million last year and further Rs. 22.22 million have been received during the year. The provision has been reversed accordingly.

8. LONG TERM LOANS

- Considered good

Loan to employees

	Note	2024	2023
(Rupees in '000)			
Related parties - Key management personnel		7,694	13,429
Other employees		20,393	52,423
	8.1	28,087	65,852
Current portion of long term loans	13	(20,334)	(27,908)
		7,753	37,944

8.1 These are interest free loans recoverable in monthly instalments over a period of three years. These loans are secured against employees' retirement benefit obligation.

8.2 The maximum amount of loans to the key management personnel outstanding at the end of any month during the year ended June 30, 2024 was Rs. 12.347 million (2023: Rs. 26.529 million).

9. LONG TERM INVESTMENTS

		2024	2023
	Note	----- (Rupees in '000) -----	
Investments in associates - equity method	9.1	<u>6,357,687</u>	<u>5,497,655</u>
9.1 Investment in associates - equity method			
Lucky Core Industries Limited (LCI)	9.2	<u>4,084,042</u>	<u>3,677,707</u>
Lucky Holdings Limited (LHL)	9.3	<u>875</u>	<u>787</u>
Yunus Energy Limited (YEL)	9.4	<u>2,272,770</u>	<u>1,819,161</u>
		<u>6,357,687</u>	<u>5,497,655</u>

9.1.1 The Company's investment in Lucky Core Industries Limited (LCI), Lucky Holdings Limited (LHL) and Yunus Energy Limited (YEL) is less than 20% but these are considered associates as the Company has significant influence over the financial and operating policies through representation on the Board of Directors of these companies.

9.1.2 The principal place of business of all the associates is located in Pakistan.

9.2 Investment in LCI - at equity method

	2024	2023
Number of shares held	<u>6,654,867</u>	<u>6,654,867</u>
Cost of investment (Rupees in '000)	<u>1,341,311</u>	<u>1,341,311</u>
Fair value of investment (Rupees in '000)	<u>6,185,632</u>	<u>4,020,471</u>
Ownership interest	<u>7.21%</u>	<u>7.21%</u>

	2024	2023
	----- (Rupees in '000) -----	
Balance as at July 01	<u>3,677,707</u>	<u>2,564,380</u>
Share of profit	<u>795,051</u>	<u>1,281,423</u>
Share of other comprehensive income / (loss)	<u>10,576</u>	<u>(1,724)</u>
Dividend received	<u>(399,292)</u>	<u>(166,372)</u>
Balance as at June 30	<u>4,084,042</u>	<u>3,677,707</u>

The financial year end of LCI is June 30, 2024. Summarised financial highlights of LCI and the related share of the Company as at reporting date are as follows:

	2024	2023
	----- (Rupees in '000) -----	
Total assets	<u>92,375,253</u>	<u>90,236,091</u>
Total liabilities	<u>(42,917,508)</u>	<u>(46,544,761)</u>
Net assets	<u>49,457,745</u>	<u>43,691,330</u>
Company's share of net assets	<u>3,565,903</u>	<u>3,150,145</u>
Revenue	<u>120,635,402</u>	<u>109,543,700</u>
Profit for the year	<u>11,150,545</u>	<u>17,561,686</u>
Company's share of profit	<u>795,051</u>	<u>1,281,423</u>
Other comprehensive income / (loss) for the year	<u>146,688</u>	<u>(23,910)</u>
Company's share of other comprehensive income / (loss)	<u>10,576</u>	<u>(1,724)</u>

9.3 Investment in LHL - at equity method

	2024	2023
Number of shares held	<u>8,580</u>	<u>8,580</u>
Cost of investment (Rupees in '000)	<u>429</u>	<u>429</u>
Ownership interest	<u>1%</u>	<u>1%</u>

	2024	2023
	----- (Rupees in '000) -----	
Balance as at July 01	<u>787</u>	<u>581</u>
Share of profit	<u>88</u>	<u>2,248</u>
Dividend received	<u>-</u>	<u>(2,042)</u>
Balance as at June 30	<u>875</u>	<u>787</u>

The financial year end of LHL is June 30, 2024. Summarised financial highlights of LHL as at reporting date and the related share of the Company are as follows:

	2024	2023
	----- (Rupees in '000) -----	
Total assets	<u>446,659</u>	<u>443,602</u>
Total liabilities	<u>(388,296)</u>	<u>(394,010)</u>
Net assets	<u>58,363</u>	<u>49,592</u>
Company's share of net assets	<u>583</u>	<u>495</u>
Revenue	<u>-</u>	<u>359,070</u>
Profit for the year	<u>9,571</u>	<u>224,837</u>
Company's share of profit	<u>88</u>	<u>2,248</u>

9.4 Investment in YEL - at equity method

	2024	2023
Number of shares held	<u>61,136,500</u>	<u>61,136,500</u>
Cost of investment (Rupees in '000)	<u>611,365</u>	<u>611,365</u>
Ownership interest	<u>19.99%</u>	<u>19.99%</u>

	2024	2023
	----- (Rupees in '000) -----	
Balance as at July 01	<u>1,819,161</u>	<u>1,668,594</u>
Share of profit	<u>634,133</u>	<u>406,078</u>
Share of other comprehensive income / (loss)	<u>2,887</u>	<u>(10,965)</u>
Dividend received	<u>(183,411)</u>	<u>(244,546)</u>
Balance as at June 30	<u>2,272,770</u>	<u>1,819,161</u>

The financial year end of YEL is June 30, 2024. Summarised financial highlights of YEL as at reporting date and the related share of the Company are as follows:

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Total assets		14,450,119	14,084,647
Total liabilities		(3,184,146)	(5,088,087)
Net assets		11,265,973	8,996,560
Company's share of net assets		2,252,068	1,798,412
Revenue		5,412,700	4,084,270
Profit for the year		3,172,253	2,031,405
Company's share of profit		634,133	406,078
Other comprehensive income / (loss) for the year		14,445	(54,850)
Company's share of other comprehensive (loss) / income		2,887	(10,965)

10. STORES, SPARES AND LOOSE TOOLS

Stores	655,871	524,998
Spares	642,612	605,664
Loose tools	3,761	1,685
	1,302,244	1,132,347
Less: Provision for slow moving stores, spares and loose tools	(41,357)	(41,357)
	1,260,887	1,090,990
Stores in-transit	148,391	175,870
	1,409,278	1,266,860

11. STOCK-IN-TRADE

Raw material in		
- hand	8,385,834	14,991,278
- transit	4,560,166	4,450,885
- feed	85,887	75,855
	13,031,887	19,518,018
Work-in-process	1,932,370	986,146
Finished goods		
- Yarn	3,682,809	2,433,978
- Knitted fabric	576,479	272,343
- Waste	59,463	195,428
- Unprocessed milk	221	2,166
	4,318,972	2,903,915
	19,283,229	23,408,079

12. TRADE DEBTS

Considered good

Foreign - Secured		1,837,318	883,693
Local - Unsecured	12.2	2,714,953	1,912,433
Local - Secured		510,486	175,960
		5,062,757	2,972,086

Considered doubtful

Local - Unsecured		97	97
Provision for loss allowance		(97)	(97)
		-	-
		5,062,757	2,972,086

12.1 The Company has recognised a loss allowance of Rs. 0.09 million (2023: Rs. 0.09 million) against all local trade debts.

12.2 The balance includes trade balances outstanding from associated companies as follows:

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Lucky Textile Mills Limited	7,916	4,613
Lucky Knits (Private) Limited	335,188	-
	343,224	4,613

12.3 The maximum amount due from related parties, at the end of any month during the year were Rs. 343.22 million (2023: Rs. 160.04 million). The transactions with associated companies are carried on agreed terms.

12.4 Following are the details of debtors in relation to export sales:

Jurisdiction	Category	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Asia	Letter of credit		353,644	277,116
Europe	Letter of credit		78,340	-
	Contract		936,236	299,976
North America	Contract		468,768	306,601
Total	Letter of credit		431,984	277,116
	Contract		1,405,004	606,577

12.5 No significant amount of trade debts is overdue / past due.

13. LOANS AND ADVANCES

- Unsecured - considered good

Current portion of long term loans	8	20,334	27,908
Advances to employees		32,610	12,408
Advance to suppliers and contractors		88,533	113,124
Letters of credit, fee and expenses		1,544	4,079
Subordinated loan	13.1	34,808	19,525
Advance against shares		-	9,763
LC margin		-	548,619
		177,829	735,426

13.1 This represents subordinated loan in companies mentioned in Note 13.1.1. The shares will be issued in due course in accordance with the regulatory requirements.

13.1.1 Subordinated loan

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Tricom Solar Power (Private) Limited		26,329	12,104
Yunus Wind Power Limited		8,479	7,421
	13.1.2	34,808	19,525

13.1.2 As part of strategic investments, the Company had given subordinated loan to Tricom Solar Power (Private) Limited and Yunus Wind Power Limited, shares in respect of which will be issued in due course in accordance with the regulatory requirements.

Upon expiry of initial 12 months period from previous approval dated April 13, 2018 for the investment, the Company obtained extension from the shareholders in EOGM dated March 20, 2019 for a period of four years or till the Project achieves commercial operations, whichever is later.

14. OTHER RECEIVABLES

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Considered good			
Sales tax refundable including carried forward input tax		2,494,637	2,787,373
Rebate receivable on export sales		37,003	37,003
Claims receivable		80,993	186,249
Others		3,944	4,530
		<u>2,616,577</u>	<u>3,015,155</u>
Considered doubtful			
Claims receivable	24.1.2	20,000	20,000
Others	14.1	5,600	5,600
		<u>25,600</u>	<u>25,600</u>
Provision for doubtful other receivables		<u>(25,600)</u>	<u>(25,600)</u>
		<u>-</u>	<u>-</u>
		<u>2,616,577</u>	<u>3,015,156</u>

- 14.1 The Company received a demand cum show cause notice for the amount of Rs. 28.22 million from Custom Authorities vide order dated October 19, 2010, deleting their Manufacturing Bond Entry for import of Polyester Staple Fiber (PSF). The Company has paid Rs. 5.60 million under protest against the demand and also made provision for the same amount. Since the goods were imported for re-export, the FBR has rectified the anomaly through S.R.O. 688(I)/2010 dated July 27, 2010. Last year, the matter has been decided in favour of the Company from the Honorable PHC but has been challenged before the SCP by the department. Management believes that no further provision is required for the remaining amount and the amount so paid shall become refundable.

15. CASH AND BANK BALANCES

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Cash in hand		6,083	11,984
Cash with banks			
- current account	15.1	40,991	21,326
- time deposits	15.2	1,353,937	231,867
		<u>1,394,928</u>	<u>253,193</u>
		<u>1,401,011</u>	<u>265,177</u>

- 15.1 It includes balances in foreign currency bank accounts equivalent to Rs. 12.90 million (2023: Rs. 17.56 million).

- 15.2 These carry markup at the rates ranging from 18.00% to 20.50% per annum (2023: 6.75% to 20.31% per annum).

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2024 ----- (Number of Shares) -----	2023 ----- (Number of Shares) -----		2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
6,000,000	6,000,000	6,000,000	Ordinary shares of Rs. 10 each fully paid in cash	60,000	60,000
17,437,500	17,437,500	17,437,500	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	174,375	174,375
4,592,083	4,592,083	4,592,083	Ordinary shares of Rs. 10 each issued as fully paid in pursuant of amalgamation	45,921	45,921
<u>28,029,583</u>	<u>28,029,583</u>	<u>28,029,583</u>		<u>280,296</u>	<u>280,296</u>

- 16.1 As at June 30, 2024, Y.B. Holdings (Private) Limited (the Holding Company) hold 19,499,741 (2023: 19,499,741) ordinary shares of Rs. 10 each.

- 16.2 The Company has one class of ordinary shares which carries no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

17. RESERVES

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Capital Reserves		
Share premium	103,125	103,125
Amalgamation reserves	34,416	34,416
Against long-term Investments, capacity expansion and BMR	16,500,000	16,500,000
	<u>16,637,541</u>	<u>16,637,541</u>
Revenue Reserves		
General reserve	1,000,000	1,000,000
Amalgamation reserves	727,333	727,333
Unappropriated profit	2,853,128	2,046,032
	<u>4,580,461</u>	<u>3,773,365</u>
	<u>21,218,002</u>	<u>20,410,906</u>

- 17.1 With respect to the transfer of reserves as disclosed under note 17.1 to the annual financial statements for the year ended June 30, 2023, SECP vide their letter No. SMD/PRDD/Comp/(108)/2023 dated February 15, 2024, has clarified that the Board of Directors' of the Company may transfer amount from 'revenue reserves' to 'capital reserves' being a reserve not regarded free for distribution by way of dividend.

18 LONG TERM FINANCE

- Banking companies - secured

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Long term finance facility	18.1	3,147,048	3,637,839
Term loan	18.2	1,800,000	5,623,323
Financing for renewable energy	18.3	837,507	-
Temporary economic refinance facility	18.4	782,703	837,418
Less: Current portion of long term finance		(679,913)	(666,994)
		<u>5,887,345</u>	<u>9,431,586</u>

18.1 The Company has entered into a long term finance agreement with commercial banks, with an approved limit of Rs. 10.61 billion (2023: Rs. 12.11 billion). The facility carries a mark-up ranging from SBP Base Rate + 0.10% to 2% payable on a quarterly basis (2023: SBP Base Rate + 0.10% to 2% payable on a quarterly basis). The Term of this facility is 12 years including 2 years moratorium period.

18.2 This represents term loan obtained under the long term finance facility from various commercial banks having markup ranging from KIBOR + 0.20% to 0.75% (2023: KIBOR + 0.20% to 0.75%)

18.3 The Company entered into long-term loan agreements with commercial banks under the Renewable Energy Scheme of the State Bank of Pakistan with an approved limit of 0.88 Billion. Facility is to be repaid in 12 years including 2 years moratorium period. These facilities carries mark-up ranging from SBP + 2% to 3% which is payable in arrears on quarterly / semi-annual basis.

18.4 The Company has entered into a temporary economic refinance facility agreement with commercial banks, with an approved limit of Rs. 1.072 billion (June 30, 2023: Rs. 1.072 billion). The facility carries a mark up of SBP Base Rate + 0.50% to 0.75% (June 30, 2023: SBP Base Rate + 0.50% to 0.75%). The tenure of this facility is 12 years including 2 years moratorium period.

The above financing agreements are secured by pari passu charge over plant and machinery of the Company.

19. DEFERRED GOVERNMENT GRANT

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Deferred grant against temporary economic refinance facility	19.1	180,291	235,221
Current portion of deferred government grant		(40,132)	(54,879)
		<u>140,159</u>	<u>180,342</u>

19.1 Deferred government grant relates to the financing obtained at below market mark-up rates i.e. difference between the fair value and actual proceed of TERF loan obtained under SBP's refinance scheme. It is being amortised over the period of ten years from the date of loan disbursement with an amount equal to the difference between the finance cost that would have been charged to statement of profit or loss at market rate and the interest paid as per the scheme.

20. RETIREMENT BENEFIT OBLIGATION

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Retirement benefit obligation	20.1	<u>1,205,342</u>	<u>1,008,944</u>

20.1 Retirement benefit obligation

The Projected Unit Credit method based on following significant assumptions was used for valuation of the scheme. The basis of recognition together with details as per actuarial valuation are as under:

	2024	2023
Valuation Discount rate	14.75%	16.25%
Salary increase rate (Long term)	14.75%	16.25%
Salary increase rate (Short term)	14.75%	20% for 1 year
Mortality rate	SLIC 2001-05	SLIC 2001-05

20.2 Liability recognised in the statement of financial position

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Present value of retirement benefit obligation		<u>1,205,342</u>	<u>1,008,944</u>

20.3 Movement in liability during the year

	Note	2024	2023
Balance as at July 1		1,008,944	820,993
Expense recognised in the statement of profit or loss	20.4	439,793	337,818
Total remeasurements (gain) / loss recognised in the statement of comprehensive income	20.5	(2,685)	27,879
Benefits paid		(240,710)	(177,746)
Balance as at June 30		<u>1,205,342</u>	<u>1,008,944</u>

20.4 Expense recognised in the statement of profit or loss

	2024	2023
Current service cost	295,890	241,698
Interest cost	143,903	96,120
	<u>439,793</u>	<u>337,818</u>

20.5 Total remeasurements recognised in the statement of other comprehensive income

	2024	2023
Actuarial (gain) / loss on liability arising on		
- financial assumptions	(7,835)	44,073
- experience adjustments	5,150	(16,194)
	<u>(2,685)</u>	<u>27,879</u>

20.6 Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Change in assumption %	Increase / (decrease) in defined benefit obligation Increase in assumption Decrease in assumption ----- (Rupees in '000) -----
Discount rate	1	<u>(12,625)</u> <u>12,890</u>
Salary growth rate	1	<u>18,062</u> <u>(17,931)</u>

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at reporting date, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

20.7 The gratuity scheme exposes the Company to the following risks:

Longevity risk: The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary increase risk: The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual salaries are higher than expectation and impacts the liability accordingly.

Withdrawal risk: The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

20.8 The weighted average duration of defined benefit obligation as at June 30, 2024 is 34.13 years (2023: 33.88 years).

20.9 **Expected maturity analysis of undiscounted retirement benefit plans**

	Note	2024 (Rupees in '000)	2023
Undiscounted payments			
Year 1		367,072	287,302
More than 1 year		1,062,802	930,308

21. **DEFERRED TAX LIABILITIES**

Balance as at June 30	21.1	944,968	1,415,003
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21.1 **Deferred tax liability comprises of taxable / (deductible) temporary differences in respect of following:**

	Note	2024 (Rupees in '000)	2023
Deferred credits / (debits) arising due to:			
- Accelerated tax depreciation on property, plant and equipment		1,103,896	951,321
- Provision against retirement benefit obligation		(205,981)	(162,011)
- Provision against long term advance		(3,734)	(7,137)
- Provision against stores, spares and loose tools		(6,949)	(6,641)
- Provision against doubtful other receivables		(4,301)	(4,111)
- Gain arising from changes in fair value of livestock		283,278	277,706
- Tax asset on unused tax credit and losses		(1,197,782)	(429,678)
- Share of profit from associates		976,541	795,554
		944,968	1,415,003

21.2 **Movement In Deferred tax**

Opening balance		1,415,003	756,100
Charge / (reversal) for the year		(473,635)	656,249
Charge on OCI		3,600	2,654
Closing balance		944,968	1,415,003

22 **TRADE AND OTHER PAYABLES**

Creditors		1,764,088	1,633,285
Foreign bills payable		2,196,303	1,858,117
Advance from customers	22.1	191,540	182,691
Accrued liabilities		6,235,100	4,967,426
Withholding income tax		26,070	16,241
Sales tax payable		139,161	65,538
Workers' welfare fund		138,481	176,335
Workers' profit participation fund	22.2	-	251,698
Others		135,737	126,832
		10,826,480	9,278,163

22.1 During the year the performance obligation underlying the opening contract liability (advance from customers) of Rs. 182.691 million were satisfied in full. Accordingly the said liability was recorded as revenue during the year.

22.2 **Workers' profit participation fund**

Note	2024 (Rupees in '000)	2023
Balance as at July 01	251,698	154,189
Provision made during the year	30	-
Interest on funds utilised in business	29	5,811
Payments made during the year		(257,508)
Balance as at June 30		-
		251,698

23. **SHORT TERM BORROWINGS**

Banking companies - secured

Running finance under mark-up arrangements	23.1	1,416,681	12,928,971
Import loan	23.2	5,500,669	-
Money market	23.3	9,150,000	500,000
Export refinance	23.4	3,454,945	2,033,421
		19,522,295	15,462,392

23.1 Facilities for running finance, import finance, export finance and export refinance are available from various commercial banks upto Rs. 52.781 billion (2023: Rs. 38.11 billion). For running finance facility, the rates of mark-up range between KIBOR + 0.05% to KIBOR + 1.00% per annum (2023: KIBOR + 0.05% to KIBOR + 1.00% per annum). These are secured against hypothecation of stock, receivables and plant and machinery.

23.2 During the period company has obtained the Foreign currency import loan. The rate of mark-up on Foreign currency import finance is 7% to 13%.

23.3 During the period company has obtained the Money Market Loan. The approved limit of Money Market Loan under sub-limit of the facilities mentioned in note 23.1 from various commercial banks at KIBOR + 0.00% to KIBOR + 0.05% per annum (2023: KIBOR + 0.00% to KIBOR + 0.22% per annum). These are secured against hypothecation of stock, charge on receivables and plant and machinery.

23.4 The rate of mark-up on export refinance is SBP Base Rate + 0.50% to SBP Base Rate + 1.00% (2023: SBP Base Rate 0.50% to SBP Base Rate + 1.00%).

24. **CONTINGENCIES AND COMMITMENTS**

24.1 **Contingencies**

24.1.1 Outstanding guarantees given on behalf of the Company by commercial banks in normal course of business amounting to Rs. 3.86 billion (2023: Rs. 2.82 billion).

24.1.2 In prior years, Sui Northern Gas Pipeline Limited (SNGPL) charged the Company with an amount of Rs. 168 million on account of under billing of gas. The Company lodged a complaint with the Appellate Authority (the Authority) against SNGPL and on January 21, 2010, the Authority partly admitted the plea of the Company and allowed partial relief of Rs. 53.89 million. The Company has paid Rs.113.63 million in prior years. Subsequent to the decision of the Authority, both the Company (to claim additional relief) and SNGPL (against the relief provided) have filed appeals with higher authorities against the decision. During the year the OGRA shows inability to decide the case and mentioned that gas utility court has the jurisdiction to decide the matter in light of the judgement of the Supreme Court of Pakistan. The Company is planning to file the case at gas utility court. Management is of the view that no further liability will arise as it is expected that the final outcome of this case will be in its favour.

24.1.3 Previously, the Company had filed a suit before the Sindh High Court, challenging the applicability of Gas Infrastructure Development Cess (GIDC) Act, 2011 which was eventually decided upon by the Supreme Court of Pakistan declaring GIDC Act 2011 as invalid that being a fee-imposing enactment, it could not be introduced through Money Bill as a tax.

Thereafter the GIDC Ordinance 2014 was introduced to circumvent the decision of SC. However, in May 2015, the Government passed the GIDC Act 2015.

The Company challenged the GIDC Act, 2015 and filed writ petition in the Peshawar High Court (PHC) challenging the vires and legality of the levy and demand of GIDC including its retrospective application. On May 31, 2017, PHC dismissed the said petition, however, the Company obtained interim relief against the payment of GIDC imposed through monthly bills from PHC on the ground that GIDC is not leviable as the Company has not added GIDC impact in its price and has not collected from its customer. Further, the Company filed Civil Petition for Leave to Appeal (CPLA) in SC, against the adverse judgment of PHC. On August 13, 2020, the SC upheld the legality of GIDC Act, 2015.

Further, the Apex Court in its judgement validated the GIDC Act 2015 which contains Section 8 in particular. Whilst examining Section 8 (2) (1st proviso), the legislature has explicitly stated that the cess shall not be collected from industries where it has not been collected by the Gas companies in terms of GIDC Act 2011 and the GIDC Ordinance 2014. Further, while comparing two categories i.e. industrial and domestic consumers, the Hon'ble Court has specifically stated that GIDC shall be applicable only on those companies which have passed the burden on to its consumers/clients (Clause 37). Management maintains that since the Company has not passed on the burden to its consumers/clients, it is not liable to pay GID Cess, by whatever name charged. Accordingly, the Company filed the review petition in the Supreme Court of Pakistan against the above judgement of SC.

The SC in its judgment dated November 03, 2020, while dismissing all review petitions filed against its earlier judgement dated August 13, 2020, clearly stated that as the SC held the Act to be intra-vires therefore all the sections are to be applied and that the question pertaining to the applicability of Section 8(2) and its proviso has not been agitated and its relief lies elsewhere and that the companies claiming any relief under GIDC Act, 2015 may approach the right forum. Meanwhile, the Company's writ petition which was pending before the PHC with the plea that the Company did not pass on the GIDC burden to their end consumers and seeking relief under Section 8 (2) of the GIDC Act, 2015, was referred by PHC to OGRA, being the relevant authority, on which OGRA subsequently showed its inability to decide the matter. Accordingly, the Company filed a fresh writ petition before the PHC challenging Section 8(2) of GIDC Act, 2015, which PHC dismissed on June 15, 2022 with the plea of non-maintainability with the directions to approach the right forum. The Company's case is now pending at Trial Court Peshawar. The management maintains that since the Company has not passed on the burden to its consumers / clients, it is not liable to pay GIDC, by whatever name charged as it clearly falls within the ambit of the exemption in line with Section 8(2) of the GIDC Act, 2015.

24.1.4 National Accountability Bureau (NAB) had filed a reference before the Accountability Court - Peshawar on February 2, 2016 where the NAB has alleged that the Company has illegally sold the electricity to Peshawar Electric Supply Corporation (PESCO) at higher rates as compared to purchase price of electricity being supplied to the Company from PESCO. In this regard, the management believes that the said allegations are false, unsubstantiated and unfounded and the case is devoid of merits as the Company sold the electricity after required approvals and at price on which all captive power plants were selling electricity to distribution companies in accordance with approved policy of Government of Pakistan. The Accountability Court in February 23, 2022 declared that the case is not maintainable on account of the amendment made in the NAB Law via National Accountability (Second Amendment Ordinance), 2021 and the Court directed NAB to initiate the inquiry along with the relevant regulatory authorities in order to determine the realization of alleged colossal financial loss to the government treasury.

Against the decision of Accountability Court, the NAB has filed the appeal before the Peshawar High Court (PHC). Simultaneously, the Company has also filed appeal in PHC against the direction of the Accountability Court where the management believes that Court cannot give any direction to initiate the inquiry against the Company, rather it only needs to decide the case. Both the cases are pending at PHC.

24.1.5 The Income Tax Return of Fazal Textile Mills Limited (FTML) (previously merged with the Company in the year 2015) for Tax year 2013 was amended under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) by the Additional Commissioner Income Revenue (ACIR) vide its order dated March 4, 2014 on account of certain disallowances primarily against Workers Welfare Fund (WWF). The Company filed an appeal against the amended order at Commissioner Inland Revenue (Appeals) (CIRA) and in response of that CIRA allowed some relief to the Company. The Company being dissatisfied with the order of CIRA, filed an appeal

at the Appellate Tribunal Inland Revenue (ATIR) which is pending for adjudication. Thereafter, the tax department has selected the said return for Audit proceedings under sections 177 and 214C of the Ordinance. In pursuance to the aforementioned audit, the amended assessment order was further amended by the Deputy Commissioner Inland Revenue (DCIR) making an additions of Rs 1.63 million on account of certain disallowed expenses, levied WWF of Rs. 9.16 million and also restricted tax refundable to the amount of advance tax, thereby reducing it by Rs. 48.89 million. The Company had filed an appeal before CIRA against the said audit proceedings on the grounds that the assessment was prejudicially re-amended without evaluating the current status. The said appeal is pending for adjudication.

The management believes that the aforementioned matters will ultimately be decided in the favour of the Company. Accordingly, no provision is required to be made against the said amounts in these financial statements.

24.1.6 The Assistant Commissioner Inland Revenue (ACIR), Peshawar, passed an assesment order for the Tax Year 2015 dated December 13, 2016 after completion of audit proceedings, ACIR demanded tax amounting to Rs. 2,696 Million. The Company proceeded to file an appeal before the Commissioner Inland Revenue Appeals (CIRA) against the frivolous demand created by the ACIR, whereafter the CIRA gave partial relief and reduce the demanded tax to Rs. 462 million. Subsequently, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) for relief of remaining unjustified additions, where ATIR decided the case in favour of the Company on the ground that it lacks audit observation which is the mandatory requirement of the law and therefore allowed the appeal of the Company. Accordingly, the tax department has issued the appeal effect order in favour of the Company.

Currently, the department has filed the Reference application before the Peshawar High Court (PHC) against the decision of ATIR order which is still pending for adjudication.

24.1.7 The Collector of Customs has passed an order dated November 11, 2021 for recovery of the differential amount of advance tax at 4% (5%-1%) related to import of cotton during the period April 2013 to March 2014 alleging that the benefit of reduce rate of advance tax under section 148 of the Income Tax Ordinance (the Ordinance) shall be available only to the textile sector involve in the spinning sector onwards and demanded tax of Rs. 71.58 million along with the penalty of Rs. 0.5 million. The Company previously filed appeal before the Custom Tribunal against the said order of Collector of Customs which was decided against the Company. The Company then filed an appeal against the said order of Custom Tribunal before the Sindh High Court (SHC) and the said matter is still pending. The similar nature of case had been decided in favour of the taxpayer by the SHC.

24.1.8 Apart from the legal cases disclosed in these financial statements, no other major cases are pending having impact on the Company's financial statements

24.2 Others

	2024	2023
	----- (Rupees in '000) -----	
Local bills discounted	355,261	354,141
Post-dated cheques in favour of Collector of Customs against imports	10,732,996	9,215,650

24.3 Commitments

	2024	2023
	----- (Rupees in '000) -----	
Letters of credit opened by banks for:		
Plant and machinery	1,613,656	4,473,213
Raw materials	2,712,851	3,909,703
Stores and spares	211,269	146,897

25. SALES - net

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Export			
- Yarn		3,864,638	2,921,671
- Knitted fabric		8,297,970	5,958,613
- Waste		140,055	147,439
		<u>12,302,663</u>	<u>9,027,723</u>
Commission on direct export sales		(194,314)	(191,643)
		<u>12,108,349</u>	<u>8,836,080</u>
Indirect export			
- Yarn		25,785,923	23,920,055
- Waste		2,389,669	741,118
		<u>28,175,592</u>	<u>24,661,173</u>
Local			
- Yarn		36,270,935	30,456,201
- Knitted fabric		49,561	-
- Waste		1,029,020	2,137,470
- Dyeing Services		1,434,789	-
- CMT		74,392	-
- Raw material		1,027,727	-
		<u>39,886,424</u>	<u>32,593,671</u>
Commission on local / Indirect export sales		(266,984)	(168,320)
Sales tax		(7,950,495)	(8,464,354)
		<u>59,844,537</u>	<u>48,622,170</u>
Sale of milk		771,096	538,990
		<u>72,723,982</u>	<u>57,997,240</u>

25.1 Included herein exchange loss of Rs. 29.869 million (2023: exchange gain of Rs. 388 million) on account of foreign debtors.

26. COST OF SALES

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Opening stock - finished goods		2,903,915	2,404,061
Cost of goods manufactured	26.1	69,121,595	52,329,249
Closing stock - finished goods	11	(4,318,972)	(2,903,915)
		<u>67,706,538</u>	<u>51,829,395</u>

26.1 Cost of goods manufactured

Raw material consumed	26.1.1	50,291,236	41,125,169
Fuel and power	26.1.2	8,600,796	4,013,122
Salaries, wages and benefits	26.1.3	3,960,483	3,112,353
Stores, spares and loose tools		2,231,471	1,251,612
Depreciation	5.1.1	1,867,034	1,083,390
Packing material		1,576,736	1,126,060
Dyeing, stitching and knitting charges		1,109,789	583,603
Insurance		163,861	132,836
Mixing charges		79,915	60,736
Vehicle Running and Maintenance		71,115	62,503
Doubling charges		16,525	12,322
Entertainment		15,485	12,288
Repairs and maintenance		14,582	25,215
Fee and subscriptions		14,025	9,759
Travelling and conveyance		9,380	10,262
Communication		4,574	5,324
Rent, rates and taxes		4,252	3,567
Legal and professional		3,563	4,837
Printing and stationery		230	203
Other manufacturing expenses		32,767	30,781
		<u>70,067,819</u>	<u>52,665,942</u>

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Work-in-process			
Opening stock		986,146	649,453
Closing stock	11	(1,932,370)	(986,146)
		<u>(946,224)</u>	<u>(336,693)</u>
Cost of goods manufactured		<u>69,121,595</u>	<u>52,329,249</u>

26.1.1 Raw material consumed

Opening stock		19,518,018	15,327,868
Purchases - net		43,805,105	45,315,319
Closing stock	11	(13,031,887)	(19,518,018)
		<u>50,291,236</u>	<u>41,125,169</u>

26.1.2 This includes depreciation expense of Rs. 247.121 million (2023: Rs. 85.34 million).

26.1.3 Salaries, wages and benefits include Rs. 330.279 million (2023: Rs. 272.92 million) in respect of retirement benefit obligation.

27. DISTRIBUTION COST

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Logistic and related charges		662,705	683,800
Salaries, wages and benefits	27.1	98,295	78,472
Loading and others		45,908	35,151
Travelling and conveyance		26,307	10,743
Bank charges on export documents		23,217	9,340
Fee and subscriptions		20,634	12,306
Vehicles running and maintenance		7,884	7,636
Insurance		4,200	4,286
Communication		2,950	2,041
Printing and stationery		869	584
Repairs and maintenance		202	128
Entertainment		4	19
Others		1,173	1,537
		<u>894,348</u>	<u>846,043</u>

27.1 Salaries, wages and benefits include Rs. 26.82 million (2023: Rs. 8.48 million) in respect of retirement benefit obligation.

28. ADMINISTRATIVE EXPENSES

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Salaries, wages and benefits	28.1	361,127	305,290
Depreciation	5.1.1	39,884	36,461
Vehicles running and maintenance		33,836	30,975
Electricity		22,109	18,995
Insurance		14,778	12,144
Communication		10,886	9,280
Travelling and conveyance		9,007	14,929
Fee and subscriptions		8,301	8,315
Legal and professional		6,300	17,053
Printing and stationery		6,107	4,403
IT related services		5,903	2,965
Entertainment		4,695	4,014
Secretarial expenses		2,696	2,342
Repairs and maintenance		2,336	3,764
Auditors' remuneration	28.2	2,300	2,084
Rent, rates and taxes		524	525
Advertisement		95	535
Books and periodicals		48	37
Others		7,670	4,086
		<u>538,602</u>	<u>478,197</u>

28.1 Salaries, wages and benefits include Rs. 64.19 million (2023: Rs. 56.42 million) in respect of retirement benefit obligation.

28.2 Auditors' remuneration

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Statutory audit, CCG & other certification fees		2,070	1,884
Half yearly review		230	200
		<u>2,300</u>	<u>2,084</u>

29. FINANCE COST

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Mark-up / interest on:			
Long term finance		1,335,332	744,336
Short term borrowings		2,769,872	1,766,762
Workers' profit participation fund	22.2	5,811	2,144
		<u>4,111,015</u>	<u>2,513,242</u>
Bank and other financial charges		142,546	67,761
		<u>4,253,561</u>	<u>2,581,003</u>
Borrowing cost capitalised	29.1	(279,341)	(432,373)
		<u>3,974,220</u>	<u>2,148,630</u>

29.1 Borrowing cost is capitalised at weighted average borrowing capitalisation rate of 22.05% per annum (2023: 17.85% per annum).

30. OTHER OPERATING EXPENSES

	Note	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Workers' profit participation fund	22.2	-	251,698
Loss on sale of biological assets		94,974	36,228
Fixed asset written off		4,408	-
Exchange loss on foreign currency transactions - net		147	-
Others		1,117	976
		<u>100,646</u>	<u>288,902</u>

31. OTHER INCOME

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Income from financial asset		
Profit on deposit accounts	70,653	20,610
Realised gain on short term investments	850	23,369
Interest on subordinated loan	5,520	2,235
Income from non-financial asset		
Scrap sales	129,231	101,394
Insurance claim	6,970	6,400
Reversal of impairment provision	22,222	22,222
Gain arising from changes in fair value of livestock	193,378	452,390
Exchange gain on foreign currency transactions - net	-	11,471
Gain on disposal of property, plant and equipment - net	21,180	46,370
	<u>450,004</u>	<u>686,461</u>

32. LEVIES AND TAXATION

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Levies and taxes	<u>594,356</u>	<u>1,490,416</u>
32.1 Final taxes		
- export sales	508,014	419,908
- dividend income	132,133	90,741
	<u>640,147</u>	<u>510,649</u>

This represents final taxes paid on export sales and dividend income as per section 154 and section 5 of the Income Tax Ordinance, 2001 respectively, representing levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
32.2 Revenue tax	<u>432,324</u>	<u>352,670</u>

This represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

32.3 Income tax-net

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Income tax		
Current year	-	-
prior year	(4,480)	(29,152)
	<u>(4,480)</u>	<u>(29,152)</u>
Deferred	(473,635)	656,249
	<u>(478,115)</u>	<u>627,097</u>

32.4 Relationship between taxes, levies and accounting profit

	2024 ----- (Rupees in '000) -----	2023 ----- (Rupees in '000) -----
Profit before Levies and taxation	<u>1,388,904</u>	<u>4,782,283</u>
Tax at applicable rate of 29% (2023: 29%)	402,782	1,386,862
Tax effect of permanent differences	71	153
Tax impact of rate difference on deferred tax	68,923	582,727
Effect of prior year tax	(4,480)	(29,152)
Tax effect of final tax regime	(45,626)	(537,758)
Others	172,686	87,584
	<u>594,356</u>	<u>1,490,416</u>

32.5 Management has a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation has been provided in these financial statements.

33. EARNINGS PER SHARE - Basic and Diluted

There is no dilutive effect on the basic earnings per share of the Company which is based on:

	2024	2023
Profit for the year (Rupees in '000)	794,548	3,291,867
Number of ordinary shares	28,029,583	28,029,583
Earnings per share (Rupees)	28.35	117.44

34. CASH GENERATED FROM OPERATIONS

Note	2024	2023
	(Rupees in '000)	
Profit before taxation	1,388,904	4,782,283
Adjustments for:		
Depreciation	2,154,039	1,205,189
Gain on disposal of property, plant and equipment	(21,180)	(46,370)
Fixed assets written off	4,408	-
Gain arising from changes in fair value of livestock	(193,378)	(452,390)
Loss on sale of animals	94,974	36,228
Finance cost	3,974,220	2,148,630
Share of profit from associates	(1,429,272)	(1,689,749)
Profit on deposits	(71,503)	(43,979)
Reversal of impairment	(22,222)	(22,223)
Provision for retirement benefit obligation	439,793	337,818
Working capital changes	3,996,220	(6,963,559)
	8,926,099	(5,490,405)
Cash generated from / (used in) operations	10,315,003	(708,123)

34.1 Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	(142,418)	(366,403)
Stock-in-trade	4,124,850	(5,026,697)
Trade debts	(2,090,671)	779,309
Loans and advances	550,023	(212,113)
Trade deposits and short term prepayments	(46,981)	9,124
Other receivables	397,987	(1,626,719)
	2,792,790	(6,443,499)

Increase / (decrease) in current liabilities

Trade and other payables	1,203,430	(520,060)
Working capital changes	3,996,220	(6,963,559)

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in respect of remuneration and other benefits paid to Chief Executive and Executives of the Company were as follows:

	2024		2023	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in '000)			
Remuneration	30,000	147,444	27,500	126,165
Bonus	2,473	11,674	1,943	10,439
Other benefits	2,500	11,960	1,500	10,830
	34,973	171,078	30,943	147,434
	(Numbers)			
Persons	1	19	1	19

35.1 The Company also provides vehicles for use to Chief Executive and Executives as per Company policy.

35.2 No remuneration has been paid to Directors of the Company except for meeting fee of Rs. 3.25 million (2023: Rs. 2.84 million).

36. PRODUCTION CAPACITY

	2024	2023
Spinning Mill		
Spindles installed (Number)	382,212	367,704
Shifts worked per day (Number)	3	3
Days worked (Number)	366	365
Shifts worked (Number)	1,098	1,095
Spindles worked (Number)	396,772,176	380,324,501
Installed capacity after conversion into 20's (Kgs)	171,479,125	164,519,384
Actual production after conversion into 20's (Kgs)	162,123,440	155,400,312
Actual production (Kgs)	85,097,356	74,984,979
Knitting machines installed (Number)	12	12
Installed capacity (Kgs)	1,485,000	1,485,000

It is difficult to describe precisely the production capacity in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist per inch, raw material used, etc.

The knitting capacity has not been used during the year because the Company outsourced its knitting production in order to achieve lower cost of production.

Actual production varies based on market demand.

37. NUMBER OF EMPLOYEES

	2024			2023		
	Factory	Others	Total	Factory	Others	Total
	(Number)					
- At June 30	3,867	146	4,013	4,034	149	4,183
- Average during the year	3,949	151	4,100	4,385	144	4,529

38. RELATED PARTY TRANSACTIONS

Transactions between the Company and the related parties are carried out as per agreed terms duly approved by board of directors. Transactions with related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in note 35 are as follows:

Name of Related Party	Basis of Relationship	share-holding %	Nature of Transaction	2024	2023
				(Rupees in '000)	
Y.B. Holdings (Private) Limited	Holding Company	-	Reimbursement of expenses to the Company Dividend paid	3,631 -	3,117 389,995
Lucky Core Industries Limited	Associate	7.21%	Purchase of fiber Purchase of silage Purchase of soda Purchase of Berga Fat Dividend received	4,078,881 34,526 4,815 19,410 399,292	3,394,853 77,562 3,375 - 166,372
Yunus Energy Limited	Associate	19.98%	Reimbursement of expenses to the Company Dividend received	240 183,411	758 244,546
Lucky Holdings Limited	Associate	1.00%	Dividend received	-	2,042
Lucky Cement Limited	Associated Company	-	Purchase of cement Reimbursement of expenses from the Company Reimbursement of expenses to the Company	98,679 - 1,819	162,056 2,301 1,569
Lucky Knits (Private) Limited	Associated Company	-	Yarn sold Dyeing Services Purchase of goods and services Purchase of Store Reimbursement of expenses to the Company	3,704,098 1,075,603 408,715 - 463	3,076,711 - 126,650 39 366
Yunus Textile Mills Limited	Associated Company	-	Sale of Comber Noil Purchase of Machinery Yarn sold Purchase of Raw Material	93,150 6,000 670,470 26,247	49,069 - 331,449 -
Lucky Textile Mills Limited	Associated Company	-	Yarn sold Sale of fabric Sale of Comber Noil Processing charges Reimbursement of expenses to the Company Reimbursement of expenses from the Company Sale of Raw Material CMT charges Purchase of raw material	4,451,617 49,538 901,974 11,806 17,484 - 703,527 63,044 -	5,205,554 - 363,061 578 8,325 320 469 - 29,999
Lucky Energy (Private) Limited	Associated Company	-	Purchase of electricity / steam Reimbursement of expenses to the Company Reimbursement of expenses from the Company	3,587,002 1,807 3,849	1,713,347 2,575 273
Feroze 1888 Mills Limited	Associated Company	-	Purchase of Packing Material	379	-
Tricom Solar Power (Private) Limited	Associated Company	-	Interest income on subordinated loan Advance against shares	4,468 -	1,402 9,763
Yunus Wind Power Limited	Associated Company	-	Interest income on subordinated loan	1,058	833
Lucky Motor Corporation Limited	Associated Company	-	Purchase of vehicle	-	36,308
Y.B. Engineering Limited	Associated Company	-	Engineering Services Reimbursement of expenses to the Company	9,997 600	14,687 -

38.1 Associate / Associated Companies comprise of related parties due to common directorship.

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

39.1 Financial instruments by category

	2024	2023
	(Rupees in '000)	
Financial assets at amortised cost		
Loans to employees	28,087	65,852
Long term deposits	64,586	39,136
Trade debts	5,062,757	2,972,086
Loans and advances	67,418	31,933
Other receivables	121,940	227,782
Cash and bank balances	1,401,011	265,177
	<u>6,745,799</u>	<u>3,601,966</u>
Financial liabilities at amortised cost		
Long term finance	6,567,258	10,098,580
Trade and other payables	10,331,228	8,585,660
Unclaimed dividend	32,380	34,504
Accrued mark-up	622,525	921,539
Short term borrowings	19,522,295	15,462,392
	<u>37,075,686</u>	<u>35,102,675</u>

39.2 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

39.2.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from trade debts, loans, advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
	(Rupees in '000)	
Loan to employees	28,087	65,852
Long term deposits	64,586	39,136
Trade debts	5,062,757	2,972,086
Loans and advances	67,418	31,933
Other receivables	121,940	227,782
Bank balances	1,394,928	253,193
	<u>6,739,716</u>	<u>3,589,982</u>

The trade debts are due from foreign and local customers for export and local sales respectively. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Loans to employees are secured against their gratuity balances.

The Company always measures the loss allowance for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of Rs. 0.09 million (2023: Rs. 0.09 million) against all local trade debts. Other trade debts are not past due as of balance sheet date.

39.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

June 30, 2024	Within 1 year	2 - 5 years	More than 5 years	Total
	----- (Rupees in '000) -----			
Financial liabilities				
Long term finance	720,045	4,152,350	1,694,863	6,567,258
Trade and other payables	10,331,228	-	-	10,331,228
Unclaimed dividend	32,380	-	-	32,380
Accrued mark-up	622,525	-	-	622,525
Short term borrowings	19,522,295	-	-	19,522,295
	<u>31,228,473</u>	<u>4,152,350</u>	<u>1,694,863</u>	<u>37,075,686</u>

June 30, 2023	Within 1 year	2 - 5 years	More than 5 years	Total
	----- (Rupees in '000) -----			
Financial liabilities				
Long term finance	721,873	6,860,451	2,751,477	10,333,801
Trade and other payables	8,585,660	-	-	8,585,660
Unclaimed dividend	34,504	-	-	34,504
Accrued mark-up	921,539	-	-	921,539
Short term borrowings	15,462,392	-	-	15,462,392
	<u>25,725,968</u>	<u>6,860,451</u>	<u>2,751,477</u>	<u>35,337,896</u>

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements, which includes short term borrowings and discounting of foreign receivables. Total unavailed facility balances as at June 30, 2024 are as reported in note 23.1 to these financial statements.

39.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

Price risk

Price risk is 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. As at June 30, 2024 the Company is not exposed to price risk.

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 risk arises from long and short term borrowings from financial institutions. At the reporting date the interest rate risk profile of the Company's interest-bearing financial instruments is:

	2024	2023
	----- (Rupees in '000) -----	
Variable rate instruments		
Financial liabilities		
- KIBOR / SBP base rate	26,269,844	25,796,193

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 rate at the reporting date would not affect the statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in KIBOR / SBP base rate, financial liabilities at the reporting date would have increased / (decreased) equity and profit or loss by Rs. 262.7 million (2023: Rs. 257.96 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as in previous year.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. As at reporting date, the financial assets and liabilities exposed to currency risk are as follows:

	2024	2023	2024	2023
	----- (USD) -----		----- (Rupees in '000) -----	
Trade debts	6,543,778	3,083,368	1,837,318	883,693
Foreign currency bank balances	46,304	61,276	12,909	17,592
Foreign bills payable	(7,879,272)	(6,472,020)	(2,196,303)	(1,858,117)
Import loan	(19,730,905)	-	(5,500,669)	-

The following significant exchange rates applied during the year:

	Average rates		Reporting date rates	
	2024	2023	2024	2023
US Dollars to PKR	283.80	247.6	278.80 / 278.30	287.10 / 286.60

As at June 30, 2024, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollars with all variables held constant, profit or loss for the year would have been lower / higher by Rs. 584.67 million (2023: Rs. 95.53 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in previous year.

40. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

As at June 30, 2024, the Company has no financial instruments that falls into any of the above category except for biological assets which are classified in level 2 above.

There were no transfers between Level 1 and 2 in the year.

41. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares. During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratio as at 30 June 2024 was as follows:

	2024	2023
	(Rupees in '000)	
Total Borrowings	26,269,844	25,796,193
Cash and Bank Balances	(1,401,011)	(265,177)
Net Debt	24,868,833	25,531,016
Total Equity	21,498,298	20,691,202
Total Capital	46,367,131	46,222,218
Gearing Ratio	54%	55%

42. OPERATING SEGMENTS

Basis of segmentation

A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. Management has determined the operating segments based on the information that is presented to the Board of Directors of the Company for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Company is organised into the following two operating segments:

- Spinning segment: manufacturing and sale of yarn;
- Knitting segment: manufacturing and sale of knitted bedding products; and
- Unallocated segments includes production and sale of milk and Dyeing Services

Management monitors the operating results of the above-mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in table below, is measured differently from the statement of profit or loss in these financial statements. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. All non current assets of the Company as at June 30, 2024 are located in Pakistan.

Liabilities are incurred for the Company as a whole and are not segment-wise reported to the Board of Directors. All the unallocated (including dairy segment) results and assets are reported to the Board of Directors at entity level. The following are the reportable segments as per IFRS 8 'Operating Segments', the operating results information and asset information regarding operating segments for the respective years as at reporting date are as follows:

42.1	2024				2023			
	Spinning	Knitted bedding products	Unallocated	Total	Spinning	Knitted bedding products	Unallocated	Total
	(Rupees in '000)							
Segment Revenues	62,424,721	8,312,242	1,987,019	72,723,982	51,611,486	5,846,764	538,990	57,997,240
Export	3,982,135	8,126,214	-	12,108,349	3,049,349	5,786,731	-	8,836,080
Indirect export	26,292,406	-	-	26,292,406	21,048,994	-	-	21,048,994
Local	32,150,180	186,028	1,987,019	34,323,227	27,513,143	60,033	538,990	28,112,166
Profit Before Tax	552,549	352,418	483,937	1,388,904	1,296,607	1,573,377	1,912,299	4,782,283
Finance Cost	2,839,942	284,785	849,493	3,974,220	2,024,834	74,805	48,991	2,148,630
Depreciation	1,623,548	39,202	491,289	2,154,039	1,108,016	43,104	54,069	1,205,189
Segment Assets								
Property, plant and equipment	17,698,183	622,543	6,242,884	24,563,610	15,735,509	593,813	4,913,804	21,243,126
Other non-current assets	-	-	7,191,383	7,191,383	-	-	6,327,496	6,327,496
Current assets	24,840,578	4,414,448	821,794	30,076,820	28,744,846	2,753,181	257,034	31,668,310
Other non-current Liabilities	6,899,441	137,218	1,141,155	8,177,814	8,772,130	79,043	3,184,702	12,035,875
Current Liabilities	20,609,299	3,739,592	7,806,811	32,155,702	21,574,649	2,275,774	2,748,183	26,598,606

42.2 Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities

42.2.1 Net Turnover

	2024	2023
	(Rupees in '000)	
Total net turnover for reportable segments - note 25	78,581,472	60,468,124
Elimination of inter-segment net turnover - note 25	(5,857,490)	(2,470,884)
Total net turnover	72,723,982	57,997,240

42.2.2 Cost of sales

Total cost of sales for reportable segments - note 26	73,564,028	54,300,279
Elimination of inter-segment purchases - note 26	(5,857,490)	(2,470,884)
Total cost of sales	67,706,538	51,829,395

42.2.3 Assets

	2024	2023
	(Rupees in '000)	
Total assets for reportable segments	47,575,752	47,827,349
Other unallocated amounts	14,256,062	11,498,334
Total assets	<u>61,831,814</u>	<u>59,325,683</u>

42.2.4 Liabilities

Total liabilities for reportable segments	31,385,550	32,701,596
Unallocated liabilities	8,947,966	5,932,885
Total liabilities	<u>40,333,516</u>	<u>38,634,481</u>

43. CORRESPONDING FIGURES

Corresponding figures have been reclassified / rearranged wherever necessary for better presentation.

44. GENERAL

These financial statements has been rounded off to the nearest thousand rupees.

The Board of Directors proposed a final dividend for the year ended June 30, 2024 of Rs. Nil per share (2023: Rs. Nil per share) amounting to Rs. Nil (2023: Rs. Nil).

These financial statements were authorised for issue on August 6, 2024 by the Board of Directors of the Company.



MUHAMMAD ALI TABBA
Chairman



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

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Pattern of Shareholding

As at June 30, 2024

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
731	1	100	27,450
729	101	500	173,145
314	501	1000	250,359
200	1,001	5,000	482,840
40	5,001	10,000	317,797
11	10,001	15,000	131,666
8	15,001	20,000	143,222
5	20,001	25,000	115,156
3	25,001	30,000	80,900
1	30,001	35,000	34,906
4	35,001	40,000	151,900
1	40,001	45,000	44,790
2	70,001	75,000	148,500
1	75,001	80,000	80,000
1	90,001	95,000	95,000
1	115,001	120,000	119,400
1	120,001	125,000	120,711
1	155,001	160,000	159,247
1	175,001	180,000	178,000
1	255,001	260,000	257,000
1	325,001	330,000	326,803
2	405,001	410,000	813,350
1	560,001	565,000	563,522
1	640,001	645,000	644,194
1	730,001	735,000	730,991
1	1,055,001	1,060,000	1,056,600
1	1,280,001	1,285,000	1,282,393
1	19,495,001	19,500,000	19,499,741
2,065			28,029,583

Shareholders' Category	Number of Shareholders	Number of Shares Held	Percentage (%)
A) Director and Spouse(s)			
Mr. Muhammad Ali Tabba	1	3,173	0.01
Mr. Muhammad Sohail Tabba	1	4,744	0.02
Mr. Imran Yunus Tabba	1	4,744	0.02
Mr. Jawed Yunus Tabba	1	4,744	0.02
Ms. Zulekha Tabba Maskatiya	1	3,673	0.01
Mr. Muhammad Hassan Tabba	1	500	0.00
Syed Muhammad Shabbar Zaidi	1	500	0.00
Mr. Moin M. Fudda	1	500	0.00
B) Associated Companies, Undertaking and Related Parties			
Y.B. Holdings (Private) Limited	1	19,499,741	69.57
C) Executives			
	-	-	-
D) Public Sector Companies and Corporations			
	-	-	-
E) Banks, NBFC, Insurance, Joint Stock Companies, Pension Funds, Charitable Trusts and REIT management			
	38	2,681,791	9.57
F) Mutual Funds			
	2	161,247	0.58
G) General Public			
a - Local	2001	5,570,202	19.87
b -Foreign	12	12,289	0.04
Foreign Companies	2	80,562	0.29
Others	1	1,173	0.00
Total	2,065	28,029,583	100.00

Notice of 37th Annual General Meeting

Notice is hereby given that the 37th Annual General Meeting (the "AGM") of Gadoon Textile Mills Limited (the "Company") will be held on Thursday, September 26, 2024 at 3:00 p.m., at the registered office of the Company at 200-201, Gadoon Amazai Industrial Area, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa and through video link to transact the following business:

Ordinary Business

- To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2024, together with the Chairman's Review, Directors' and Auditors' report thereon.

In accordance with Section 223 of the Companies Act, 2017 (the Act) and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, issued by the Securities and Exchange Commission of Pakistan (the SECP), the financial statements of the Company can be accessed through the following weblink and QR enabled code:

<https://gadoontextile.com/financial-reports/#annual-reports>



- To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2025. The present Auditors, M/s. Yousuf Adil, Chartered Accountants, retire and being eligible, have offered themselves and consented for re-appointment, and the Board of Directors has recommended their appointment.

Special Business

- To consider and, if deemed fit, pass the following resolutions, as special resolutions, to ratify and approve (as the case may be) related party transactions / arrangements conducted / to be potentially conducted by the Company, in terms of Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

RESOLVED THAT the transactions carried out by the Company with different related parties during the year ended June 30, 2024, as disclosed in note 38 of the financial statements of the Company for the said period, be and are hereby ratified and confirmed.

FURTHER RESOLVED THAT the Company be and is hereby authorized to enter into arrangements and / or carry out transactions from time to time including, but not limited to, for the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, or availing or rendering of services, with different related parties from time to time to the extent of Rs. 25 billion to be undertaken from time to time during the financial year ending on June 30, 2025. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board of Directors of the Company (irrespective of the composition of the Board), including under Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions.

FURTHER RESOLVED THAT the related party transactions, for the period ending on June 30, 2025, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next Annual General Meeting for ratification and confirmation.

Other Business

- To transact any other business with the permission of the Chair.

(Attached to this Notice is the Statement of Material Facts covering the above-mentioned Special Business, as required under Section 134(3) of the Act.)

By order of the Board

MUHAMMAD UMAIR
Company Secretary

Karachi: September 5, 2024

Notes

1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from Thursday, September 19, 2024 to Thursday, September 26, 2024 (both days inclusive). Transfer request received in order at our Share Registrar/Transfer agent, CDC Share Registrar Services Limited (the "CDCSRSL"), CDC House, 99-B, S.M.C.H. Society, Main Shahrāh-e-Faisal, Karachi 74400, at the close of business on Wednesday, September 18, 2024 will be treated in time for the purpose of attending and voting at AGM.

2. PARTICIPATION IN GENERAL MEETING

- All shareholders of the Company shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the representative shall be produced at the time of the meeting.

A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote in at the meeting.

For appointing proxies

- A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the Company, all such forms of proxy shall be rendered invalid. Proxy must be a member of the Company.
- Instrument appointing a proxy must be received at the Registered Office of the Company duly signed at least 48 hours before the time of the meeting.
- The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- Attested copies for CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.

3. PARTICIPATION IN AGM THROUGH VIDEO LINK

Pursuant to circular 4 of 2021 issued by the SECP, shareholders who wish to participate virtually in the AGM are requested to share below information at agm_2024@gadoontextile.com at least seven days prior to the date of the meeting.

Name of Shareholder	CNIC Number	Folio / CDC Account Number	Registered email Address	Cell Number

Video conference link details and login credentials shall be shared with those shareholders whose information are received through their registered e-mail address within specified time. Furthermore, the said facility shall be login from the registered email address only.

4. NOTIFY THE CHANGES IN ADDRESSES OF SHAREHOLDERS

The shareholders of the Company are requested to promptly notify changes in their mailing addresses (if any), to our share registrar/transfer agent.

5. SUBMISSION OF COPIES OF CNIC (MANDATORY)

Individual shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid CNIC in the records of the Company, the Company shall withhold the dividend unclaimed till date, under the provisions of Section 243 of the Act which will be released by the Share Registrar only upon submission of a valid copy of the CNIC.

6. PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E-DIVIDEND MECHANISM)

In accordance with Section 242 of the Act, cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their complete bank details along with 24-digit International Bank Account Number (IBAN) directly to our share registrar (for physical shares) or to their respective participant/broker (for CDS shares) as the case may be for the dividends which are unclaimed till date. Shareholders are advised to ensure that title of bank account must be in the name of the shareholder. The subject Form is available at Company's website i.e. <http://gadoontextile.com/investor-information/>. The Company has already communicated through its letters addressed to the shareholders individually along-with newspapers publications requesting to provide IBAN.

7. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

The audited financial statements of the Company for the year ended June 30, 2024 have been placed on the website of the Company <http://gadoontextile.com/investor-information/>.

Notwithstanding the above, the Company will provide hard copies of the audited financial statements, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request.

8. REQUIREMENT OF COMPANIES (POSTAL BALLOT) REGULATIONS 2018

Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 and 144 of the Act, Members will be allowed to exercise their right to vote through postal ballot, that is voting by post or electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

9. UNCLAIMED DIVIDENDS AND / OR SHARES

As per the provision of section 244 of the Act, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the SECP for the credit of Federal Government after issuance of notices to the shareholders to file their claim. A notice in this respect was sent to shareholders dated January 31, 2018 and the final notice was published in the newspapers dated May 2, 2018.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company on priority to claim their outstanding dividend amounts and/or undelivered share certificates.

10. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS

In accordance with the requirement of section 72 of the Act, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of this Act.

In this regard, a notice was sent dated June 17, 2021 to the shareholders of the Company holding physical shares wherein detailed guidelines were provided for the shareholder to open the CDC sub-account with any of the broker or investor account directly with CDC to place their physical shares into scrip-less form. This will facilitate the shareholders to streamline their information in members' register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 PERTAINING TO AGENDAS OF SPECIAL BUSINESS

This statement sets out the material facts pertaining to the special business items to be transacted at the AGM of the Company to be held on September 26, 2024.

Agenda Item No. 3

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017 (the Act), read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As some / majority of the Directors of the Company may be deemed to be interested in certain arrangements / transactions with related parties, including due to their shareholding or common directorships in related entities / parties, and to promote transparency, an approval from the members was sought during the 36th AGM of the Company, where the members authorized the Board of Directors to approve such related party transactions conducted by the Company from time to time (and on a case to case basis) during the financial year ended June 30, 2024, and such transactions were deemed to be approved by the members. All the related party transactions have been disclosed in Note 38 to the financial statements for the year ended June 30, 2024. Such transactions were to be placed before the members in next AGM for their ratification / confirmation. Accordingly, these transactions are being placed before the AGM for ratification / confirmation by the members.

The Company carries out transactions and enters into arrangements with its related parties primarily on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions / arrangements entered into with related parties require the periodic review of the Board Audit Committee (the BAC), which is chaired by an independent director of the Company. Upon the review and recommendation of the BAC, such arrangements / transactions are placed before the Board of Directors for approval.

Transactions entered into with the related parties include, but are not limited to, for the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, or availing or rendering of services.

The nature of relationship with these related parties has also been indicated in Note 38 to the financial statements of the Company for the year ended June 30, 2024. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings (to the extent applicable) in such related parties.

Accordingly, the members are requested to ratify and confirm the transactions with related parties as disclosed in the financial statements of the Company for the year ended June 30, 2024.

Furthermore, the Company will be entering into arrangements and conducting transactions with its related parties including, but not limited to, those stipulated in the resolution, during the year ending on June 30, 2025. As some or a majority of the Directors of the Company may be deemed to be interested in certain arrangements or transactions, inter alia, due to their shareholding or common directorships in related entities, and in order to promote transparent business practices, an approval from the members is being sought to authorize the Company to conduct such related party transactions and enter into arrangements with related parties, and further to authorize and grant power to the Board of Directors to approve related party transactions to be conducted by the Company during the financial year ending on June 30, 2025 (irrespective of composition of the Board and interest of the Directors). The related party transactions as aforesaid for the year ending on June 30, 2025 shall be deemed to have been approved by the members.

The members should note that it is not possible for the Company or the Directors to accurately predict the nature of related party arrangements / transactions, or the specific related parties with whom the transactions will be carried out. The transactions that may be carried out by the Company include, but are not limited to, the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, or availing or rendering of services.

The related parties include, but are not limited to, the following:

1	Lucky Cement Limited	2	Lucky Core Industries Limited
3	Lucky Energy (Private) Limited	4	Lucky Entertainment (Private) Limited
5	Lucky Holdings Limited	6	Lucky Knits (Private) Limited
7	Lucky Motor Corporation Limited	8	Lucky Landmark (Private) Limited
9	Lucky Renewables (Private) Limited	10	Lucky Textile Mills Limited
11	Lucky Wind Power Limited	12	Yunus Wind Power Limited
13	Tricom Solar Power (Private) Limited	14	Y. B. Engineering Limited
15	Y. B. Holdings (Private) Limited	16	Y. B. Pakistan Limited
17	Yunus Energy Limited	18	Yunus Textile Mills Limited

The members should also note that, for the Special Resolutions described in the Notice of AGM, it is not possible for the Company to predict the quantum of related party transactions / arrangements to be undertaken in the period ending on June 30, 2025, however, the members are requested to authorize the Board of Directors to carry out the transactions / arrangements to the extent of Rs. 25 billion to be undertaken from time to time for the period ending on June 30, 2025. The Company will present the actual figures for subsequent ratification and confirmation by the members, at the next AGM. Furthermore, the Company and the Board continuously serve to protect the interests of the shareholders of the Company and the said transactions are entered into in order to benefit the Company and its stakeholders.

Based on the aforesaid the members are requested to pass the Special Resolutions (with or without modification) as stated in the Notice.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and Directors of the Company.

BCR (Best Corporate Reporting) Checklist - 2024

S.No	Statement of Clause	Page Reference
1	Organizational Overview and External Environment	004
1.01	Mission, vision, code of conduct, ethical, principal and core values.	014
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	007
1.03	Geographical location and address of all business units including sales units and plants.	012
1.04	The legislative and regulatory environment in which the company operates	032
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	017-022
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	N/A
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	016
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	024
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year	026
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	026
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	028-029
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response. b) The effect of seasonality on business in terms of production and sales.	030-031
1.13	The legitimate needs, interests of key stakeholders and industry trends.	032
1.14	SWOT Analysis of the company.	034
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	032
1.16	History of major events.	036-037
1.17	Details of significant events occurred during the year and after the reporting period.	038-039

S.No	Statement of Clause	Page Reference
2	Strategy and Resource Allocation	040
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	042-043
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	042-043
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	044
2.04	Company's strategy on market development, product and service development	044
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	044
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	042-043
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	045
2.08	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	045
2.09	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	045

S.No	Statement of Clause	Page Reference
3	Risks and Opportunities	046
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	050-052
3.02	A Statement from the Board for determining the following: a) Company's level of risk tolerance by establishing risk management policies; b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	048-049
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	048
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	054-055
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any)	056
4	Sustainability Reporting and Corporate Social Responsibility (CSR)	058
4.01	Board's statement for the adoption of CSR best practices including Board's commitment to continuous improvement and implementation updates in the form of periodic reviews to ensure the relevance and effectiveness of CSR practices in business strategies.	060
4.02	Board's statement about the company's strategic objectives and the intended impact on stakeholders on ESG (Environmental, Social and Governance) reporting/ Sustainability Reporting in line with IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'. Weightage will be given to companies who provides following disclosures (as per IFRS S1 and IFRS S2) along with the company specific examples for each factor for the investor's information: a) Disclosures of company specific sustainability-related risks and opportunities and their impact on the financial performance in the short, medium and long term; b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.	060 061

S.No	Statement of Clause	Page Reference
	c) Disclosures of material information about sustainability-related risks and opportunities throughout a company's value chain together with specific examples of initiatives taken by the company. [In IFRS S1, the 'value chain' is the full range of interactions, resources and relationships related to a company's business model and the external environment in which it operates] d) Disclosure about company's climate-related risks and opportunities, as required in IFRS S2 including explanation of the specific methodologies and tools used by the company. [Climate-related opportunities refer to the potential positive effects arising from climate change for a company. Climate-related risks refers to the potential negative effects of climate change on a company and are of two types, physical risks (such as those resulting from increased severity of extreme weather) and transition risks (such as those associated with policy action and changes in technology)]	062 062-063
4.03	A chairman's overview on how the company's sustainable practices can affect the financial performance of the company.	060
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR: <ul style="list-style-type: none">• Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc.;• Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources;• Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs);• Information on consumption and management of materials, energy, water, emissions and waste.	065 064 070 071
4.05	<ul style="list-style-type: none">• Status of adoption/ compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP.• ISO certifications acquired for best sustainability and CSR practices.	072 N/A
5	Governance	078
5.01	Board composition: a) Leadership structure of those charged with governance; b) Name of independent directors indicating justification for their independence; c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience; d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.; e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	080-090

S.No	Statement of Clause	Page Reference
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5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	102
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives; b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year'; c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	098
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5.12	Disclosure of Board's Policy on the following significant matters: a) Governance of risk and internal controls. b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	105 105

S.No	Statement of Clause	Page Reference
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	h) Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Gender and race diversity; • Appointment of / quota for people with disability; and • Employee engagement /feedback.	106-111
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	n) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in Audit Committee's report.	113
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5.18	Timely Communication: Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee)	240
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S.No	Statement of Clause	Page Reference
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5.21	Board disclosure on Company’s use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system; b) Management support in the effective implementation and continuous updation; c) Details about user training of ERP software; d) How the company manages risks or control risk factors on ERP projects; e) How the company assesses system security, access to sensitive data and segregation of duties.	127
5.22	Disclosure about the Government of Pakistan policies related to company’s business / sector in Directors’ Report and their impact on the company business and performance.	128
5.23	Information on company’s contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	128
6	Analysis of the Financial Information	130
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6.02	a) Analysis of financial ratios with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	138-145
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	149-156
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	157-158
6.05	a) Information about business segment and non-business segment; and b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	160
6.06	Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company’s earning.	160

S.No	Statement of Clause	Page Reference
6.07	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	161
6.08	Disclosure of market share of the company and its products and services.	161
6.09	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	162
6.10	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	148
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8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	167
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S.No	Statement of Clause	Page Reference
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	168
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	169
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9	Future Outlook	172
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10	Stakeholders Relationship and EngagementT	176
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10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	180

S.No	Statement of Clause	Page Reference
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10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	182
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11	Excellence in Corporate Reporting	184
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12	Specific Disclosures of the Financial Statements	188
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs	200-241
13	Assessment based on Qualitative Factors	
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14	Industry Specific Disclosures (if applicable)	
14.01	a) Disclosures required for Banking Company (Annexure III). b) Disclosures required for Insurance Company (Annexure IV). c) Disclosures required for Exploration and Production (E&P) Company (Annexure V). d) Disclosures required for State-Owned Entities (SOEs) as per State-Owned Enterprises (Governance and Operations) Act, 2023 (Annexure VI).	N/A

Glossary

ACCA	Association of Chartered Certified Accountants
ACIR	Additional Commissioner Inland Revenue
APCMA	All Pakistan Cement Manufacturers Association
AOBP	Audit Oversight Board of Pakistan
ATF	Aziz Tabba Foundation
ATIR	Appellate Tribunal Inland Revenue
BA	Bachelors of Arts
BOD	Board of Directors
BCI	Better Cotton Initiative
BCP	Business Continuity Plan
BI	Business Intelligence
BMR	Balancing, Modernization, and Replacement
CAPEX	Capital Expenditure
CC	Cubic Capacity
CCG	Code of Corporate Governance
CDCSRSL	CDC Share Registrar Services Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFPP	Coal-Fired Power Plant
CIA	Chief Internal Auditor
CIRA	Commissioner Inland Revenue Appeals
CPLA	Civil Petition for Leave to Appeal
CPP	Captive Power Producer
CSR	Corporate Social Responsibility
DCIR	Deputy Commissioner Inland Revenue
DE&I	Diversity, Equity, and Inclusion
DLTL	Drawback of Local Taxes and Levies
DPS	Dividend Per Share
EBITDA	Earnings Before Interest Tax Depreciation and Amortization
EBIT	Earnings Before Interest and Taxes
ECL	Expected Credit Losses
EFS	Export Facilitation Scheme
EFF	Extended Fund Facility
ETP	Effluent Treatment Plant
EOGM	Extra Ordinary General Meeting
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ESS	Employee Self Service
ESP	Electrostatic Precipitators
ESG	Environmental, Social & Governance
ETI	Ethical Trading Initiative
EVA	Economic Value Added
EWS	Early Warning System
FBR	Federal Board of Revenue
FCF	Free Cash Flows

FGD	Flue Gas Desulphurization
FEC	Family Entertainment Center
FEAS	Federation of European and Asian Stock Exchanges
FTML	Fazal Textile Mills Limited
FTR	Final Tax Regime
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value through Profit or Loss
GBV	Gender Based Violence
GIDC	Gas Infrastructure Development Cess
GP	Gross Profit
GRI	Global Reporting Initiatives
GTML	Gadoon Textile Mills Limited
HIA	Head of Internal Audit
HOD	Head of Department
HR	Human Resource
HR&R	Human Resource and Remuneration
HSE	Health, Safety and Environment
IAAPA	International Association of Amusement Parks and Attractions
IASB	International Accounting Standards Board
ICAEW	Institute of Chartered Accountants in England and Wales
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFC	International Finance Corporation
IFRIC	IFRS Interpretations Committee
IFRS	International Finance Reporting Standards
IIRF	International Integrated Reporting Framework
IMP	Incident Management Plan
IOD	Institute of Directors
ISAs	International Standards on Auditing
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
IT	Information Technology
KIBOR	Karachi Inter-Bank Offer Rate
KPI	Key Performance Indicators
KSE	Karachi Stock Exchange
KSBL	Karachi School of Business and Leadership
LAPL	Lucky Air (Private) Limited
LC	Letter of Credit
LCI	Lucky Core Industries Limited
LCL	Lucky Cement Limited
LCPL	Lucky Commodities (Private) Limited
LEL	Lucky Entertainment (Private) Limited
LEPCL	Lucky Electric Power Company Limited
LEPL	Lucky Energy (Private) Limited

LEXL	Lucky Exim (Private) Limited
LFPL	Lucky Foods (Private) Limited
LHL	Lucky Holdings Limited
LKL	Lucky Knits (Private) Limited
LLPL	Lucky Landmark (Private) Limited
LOPL	LuckyOne (Private) Limited
LTML	Lucky Textile Mills Limited
MENALAC	Middle East and North Africa Leisure Attractions Council
MBA	Masters of Business Administration
MTPA	Million Tons Per Annum
MW	Mega Watt
NAB	National Accountability Bureau
NEPRA	National Electric Power Regulatory Authority
NFO	National Finance Olympiad
NEQS	National Environmental Quality Standards
NFEH	National Forum for Environment and Health
NPO	Non-Profit Organization
NGO	Non-Governmental Organization
NRV	Net Realizable Value
NRL	National Resources Limited
NTN	National Tax Number
OPD	Out Patient Department
PAT	Profit After Tax
PBC	Pakistan Business Council
PD	Probability of Default
PESCO	Peshawar Electric Supply Company
PHC	Peshawar High Court
PICG	Pakistan Institute of Corporate Governance
PSF	Polyester Staple Fiber
PSX	Pakistan Stock Exchange
PSTD	Pakistan Society of Training & Development
RDF	Refuse Derived Fuel
RMP	Risk Management Policy
ROE	Return on Equity
SAFA	South Asian Federation of Accountants
SASB	Sustainability Accounting Standards Board
SBP	State Bank of Pakistan
SC	Supreme Court of Pakistan
SECP	Securities and Exchange Commission of Pakistan
SHC	Sindh High Court
SIUT	Sindh Institute of Urology & Transplantation
SME	Small Medium Enterprise
SMS	Safety Management System
SNGPL	Sui Northern Gas Pipelines Limited
SPLY	Same Period Last Year

SDG	Sustainable Development Goals
SPV	Special Purpose Vehicle
STS	Street to School
SUPIMA	Superior Pima
SUV	Sports Utility Vehicle
TDF	Tyre Derived Fuel
THI	Tabba Heart Institute
TKI	Tabba Kidney Institute
TWPPL	Tricom Wind Power (Private) Limited
UNGC	United Nations Global Compact
UNDP	United Nations Development Programme
VPN	Virtual Private Network
WACC	Weighted Average Cost of Capital
WEF	World Economic Forum
WHO	World Health Organization
WHRP	Waste Heat Recovery Plant
WTG	Wind Turbine Generators
WWF	Workers Welfare Fund
YBG	Yunus Brothers Group
YBHPL	Y.B. Holdings (Private) Limited
YBPL	Y.B. Pakistan Limited
YEL	Yunus Energy Limited
YGL	Young Global Leader
YPO	Young President Organization
YTML	Yunus Textile Mills Limited

Form of Proxy

The Company Secretary,
Gadoon Textile Mills Limited,
200-201, Gadoon Amazai Industrial Estate,
District Swabi, Khyber Pakhtunkhwa.

I / We _____ of
(full address) _____

being a member of Gadoon Textile Mills Limited and holder of _____
ordinary shares as per Share Register Folio No. _____
ordinary shares as per Share Register Folio No. _____
and Sub- Account No. _____
hereby appoint _____
of (full address) _____
or failing him/her _____
of (full address) _____

as proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the 37th Annual General Meeting of the Company to be held on Thursday, September 26, 2024 at 3:00 p.m. and at any adjournment thereof.

Signature this _____ day of _____ 2024
Signature of members should match with the specimen signature registered with the company

Witness

1) Signature : _____
Name : _____
Address : _____
CNIC No. : _____

Signature

2) Signature : _____
Name : _____
Address : _____
CNIC No. : _____

Signature of members should match with the specimen signature registered with the company

Note:

- Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. Proxy must be a member of the Company.
- CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card with this proxy form before submission to the Company.
- For representatives of corporate members, Board of director's resolution / power of attorney and the specimen signature of the nominee must be deposited along with the proxy form. The representative shall produce his/her original CNIC at the time of meeting.



تشکیل نیابت داری

جناب کمپنی سیکریٹری

گدون ٹیکسٹائل ملز لمیٹڈ،

200-201 گدون امازئی انڈسٹریل اسٹیٹ،

ڈسٹرکٹ صوابی، خیبر پختونخواہ۔

میں/ہم _____ ساکن _____ بحیثیت رکن گدون ٹیکسٹائل ملز لمیٹڈ اور حامل _____ عام حصص،

برطانیق شیئرز رجسٹرڈ فولیو/سی ڈی سی شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____ مسمیٰ/مسماة _____

ساکن _____ فولیو/سی ڈی سی شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____ یا بصورت

دیگر مسمیٰ/مسماة _____ ساکن _____ فولیو/سی ڈی سی شراکتی آئی ڈی نمبر _____

اور ذیلی کھاتہ نمبر _____ کو اپنی جگہ بطور نمائندہ (پراکسی) مقرر کرتا ہوں تاکہ وہ میری/ہماری طرف سے کمپنی کے (37th) سینٹیسویں سالانہ اجلاس عام جو کہ بتاریخ 26 ستمبر 2024

بروز جمعرات بوقت دوپہر 3:00 بجے منعقد ہو رہا ہے میں، یا، اسکے کسی ملٹوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط رکن _____ بروز _____ 2024

(اراکین کے دستخط، کمپنی کے پاس درج دستخطی نمونے کے مطابق ہونے چاہیے)

دستخط گواہ نمبر 1 _____ دستخط گواہ نمبر 2 _____

نام _____ نام _____

پتہ _____ پتہ _____

شناختی کارڈ نمبر _____ شناختی کارڈ نمبر _____

نوٹ:

- تشکیل نیابت داری کی درخواست، اجلاس سے کم از کم ۴۸ گھنٹے قبل کمپنی کو موصول ہو جانی چاہیے۔ پراکسی کا کمپنی کارکن ہونا ضروری ہے۔
- سی ڈی سی شیئرز ہولڈرز اور ان کے نمائندوں سے درخواست ہے کہ پراکسی فارم کے ساتھ اپنے سی این آئی سی کی مصدقہ نقول فراہم کریں۔
- بصورت کاروباری ادارے، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ بمعہ نامزد کردہ شخص کے دستخط کے نمونے ظاہر کرنا لازم ہیں۔

AFFIX
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The Company Secretary,

GADOON TEXTILE MILLS LIMITED

200-201, Gadoon Amazai Industrial Estate.

Distt, Swabi, Khyber Pakhtunkhwa.

اراکین کو پیش نظر رکھنا چاہیے کہ کمپنی یا اس کے ڈائریکٹرز کے لیے متعلقہ پارٹی کے معاملات / لین دین کی نوعیت، یا مخصوص متعلقہ پارٹی جن کے ساتھ لین دین کیے جائیں گے، کی درست طریقے سے پیش گوئی کرنا ممکن نہیں ہے۔ کمپنی جو معاملات اور لین دین کرے گی اس میں شامل ہیں (لیکن ان تک محدود نہیں) سامان، اشیاء، خام مال اور مواد کی خرید و فروخت، بشمول سوت، پائیسٹر، سینٹ، کپڑا، بجلی، بھاپ، گارمنٹس، ٹیکسٹائل، گاڑیاں، پلانٹ اور مشینری، دیگر ذیلی مشینری اور / یا متعلقہ پُرزے، یا خدمات حاصل کرنا یا پیش کرنا۔

متعلقہ پارٹیوں میں درج ذیل شامل ہیں، لیکن ان تک محدود نہیں ہیں:

کلی سینٹ لمیٹڈ	2	کلی کور انڈسٹریز لمیٹڈ	1
کلی انرجی (پرائیویٹ) لمیٹڈ	3	وائی بی ہولڈنگز (پرائیویٹ) لمیٹڈ	4
کلی ہولڈنگز لمیٹڈ	5	کلی انٹرٹینمنٹ (پرائیویٹ) لمیٹڈ	6
کلی موٹر کارپوریشن لمیٹڈ	7	کلی ٹیکسٹائل ملز لمیٹڈ	8
کلی رینیو ایبلز (پرائیویٹ) لمیٹڈ	9	یونس ونڈیاور لمیٹڈ	10
کلی ونڈیاور لمیٹڈ	11	وائی بی انجینئرنگ لمیٹڈ	12
ٹرائی کام سولر پاور (پرائیویٹ) لمیٹڈ	13	وائی بی پاکستان لمیٹڈ	14
وائی بی ہولڈنگز (پرائیویٹ) لمیٹڈ	15	یونس ٹیکسٹائل ملز لمیٹڈ	16
یونس انرجی لمیٹڈ	17		18

اراکین کو یہ بھی پیش نظر رکھنا چاہیے کہ، سالانہ اجلاس عام کے نوٹس میں بیان کردہ خصوصی قراردادوں کے لیے، کمپنی کے لیے 30 جون 2025 کو ختم ہونے والی مدت میں کیے جانے والے متعلقہ پارٹیوں کے لین دین / انتظامات کی مقدار کا اندازہ لگانا ممکن نہیں ہے، تاہم، ممبران سے درخواست ہے کہ وہ بورڈ آف ڈائریکٹرز کو 30 جون 2025 کو ختم ہونے والی مدت کے لیے وفاقاً قیامیے جانے والے 125 ارب روپے کے لین دین / انتظامات کو انجام دینے کا اختیار دیں۔ بعد ازاں کمپنی ایسے تمام معاملات اور لین دین کے اصل اعداد و شمار پیش کرے گی اور اگلے سالانہ اجلاس عام میں اراکین سے اس کی توثیق اور تائید کرائی جائے گی۔ مزید برآں، کمپنی اور اس کا بورڈ، کمپنی کے حصص داران کے مفادات کے تحفظ کے لیے مسلسل خدمات انجام دیتے ہیں گے اور مذکورہ تمام لین دین اور معاملات، کمپنی اور اس کے اسٹیک ہولڈرز کے مفاد کو مد نظر رکھتے ہوئے کیے جاتے ہیں۔

مذکورہ بالا کی بنیاد پر اراکین سے درخواست کی جاتی ہے کہ وہ نوٹس میں درج خصوصی قراردادیں پاس کریں (ترمیم کے ساتھ یا بغیر)۔

کمپنی کے ڈائریکٹرز میں سے کسی کی بھی مذکورہ خصوصی امور میں کوئی ذاتی دلچسپی یا مفاد نہیں ہے، ماسوائے اس کے کہ وہ کمپنی کے ممبران اور ڈائریکٹرز ہیں۔

تشکیل نائب داری کی درخواست کمپنی کے رجسٹرڈ دفتر کو اجلاس منعقد ہونے سے کم از کم 48 گھنٹے قبل موصول ہffو جانی چاہیے۔ں، لیکن ان تک محدود نہیں ہیں

نائب کے لئے ضروری ہے کے اجلاس میں شرکت کے وقت اپنی شناخت بذریعہ اصلی سی این آئی سی یا پاسپورٹ ثابت کریں۔

تشکیل نیابت داری درخواست پر دو گواہان کے دستخط بمعہ نام، پتہ اور سی این آئی سی نمبر ہونا لازم ہے

تشکیل نیابت داری کی درخواست کے ساتھ ^{منیمیفیشل} اوزر اور نائب دونوں کی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ نقول بھی لازماً جمع کروائیں۔

3۔ اجلاس میں شرکت بذریعہ وڈیولنک (تعمیل برائے ایس ای سی پی کے جاری کردہ مراسلہ نمبر4)

بحوالہ ایس ای سی پی مراسلہ نمبر 4، بذریعہ وڈیولنک شرکت کے خواہشمند حصص داران، دیے گئے ای میل اڈریس پر درج ذیل معلومات پر اجلاس کی تاریخ سے سات یوم قبل فراہم کر دیں۔

agm_2024@gadoontextile.com					
ممبر کا نام	قومی شناختی کارڈ نمبر	فون/ سی ڈی سی اکاؤنٹ نمبر	رجسٹرڈ ای میل	موبائل فون نمبر	

حصص داران کے رجسٹرڈ ای۔ میل سے مطلوبہ معلومات متعین کردہ وقت پر کمپنی کو موصول ہونے پر وڈیو کانفرنس لنک اور لاگ ان سے متعلق تفصیلات حصص داران کے رجسٹرڈ ای۔ میل پر فراہم کردی جائیں گی۔ مزید بر آں، اس وڈیولنک سے صرف بذریعہ رجسٹرڈ ای۔ میل سے لاگ ان کیا جا سکے گا۔

4. حصص داران کے پتے میں تبدیلی سے متعلق اطلاع
کمپنی کے حصص دارن سے گزارش ہے کہ اگر ان کے پتے میں کسی بھی قسم کی کوئی تبدیلی واقع ہوئی ہے تو اس تبدیلی سے ہمارے رجسٹرار / حصص منتقلی ایجنٹ کو فوری آگاہ کریں۔

5- کمپیوٹرائزڈ قومی شناختی کارڈ(سی این آئی سی) فراہم کرنا لازم ہے

حصص داران کو یاد دہانی کرائی جاتی ہے کہ اپنی کا آمد سی این آئی سی کی تصدیق شدہ نقل اگر کمپنی کے حصص رجسٹرار کے پاس جمع نہیں کرائی تو اب کروادیں۔ کسی بھی حصص دار کے سی این آئی سی کی نقل

کمپنی کے ریکارڈ میں موجود نہ ہونے کی صورت میں کمپنی ان کے منافع منقسمہ کو کمپنیز ایکٹ، 2017(ایکٹ) کی شق 243 کے تحت روکنے پر مجبور ہوگی جسے بعد ازاں سی این آئی سی کی فراہمی کے بعد جاری کیا جائے گا۔

6. بذریعہ الیکٹرانک ذرائع منافع منقسمہ کی ادائیگی (ای- ڈیویڈنڈ میکنزم)

ایکٹ کے سیکشن 242 کے تحت نقد منافع منقسمہ حصص دار کی جانب سے مختص کئے گئے بینک اکاؤنٹ میں براہ راست بذریعہ الیکٹرانک ذرائع سے ہی ادائیگے جائیں گے۔ تمام حصص داران کو ہدایت کی جاتی ہے کہ وہ جلد از جلد اپنے انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی اے این)، کاغذی(فزیبل) حصص کی صورت میں حصص رجسٹرار کو اور سی ڈی سی حصص داران اپنے متعلقہ بروکر / شر آکت دار کو فراہم کریں۔ بینک اکاؤنٹ کا نمائل حصص دار کے نام پر ہونا ضروری ہے۔ معلومات کی فراہمی کے لئے فارم کمپنی کی ویب سائٹ کے انویسٹرانفارمیشن سیکشن پر مہیا کر دیئے گئے ہیں۔ کمپنی کے جانب سے اس سلسلے میں تمام حصص داران کو پہلے ہی بذریعہ خطوط فردا فردا اور اخبارات میں اشاعت کے ذریعے مطلع کیا جاچکا ہے۔

7. کمپنی کی ویب سائٹ پر آڈٹ شدہ مالیاتی دستاویزات کی دستیابی

کمپنی کی آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال 30جون 2024 کمپنی کی ویب سائٹ http:// gadoontextile.com/ investor-information پر فراہم کردی گئی ہیں۔

درج بالا سے قطع نظر، کسی بھی ممبر کی درخواست پر کمپنی ایسے ممبر کے رجسٹرڈ پتے پر طبع شدہ مالیاتی دستاویزات ایک ہفتے میں بلا کسی قیمت فراہم کرے گی۔

8. ووٹنگ بذریعہ پوسٹل بیلٹ بمطابق (کمپنیز پوسٹل بیلٹ ریگولیشنز)، 2018

کمپنیز(پوسٹل بیلٹ ریگولیشنز)، 2018 کے تحت کسی ایسے ایجنڈا ا ائم جو ایکٹ کی شق 143 اور 144 سے متعلق ہوں، کے ضمن میں حاضر حصص داران، نائب یا بذریعہ ویڈیو کانفرنس شریک ہیں، اپنا حق رائے دہی بذریعہ پوسٹ یا کسی الیکٹرانک ذرائع سے، ریگولیشنز میں درج طریقہ کار کے مطابق استعمال کر سکتے ہیں۔

9. غیر دعویٰ شدہ منافع منقسمہ

ایکٹ کے سیکشن 244 کے تحت کمپنی کی جانب سے جاری کردہ کوئی بھی حصص یا اعلان کردہ منافع منقسمہ جو ان کے جاری کئے جانے اور قابل ادائیگی کی تاریخ سے تین سال کی مدت تک غیر تقسیم شدہ / غیر دعویٰ شدہ رہے ہیں، ان کہ لئے حصص داران کو کلیم کے نوٹس جاری کرنے کے بعد، وفاقی حکومت / کمیشن (ایس ای سی پی) کی تجویں میں جمع کرا دیا جائے۔ اس ضمن میں کمپنی کے حصص داران

کو نوٹس بتاریخ جنوری 31، 2018 ارسال کئے گئے اور حتمی نوٹس بتاریخ مئی 2، 2018 کو اخبارات میں شائع کیا جا چکا ہے۔ حصص داران سے درخواست ہے کہ اپنے غیر تقسیم شدہ / غیر دعویٰ شدہ حصص / منافع منقسمہ کے کلیم کو بروقت داخل کرنے کے امر کو یقینی بنائیں اور جلد از جلد کمپنی سے رابطہ کریں۔

10. سی ڈی سی اکاؤنٹ میں کاغذی (فزیکل) حصص جمع کرانا

ایکٹ کے سیکشن 244 کے تحت کمپنی اس بات کی پابند ہے کہ کمیشن کی جانب سے مخصوص کردہ طریقہ کار اور مطلع شدہ تاریخ اور ایسی مدت جو کہ ایکٹ کے آغاز سے چار سال سے زیادہ نہ ہو، اپنے تمام کاغذی (فزیکل) حصص کو یک۔ انٹری کے ساتھ تبدیل کرے۔ اس ضمن میں کمپنی کی جانب سے ایسے تمام فزیکل حصص کے مالکان کو نوٹس بتاریخ 17 جولائی 2021 ارسال کئے گئے جس میں بذریعہ بروکر ذیلی اکاؤنٹ کھلوانے یا براہ راست سی ڈی سی اکاؤنٹ کھلوانے سے متعلق ہدایات تفصیل سے درج ہیں۔ اس امر سے حصص داران کی معلومات کمپنی کے حصص رجسٹر میں بھی دستیاب ہوں گی جس سے نہ صرف کمپنی حصص داران سے بروقت رابطہ بلکہ منافع منقسمہ کی ادائیگی بھی بروقت کر سکے گی۔

بیان زیر تحت سیکشن(3)134 بابت خصوصی امور زیر تحت سیکشن 208/207

یہ بیان 26 ستمبر 2024 کو ہونے والے کمپنی کے سالانہ اجلاس عام میں لین دین کیے جانے والے خصوصی امور سے متعلق مادی حقائق کا تعین کرتا ہے۔

کمپنی روزمرہ کی بنیاد پر اور اپنی پالیسیوں، قابل اطلاق قوانین اور ضوابط کے مطابق متعلقہ فریقوں کے ساتھ لین دین اور معاملات کرتی رہتی ہے۔ کچھ متعلقہ پارٹی ٹرانزیکشنز، جن میں ڈائریکٹرز کی اکثریت کا مفاد وابستہ ہو سکتا ہے، کے لیے ایکٹ کے سیکشن 207 اور / یا 208(قابل اطلاق حد تک) اور لسٹڈ کمپنیوں کے قواعد(کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کے تحت ممبران کی منظوری درکار ہوگی۔

جیسا کہ کمپنی کے کچھ / اکثریت ڈائریکٹرز کا متعلقہ فریقوں کے ساتھ کچھ انتظامات / لین دین میں مفاد تصور کیا جاسکتا ہے، بشمول ان کی شیئرز ہولڈنگ یا متعلقہ اداروں / پارٹیوں میں مشترکہ ڈائریکٹرشپ کا کی وجہ سے، اور مزید شفافیت کو فروغ دینے کے لیے، کمپنی کے 36ویں سالانہ اجلاس عام کے دوران اراکین سے اس بات کی منظوری لی گئی کے بورڈ آف ڈائریکٹرز کو 30جون 2024 کو ختم ہونے والے مالی سال کے دوران کمپنی کی طرف سے وقتاً فوقتاً (اور کیس ٹو کیس کی بنیاد پر) اس طرح کے متعلقہ پارٹی ٹرانزیکشنز کو منظور کرنے کا اختیار دیدیا گیا اور اس طرح کے لین دین کو اراکین کی طرف سے منظور شدہ سمجھا جائے گا۔ نوٹ 38 میں 30جون 2024 کو ختم ہونے والے مالیاتی گوشواروں میں تمام متعلقہ فریق کے لین دین کی معلومات فراہم کی گئی ہیں۔ ممبران سے اس بات کی بھی منظوری لی گئی اس طرح کے لین دین کو ان کی توثیق صحیح تائید کے لیے اگلے سالانہ اجلاس عام میں ممبران کے سامنے رکھا جائے گا۔ اسی

مناسبت سے، ان لین دین کو اراکین کی توثیق / تائید کے لیے اجلاس میں ممبران کے سامنے رکھا جا رہا ہے۔

کمپنی روزمرہ کی بنیاد پر کاروبار کے معمول میں اپنی متعلقہ پارٹیوں کے ساتھ جو بھی لین دین، انتظامات اور معاملات کرتی ہے، ایسے تمام لین دین باقاعدہ سے منظور شدہ پالیسی کے مطابق اور 'آرمر لینتھ' بنیاد پر کرتی ہے۔ متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین / انتظامات کے لیے بورڈ آڈٹ کمیٹی کے وقتاً فوقتاً جائزہ لینے کی ضرورت ہوتی ہے، جس کی صدارت کمپنی کے ایک خود مختار ڈائریکٹر کرتے ہیں۔ بورڈ آڈٹ کمیٹی کے جائزے اور سفارش پر، اس طرح کے معاملات / لین دین کو بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے رکھا جاتا ہے۔

متعلق پارٹیوں کے ساتھ کیے گئے لین دین میں شامل ہیں لیکن ان تک محدود نہیں، سامان، اشیاء، خام مال اور مواد کی خرید و فروخت، بشمول سوت، پائلمینسٹر، سینٹ، کپڑا، بجلی، پمپ، گارمنٹس، ٹیکسٹائل، گاڑیاں، پلانٹ مشینری، دیگر ذیلی مشینری اور / یا متعلقہ پرنسے، یا خدمات حاصل کرنا یا پیش کرنا۔

جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کے نوٹ 38 میں ان متعلقہ پارٹیوں کے ساتھ معاملات اور لین دین کی نوعیت کی نشاندہی کی گئی ہے۔ ڈائریکٹرز اس طرح کی متعلقہ پارٹیوں میں صرف اپنی مشترکہ ڈائریکٹرشپ اور شیئرز ہولڈنگز(قابل اطلاق) کی حد تک قرارداد میں دلچسپی رکھتے ہیں۔

اس کے مطابق، اراکین سے درخواست کی جاتی ہے کہ وہ متعلقہ پارٹیوں کے ساتھ لین دین کی توثیق اور تائید کریں جیسا کہ 30جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں میں درج کیا گیا ہے۔

مزید بر آں، کمپنی 30جون 2025 کو ختم ہونے والے سال کے دوران اپنی متعلقہ پارٹیوں کے ساتھ معاملات اور لین دین کرے گی جو کہ قرارداد میں بیان کی گئی ہیں (بشمول، لیکن ان تک محدود نہیں)۔ ایسی متعلقہ پارٹیوں میں ڈائریکٹرز کی حصص داری یا مشترکہ ڈائریکٹرشپ کی وجہ سے، بعض معاملات یا لین دین میں ان کا مفاد وابستہ تصور کیا جاسکتا ہے جس کے باعث، شفاف کاروباری طریقوں کو فروغ دینے کی غرض سے، اراکین سے منظوری لی جا رہی ہے کمپنی کو اس طرح کے تمام معاملات اور لین دین کرنے کا مکمل اختیار ہو گا، اور مزید یہ کہ بورڈ آف ڈائریکٹرز کو 30جون 2025 کو ختم ہونے والے مالی سال کے دوران کمپنی کی طرف سے کئے جانے والے متعلقہ پارٹی ٹرانزیکشنز کی منظوری دینے کے لیے مکمل اختیار ہو گا(قطع نظر اس بات سے کہ بورڈ کی ساخت کیا ہے اور بورڈ اور ڈائریکٹرز کا کیا مفاد کیا ہے)۔ 30جون 2025 کو ختم ہونے والے سال کے لیے مذکورہ بالا متعلقہ پارٹیوں کے لین دین کو اراکین کے جانب سے منظور شدہ تصور کیا جائے گا۔

حالیہ بحث میں کئے گئے اقدامات کے مضمرات سے ٹیکسٹائل صنعت کے لئے صورت حال مزید سنگین ہو سکتی ہے، جیسا کہ انکسپورٹ فیسیلیٹیشن سکیم (ای ایف ایس) کے تحت مقامی فروختگی پر زور دینے کی وجہی، بعض خام مال کی درآمد پر ڈیوٹیز کا نفاذ، اور برآمد کنندگان کی ایف ٹی آر سے این ٹی آر ٹیکس نظام میں منتقلی۔ ایسے اقدامات سے نہ صرف صنعت کے لئے نقد سیال پذیری کے مسائل مزید بڑھ جائیں گے بلکہ یہ غیر ضروری پریشانی کا باعث بھی نہیں گے جس سے صنعتوں کی برآمدی مسابقت بھی ممکنہ طور پر متاثر ہوگی۔

صورت حال کا تقاضہ ہے درینہ ساختی کمزوریوں، مالیاتی نظم و ضبط، مستقل پالیسی کے نفاذ اور منصفانہ برادراست اور باواسطہ ٹیکس کے لئے حکومت کی جانب سے اصلاحات کی جائیں تاکہ جامع اور پائیدار ترقی کو یقینی بنایا جاسکے۔

جہاں تک کمپنی کے کاروباری افعال کا تعلق ہے، کمپنی کی جانب سے بھرپور کوشش کی جا رہی ہے اخراجات کو معقول بنایا جائے، کاروباری سرمائے (ورکنگ کیپٹل) کے منظم استعمال کے ذریعے پیداواری لاگت کو برقرار رکھا جائے۔ علاوہ ازیں، فروخت کیلئے پیش کی جانے والی مصنوعات کے استخراج کو طلب و رسد کی بنیاد پر بہتر بنایا جائے گا تاکہ منافع کی شرح کو بڑھا یا جاسکے۔ بہر حال، سستے درآمدی سوت کی دستیابی کے باعث کمپنی کو خاطر خواہ چیلنجز درپیش رہیں گے۔ مزید برآں قلیل المیعاد میں بڑھتی ہوئی جموہلی اور توانائی کی لاگت کے باعث کمپنی کا مجموعی منافع دباؤ میں رہے گا۔

منافع منقسمہ کی پالیسی

بلند شرح سود اور توانائی کی لاگت کے خالص منافع پر اثرات، کاروباری سرمائے (ورکنگ کیپٹل) کی ضرورت اور کمپنی کی نقد سیال پذیری کو مد نظر رکھتے ہوئے کمپنی کے بورڈ آف ڈائریکٹرز نے اس سال منافع منقسمہ نہ دینے کی تجویز دی ہے۔

مابعد واقعات

رواں مالی سال کے اختتام سے رپورٹ ہذا کی تیاری کے درمیان تک ایسے کوئی اہم واقعات پیش نہیں آئے اور نہ ہی کمپنی پر ایسی کوئی ذمہ داریاں ہیں جن کے اثرات کمپنی کی مالیاتی پوزیشن پر مرتب ہوں۔

اظہار تشکر

ڈائریکٹرز کی جانب سے کمپنی کے تمام ملازمین، عملے اور منتظمین کی کارکردگی کو خراج تحسین پیش کرتے ہوئے اسے قلم بند کیا جاتا ہے۔

برائے و مخائب بورڈ

چیئرمین / ڈائریکٹر

بمقام کراچی، مؤرخہ 16 اگست 2024

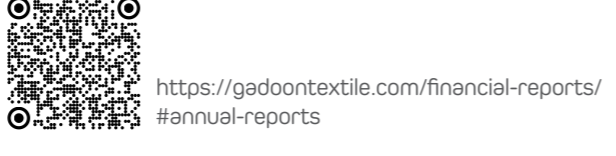
37ویں سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ گدون ٹیکسٹائل ملز لمیٹڈ (کمپنی) کا 37واں سالانہ اجلاس عام برائے ممبران بروز جمعرات مؤرخہ 26 ستمبر 2024 بوقت دوپہر 3:00 بجے بمقام کمپنی کے رجسٹرڈ دفتر 200-201 گدون لمانڈی انڈسٹریئل اسٹیٹ، گدون لمانڈی ڈسٹرکٹ صوابی، خیبر پختون خواہ میں اور بذریعہ ویڈیو لنک منعقد کیا جا رہا ہے جس میں درج ذیل امور زیر بحث لائے جائیں گے

عمومی امور

1. مورخہ 30 جون 2024 کو ختم ہونے والے مالی سال کی آڈٹ شدہ مالیاتی دستاویزات برائے کمپنی بمعہ نظر ثانی رپورٹ از صدر، آڈیٹر زڈائریکٹرز اور ان سے متعلق رپورٹس کی وصولی، غور و خوض اور منظوری۔

کمپنیز ایکٹ، 2017 (دی ایکٹ) کی شق 223 اور سیکوریٹیز اینڈ انکیپیج کمیشن آف پاکستان (ایس ای سی پی) کے جاری کردہ ایس آر آ 389 (1) / 2023 مؤرخہ 21 مارچ 2023 کے تحت، کمپنی کے مالیاتی گوشارے بابت مالی سال اختتامیہ 30 جون 2024 کو کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا گیا ہے جسے درج ذیل لنک اور کیو آکوڈ سے ڈاؤن لوڈ کر کے حاصل کیا جاسکتا ہے:



2. مالی سال 30 جون 2025 کیلئے آڈیٹروں کا انتخاب کرنا اور انکے مشاہرے کا تعین کرنا۔ موجودہ آڈیٹر ڈیمسز ڈیوسف عادل، چارٹرڈ اکاؤنٹنٹس نے ریٹائر اور اہل ہونے کی بنیاد پر خود کو دوبارہ تقرری کے لئے پیش کیا ہے اور بورڈ آف ڈائریکٹرز نے ان کی تقرری کی سفارش کی ہے۔

خصوصی امور

3. غور و خوض کرنا، اور اگر مناسب ہو تو مندرجہ ذیل قراردادوں کو بطور خصوصی قرارداد (ترمیم یا باطل ترمیم) منظور کرنا کے کمپنی کی جانب سے ایکٹ کی شق 207 اور 208 (قابل اطلاق حد تک) کے تحت متعلقہ پارٹیوں کے ساتھ لیمن دین اور معاملات جو کئے جا چکے ہوں یا مکمل طور پر کئے جانے ہوں، کی توثیق اور منظوری (معاملے کی مناسبت سے)۔

"قراردیا جاتا ہے کہ کمپنی کی جانب سے مختلف متعلقہ پارٹیوں کے ساتھ 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران کئے جانے والے لیمن دین، جیسا کہ مزکورہ مدت کی کمپنی کی مالیاتی دستاویزات کے نوٹ نمبر 38 میں درج ہیں، کی بذریعہ ہذا توثیق اور تصدیق کی جاتی ہے۔

مزید برآں قرار دیا جاتا ہے کہ کمپنی کو مختلف متعلقہ پارٹیوں کے ساتھ مالی سال 2024-25 کے دوران گاہے بگاہے مبلغ پچیس ارب روپے کی حد تک کے معاملات اور لیمن دین کرنے کا بذریعہ ہذا اجازت دیا جاتا ہے جن میں شامل ہیں مگر انہی تک محدود نہیں، اشیاء، سالان اور مواد کی خرید و فروخت بشمول سوت، پالیشٹر، سینٹ، پکڑا، توانائی، بھاپ، ٹیکسٹائل مشینز اور دیگر ذیلی مشینز اور متعلقہ فاضل پروہجات، خدمات کی فراہمی اور وصولی۔ اراکین نے نوٹ کیا کہ مزکورہ بالا معاملات اور لیمن دین میں چند زیادہ تر ڈائریکٹرز کا مفاد وابستہ ہو سکتا ہے۔ باوجود اس کے، اراکین کی جانب سے کمپنی کے بورڈ آف ڈائریکٹرز کو، بشمول کمپنیز ایکٹ، 2017 کی شق 207 اور 208 (قابل اطلاق حد تک) کے تحت پیشگی اختیار اور منظوری دی جاتی ہے (قطع نظر اس سے کہ بورڈ کی ساخت کیا ہے) کے بورڈ آف ڈائریکٹرز تمام متعلقہ پارٹیوں سے لیمن دین کا جائزہ لیں اور اسے منظور کریں۔

مزید برآں قرار دیا جاتا ہے کہ 30 جون، 2025 کو ختم ہونے والے مالی سال کی مدت کے دوران متعلقہ پارٹیوں کے ساتھ کئے گئے تمام معاملات اور لیمن دین کو اراکین کی جانب سے منظور شدہ تصور کیا جائے گا اور بعد ازاں ایسے تمام لیمن دین اور معاملات اگلے سالانہ اجلاس عام میں اراکین کے سامنے توثیق اور تائید کے لئے رکھے جائیں گے۔"

دیگر امور

4. چیئرمین کی اجازت سے کسی بھی دیگر امور کو زیر کاروائی لانا۔

بیان برائے اہم حقائق زیر تحت سیکشن (3) 134 بابت درج بالا کاروبار و امور، اس نوٹس کے ساتھ منسلک ہے۔

نوٹس

1۔ حصص منتقلی کھاتوں کی بندش

کمپنی کے حصص منتقلی کھاتے بروز جمعرات 19 ستمبر 2024 سے بروز جمعرات 26 ستمبر 2024 تک بند رہیں گے (بشمول دونوں ایام)۔ ہمارے رجسٹرار / منتقلی ایجنٹ میسرز سی ڈی سی شیئرز رجسٹرار سرو س لمیٹڈ (سی ڈی سی ایس آر ایس ایل)، سی ڈی سی ہاؤس بلاک 99-بی، ایس ایم سی ایچ سوسائٹی، مین شاہراہ فیصل کراچی 74400 کو کاروبار کے آخری دن بروز منڈھ 18 ستمبر 2024 تک موصول ہونے والی درخواستوں کو سالانہ اجلاس عام میں شرکت کیلئے بروقت تصور کیا جائے گا۔

2۔ اجلاس میں شرکت

۱۔ تمام حصص داران کو یہ حق حاصل ہو گا کہ وہ اپنی شناخت بذریعہ اصلی کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کے پاسپورٹ ثابت کرنے کے بعد کمپنی کے عام اجلاس میں شرکت کریں۔

ب۔ بصورت کاروباری ادارے، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ بمعہ نامزد کردہ شخص کے دستخط کے نمونے ظاہر کرنا لازم ہیں۔

کوئی بھی رکن جو اجلاس میں شرکت اور رائے شماری کا اہل ہے، وہ اپنے متبادل کے طور پر اجلاس میں شرکت اور رائے شماری کے لئے کسی دوسرے ممبر کو اپنا نائب مقرر کر سکتا ہے۔

نائب کے انتخاب کیلئے

اراکین ایک سے زائد نائب نامزد کرنے کے اہل نہیں۔ ایک سے زائد نائب منتخب کئے جانے یا ایک سے زائد تشکیل نیابت داری کی درخواستیں جمع کروائی جانے پر ایسی تمام درخواستیں مسترد کردی جائیں گی۔ نائب کا کمپنی کارکن ہونا ضروری ہے۔

کاروبار کی نوعیت میں تبدیلی

زیر نظر مالی سال کے دوران کمپنی سے متعلق بنیادی کاروباری افعال میں کوئی قابل ذکر تبدیلی واقع نہیں ہوئی ہے۔

ترتیب حصص داری

ترتیب حصص داری بتدریج 30جون2024 اور دیگر اضافی معلومات کو آپ کی کمپنی کی سالانہ رپورٹ کا حصہ بنا یا گیا ہے۔ منسلک کمپنیاں اور پبلک سیکنر کمپنیاں 69.57 فیصد،

بینک / انشورنس کمپنیاں / ایجوچل فنڈز 10.15 فیصد، ڈائریکٹرز 0.08 فیصد اور انفرادی طور پر افراد 20.21 فیصد حصص کے مالک ہیں۔

قرضوں کی ادائیگیاں

آپ کی کمپنی میں ایک مؤثر حکمت عملی برائے ترسیل نقد رقم موجود ہے جس کے تحت وصول اور خرچ کی جانے والی نقد رقم کی بقاعدگی کے ساتھ گزری گرانگی کی جاتی ہے۔ اس جامع حکمت عملی کی وجہ سے آپ کی کمپنی اپنے واجبات کی ادائیگی میں ہمیشہ مستعد ثابت ہوئی ہے اور امید ہے کہ اس سلسلے میں کسی بھی چیلنج سے نبرد آزما ہونے کیلئے آپ کی کمپنی ہمہ وقت تیار ہے۔ مز کاروبار الا نظام کے تحت آپ کی کمپنی کی ہمیشہ یہ کوشش رہی ہے کہ معمولی لاگت ایک معقول حد سے آگے نہ بڑھ پائے اس مقصد کے حصول کیلئے ذرائع تمويل میں ایک مناسب امتزاج اور مالیات کے مؤثر انتظام کو ترجیح دی جاتی ہے۔

کمپنی کی یہ روایت رہی ہے کہ اپنے ذمے واجب الادا واجبات کو بروقت ادا کیا جائے اور اسی مناسبت سے کمپنی کی تاریخ بشمول سال رواں میں کبھی ایسا نہیں ہوا کہ کمپنی کو اپنی ادائیگیوں کے سلسلے میں تادہ بندہ قرار دیا گیا ہو۔

مؤثر اندرونی مالیاتی کنٹرول

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ایک مؤثر اندرونی مالیاتی نظام مرتب کیا گیا ہے۔ اس نظام کے تحت تمام کاروباری امور کو مستعد اور مؤثر انداز سے چلایا جاتا ہے اور اس بات کو ممکن بنایا جاتا ہے کہ کسی بھی قسم کی بد عنوانی، غریب اور غلطیوں کی نشاندہی کی جاسکے اور ان کا تدارک بھی کیا جائے، کمپنی کے اثاثوں کی حفاظت کو ممکن بنایا جائے، تمام قواعد و ضوابط کی پاسداری کو ممکن بنایا جائے، مجاہدی کے تمام کھاتے ہر لحاظ سے مکمل اور صحیح ہوں اور بروقت ایسی مالیاتی دستاویزات تیار کی جائیں جو معاملات کی حقیقی عکاس ہوں۔ اندرونی مالیاتی نظام پروقاؤ ققا نظر ثانی کی جاتی ہے تاکہ اس بات کو ممکن بنایا جاسکے کہ نظام مؤثر انداز سے کام کرنے کے ساتھ ساتھ نئے نئے قوانین و ضوابط کی روشنی میں وقت کے تقاضوں پر بھی پورا اثر رہا ہے۔

سیسٹینبلٹی سے متعلق خطرات

سیسٹینبلٹی سے متعلق خطرات میں ماحولیاتی، سماجی، اور گورننس (ای ایس جی) عوامل پر غور کرنا شامل ہے۔ کمپنی کا مقصد ایک پائیدار مستقبل میں اپنا حصہ ڈالنا ہے جس کے لئے آپریشنل طریقوں کو اپنانے ہوتے، قابل تجدید توانائی کی پالیسیوں کو اپنانے ہوتے، اور سرسبز ماحول کی خاطر اقدامات کئے جائیں۔ انتظامیہ نے مخصوص اور قابل پیمائش ای ایس جی اہداف مقرر کیے ہیں جو کہ دیر پام اور مثبت سماجی اثرات کو حاصل کرنے کے لیے کمپنی کے اسٹریٹجک مقصد سے ہم آہنگ ہیں۔ کمپنی نے جدید ترین اور ماحول دوست ٹیکنالوجیز میں سرمایہ کاری کی ہے

جس سے پیداوار اور کھپت دونوں میں ذمہ داری کا احساس اجاگر ہوتا ہے۔ اگرچہ اس طرح کے پائیدار اقدامات مختصر مدت میں شرح منافع کو متاثر کر سکتے ہیں، تاہم، کمپنی کا یقین ہے کہ طویل مدت میں، یہ صارفین کے حصول اور انھیں برقرار رکھنے اور مسابقتی برتری کے ذریعے کاروباری قدر میں اضافہ کرنے میں معاون ثابت ہوں گے۔ کمپنی باقاعدہ تسلیم شدہ فریم ورک پر عمل پیرا ہوتے ہوئے اپنے کاروباری افعال میں موجودہ اور ممکنہ خطرات کا مکمل تجزیہ کرتی ہے۔

مزید برآں، بورڈ کوسہ ماہی بنیاد پر ای ایس جی کی جامع رپورٹنگ کے ذریعے شفافیت کو برقرار رکھا جاتا ہے اور ساتھ ہی اس بات کو یقینی بنایا جاتا ہے کہ اسٹیک ہولڈرز کو اس حوالے سے آگاہی فراہم کی جائے اور ان کی شمولیت کو یقینی بنایا جاتا ہے۔

تنوع، مساوات، اور شمولیت

کمپنی اپنی متنوع افرادی قوت اور سماج کے ساتھ، تنوع، مساوات، اور شمولیت (ڈی ای اینڈ آئی) کے مندروب کے طور پر کھڑی ہے۔ ڈی ای اینڈ آئی کو فروغ دینا کمپنی کی اہم ترین ترجیحات میں شامل ہے اور یہ اس کے پائیدار اور کاروباری طریقوں میں اخلاقی معیار کا لازمی جزو ہے۔ کمپنی نے واضح اور قابل پیمائش اہداف کے ساتھ ایک جامع ڈی ای اینڈ آئی حکمت عملی اختیار کی ہے، جس میں صنفی اور نسلی تنوع میں اضافہ اور تمام سطحوں پر شمولیت کے اہداف کو یقینی بنایا جا رہا ہے۔ کمپنی نے جھرتی کے ایسے طریقوں کو نافذ کیا ہے، جس سے تمام سطحوں پر شمولیت ممکن ہو جیسا کہ متنوع جاب بورڈز، بلائینڈر بیکرو ٹمنٹ کا عمل اور متنوع انٹرویو پینلز کا استعمال۔ تمام ملازمین کے لیے ڈی ای اینڈ آئی ترتیبی نشستوں کا اہتمام کیا جاتا ہے، جن میں الاشعوری تعصب، ثقافتی قابلیت، اور جامع قیادت جیسے موضوعات کا احاطہ کیا جاتا۔

کارپوریٹ معاشرتی ذمہ داری (سی ایس آر)

سوت کنٹائی کے شعبے سے وابستہ صف اول کی ٹیکسٹائل مل ہونے کے ناطے، کمپنی اس بات کے لئے کوشاں ہے کی کارپوریٹ سماجی ذمہ داری (سی ایس آر) کو یقینی بنانے کے ساتھ ساتھ پائیدار اور اعلیٰ اخلاقی طریقوں کو اپنے کاروباری افعال کا حصہ بنائے۔ کمپنی کی توجہ اس بات پر بھی مرکوز رہتی ہے کی اردگرد کے ماحول پر، اس سے منسلک سماج اور بلخصوص کاروباری طریقوں پر مثبت اثر ات مرتب کرے۔ کمپنی کی انتظامیہ مجموعی طور پر تمام سی ایس آر سرگرمیوں کا جائزہ لیتی ہے، اس بات کو یقینی بناتی ہے کہ کمیونٹی کی خدمت کے لیے تعلیم اور صحت سے متعلق کئے جانے والے اقدامات، کمپنی کی سیسٹینبلٹی اور شمولیت کے طویل مدتی اہداف کے ساتھ ہم آہنگ ہوں۔ کمپنی کارپوریٹ ذمہ داری میں نئے معیارات قائم کر کے اور صنعت کے اندر ایک با مقصد تبدیلی لاتے ہوئے اپنی حکمت عملی کو بہتر بنانے کی مسلسل کوشش کرتی ہے۔ سال رواں کے دوران، کمپنی نے کئی سرگرمیاں سرانجام دیں جن میں سے کچھ کی تفصیل درج ذیل ہے۔

- کمپنی نے دی ہیلتھ فاؤنڈیشن (پاکستان) کے تعاون سے اپنے بنائی کے شعبے میں ہیپاٹائٹس اسکریڈنگ کیپ کا انعقاد کیا تاکہ عملے کے لئے کام کا ایک محفوظ ماحول پیدا کیا جاسکے۔

- مزید برآں، سی ایس آر ٹیم نے ہمدردی کے جذبات کو اجاگر کرنے کے لئے پاکستان ایسوسی ایشن آف دی بلائینڈ سنڈھ کے ہیڈ آفس کے اشتراک سے سی ایس آر ڈرائیو کا اہتمام کیا تاکہ نابینا افراد کے لیے معیاری تعلیم اور مسلسل سیکھنے کے حوالے سے جامع اور مساوی مواقع پیدا کئے جاسکیں۔

- چھائی کے کینسر سے متعلق آگاہی کے مہینے میں، کمپنی نے بنک پاکستان کے ساتھ تعاون کر کے خواتین عملے اور ان کے عزیزوں کے لیے ایک فلگرا گنیز آگاہی نشست اور ان ہاؤس ہیلتھ چیک اپ کا اہتمام کیا۔ یہ نشست ترتیبی ہونے کے ساتھ ساتھ انٹرایکٹو بھی تھی، جس میں اہم موضوعات جیسا کہ ابتدائی معلومات، خود جانچ، معاون اقدامات، اور چھائی کے کینسر کی تحقیق میں تازہ ترین پیشرفت شامل ہیں۔

- بچوں کے عالمی دن کے موقع پر، کمپنی نے چائلڈلائف فاؤنڈیشن کے ساتھ سول ہسپتال، کراچی میں ان کے ہنگامی کمروں کا دورہ کیا۔ یہ دورہ ان ننھے مجاہدوں کی زندگیوں میں رونق اور تبدیلی لانے کے لیے کیا گیا تھا۔ دورے کے دوران، کمپنی کی سی ایس آر ٹیم نے بہار بچوں میں مسکرائٹس اور خوشی لانے کے لیے تحائف تقسیم کیے

- خواتین کے عالمی دن کے موقع پر شمولیت اور صنفی تنوع کے ایجنڈے کی حمایت کی خاطر، کمپنی نے اخوت فاؤنڈیشن کے ساتھ تعاون کیا جو خواتین کو بااختیار بنانے کا قابل یقین سفر کی حوصلہ افزائی اور زندگی کے تمام شعبوں سے تعلق رکھنے والی خواتین کی کامیابیوں کو اجاگر کیا جاسکے۔

- کمپنی کی سی ایس آر ٹیم نے ایک پرجوش اظہار کا اہتمام کیا۔ کمپنی کے اس تعاون کا مقصد ماہمقدس کے دوران بنت فاطمہ فاؤنڈیشن کے بزرگ رہائشیوں کے لیے خوشی لانا تھا۔ کمپنی کے رضا کاروں نے بزرگ افراد کے ساتھ وقت گزارا اور ان سے گفتگو کرتے ہوئے ان کے تجربات سے استفادہ حاصل کیا۔

- کمپنی کی انتظامیہ نے سیسٹیمیما کے مریضوں کے لیے فیکٹری ریویس بلڈ ڈونیشن ڈرائیو کا بھی اہتمام کیا۔

- کمپنی کے سرسبز ماحول کے فروغ سے متعلق اقدامات کے تحت، انتظامیہ نے کراچی کے فیکٹری لبریا میں تابانی اسکول آف اکاؤنٹنسی اور اے سی سی اے پاکستان کے ساتھ مل کر شجرکاری مہم کو سرانجام دیا۔ یہ شجر کاری مہم، آنے والی نسلوں کے لیے ماحولیات کے تحفظ سے متعلق کمپنی کی اقدار سے ہم آہنگ ہے۔

- معیاری تعلیم کے مقصد کو سپورٹ کرنے کے لیے، کمپنی نے اسٹریٹ ٹو اسکول کے ساتھ تعاون کرتے ہوئے ایل ای ڈی اسکریز کا عطیہ کیا تاکہ نوجوان ذہنوں کو روشن مستقبل کی تعمیر کے لیے درکار علم اور نرسے باختیار بنایا جاسکے۔

- مزید برآں، کمپنی نے قلبی تناؤ کے عالمی مسئلے اور صحت اور بہبود پر اس کے دور رس اثرات کے بارے میں بیداری پیدا کرنے کے لیے ورلڈ ہارٹ ڈے منانے کے لیے ورلڈ ہارٹ انسٹیٹیوٹ کے ساتھ تعاون کیا۔

ڈائریکٹرز کی تربیت

کمپنی کے ڈائریکٹرز اپنے فرائض منصبی کی بجا آوری کیلئے ہر لحاظ سے تربیت یافتہ ہیں اور کمپنیز ایکٹ 2017 اور پاکستان اسٹاک ایکسچینج رول بک کے مطابق اپنی ذمہ داریوں اور اختیارات سے بخوبی آگاہ ہیں۔

آڈیٹرز

موجودہ آڈیٹر ڈیمیسریو مسف عادل، چارٹرڈ اکاؤنٹنٹس ملی سال اختتامیہ 30جون2024 کے سلسلے میں سالانہ آڈٹ مکمل کرچکے ہیں اور اس آڈٹ کے نتیجے میں ان کی جانب سے کلین رپورٹ پیش کی گئی ہے۔ موجودہ آڈیٹر زروال مالی سال کے عام سالانہ اجلاس کے ساتھ ہی ریٹائر ہو جائیں گے اور اپنی اہلیت کی بنیاد پر ان کی جانب سے ایک مرتبہ پھر اپنی خدمات پیش کی گئی ہیں۔ آڈٹ کمپنی کی جانب سے تجویز کئے جانے کے بعد، بورڈ کی جانب سے بھی تجویز دی گئی ہے کہ موجودہ آڈیٹر وں کوئی کمپنی کے اسٹاکہالی سال 30جون2025 کیلئے ایک مرتبہ پھر تعینات کر لیا جائے۔

مستقبل کی پیش بینی

عالمی معیشت کے نقطہ نظر کے حوالے سے پیش بینی ہے کہ یہ جاری درپیش چیلنجوں کے درمیان ترقی اور نمو کی معمولی رفتار برقرار رکھے گی۔ عالمی سطح پر افراط زر میں کمی کی توقع ہے تاہم یہ تشویش کا باعث اس لئے رہے گی کہ جغرافیائی سیاسی تناؤ، توانائی کی قیمتوں اور ترسیل کے نظام میں حائل رکاوٹوں کے باعث افراط زر کے متاثر ہونے کا امکان ہے۔ نتیجتاً، عالمی سطح پر مرکزی بینک اپنی ذری پالیسی پر نظر ثانی کے لیے وقت اور حالات کے پیش نظر فیصلہ کریں گے تاکہ دیرپا ترقی کو قائم رکھتے ہوئے افراط زر کو بھی منظم طریقے سے قابو میں رکھا جاسکے۔

وطن عزیز میں مثبت معاشی اشاریوں جیسا کہ مستحکم کرنی، کرنٹ اکاؤنٹ خسارے میں کمی، افراط زر میں کمی اور زرمبادلہ کے بہتر ذخائر کے باعث بہتری کے آثار نظر آرہے ہیں۔ سازگار حالات کی وجہ سے افراط زر میں کمی کے حالیہ رجحان کی وجہ سے حقیقی مثبت شرح سود کا حصول ممکن ہوا، جسے مد نظر رکھتے ہوئے بینک دولت پاکستان نے شرح سود میں 250 میں پوائنٹس کمی کی۔ اس اقدام سے امید اجاگر ہوئی ہے کہ جلد ہی مزید کٹوتیوں کے امکانات ہیں، جس کی بدولت منڈی میں صارفین کی طلب کے ذریعے ترقی اور نمو کے محرک ہونے کے امکانات ہیں۔

معاشی اور مالی استحکام کو جاری رکھنے اور مضبوط بنانے اور غیر ملکی ذخائر کو منظم کرنے کے لیے، حکومت نے آئی ایم ایف سے 7 ارب امریکی ڈالر کے توسیعی فنڈ سہولت (ای ایف ایف) کے لیے عملے کی سطح پر معاہدہ کیا ہے۔ پروگرام کا مقصد معیشت کو مستحکم کرنے اور مضبوط بنیادہ جامع اور درپا ترقی کے لیے حالات پیدا کرنے کے لیے حکومت کی کوششوں کی حمایت کرنا ہے۔ یہ اقدام مالیاتی منظر نامے میں غیر یقینی صورتحال کو کم کرے گا۔ کاروباروں اور سرمایہ کاروں کے لیے استحکام اور پیش بینی کی صلاحیت فراہم کرے گا۔ مزید برآں، یہ دوسرے بین الاقوامی قرض دینے والے اداروں اور دوست ممالک سے مزید قرض لینے میں بھی معاون ثابت ہو گا ہے۔ تاہم، آنے والا وقت معیشت اور صنعتوں کے لیے بے شمار چیلنجز بھی پیش کرتا ہے کیونکہ تازہ ترین ای ایف ایف کی سخت شرائط میں حکومت کی جانب سے توانائی کی قیمتوں میں خاطر خواہ اضافہ اور مختلف سبسڈیز کی واپسی بھی شامل ہے، جس کی وجہ سے افراط زر کے دوبارہ مراحٹانے اور شرح مبادلہ کی ایڈجسٹمنٹ جیسے عوامل کا اندیشہ ہے جو شرح سود پر بھی اثر انداز ہو سکتے ہیں۔

آڈٹ کمیٹی:

نام	عہدہ
جناب سید محمد شہزیدی	چیئرمین
جناب معین ایم ڈا	رکن
جناب محمد علی ءتہ	رکن
جناب جاوید یونس ءتہ	رکن

انسانی وسائل و ادائیگیوں کی کمیٹی:

نام	عہدہ
جناب معین ایم ڈا	چیئرمین
جناب جاوید یونس ءتہ	رکن
محترمہ ڈلییز ءتہ مسکاتیہ	رکن

بجٹ کمیٹی

نام	عہدہ
جناب محمد علی ءتہ	چیئرمین
جناب محمد سہیل ءتہ	رکن
جناب جاوید یونس ءتہ	رکن
جناب سید محمد شہزیدی	رکن

بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں اراکین کی حاضری:

نمبر شمار	ڈائریکٹرز	عہدہ	بورڈ آف ڈائریکٹرز	حاضری آڈٹ کمیٹی	انسانی وسائل و ادائیگیوں کی کمیٹی
1	جناب محمد علی ءتہ	چیئرمین	5 / 4	4 / 4	N / M
2	جناب محمد سہیل ءتہ	چیف ایگزیکٹیو ٹیو	5 / 5	4 / 4	* 1 / 1
3	جناب عمران یونس	غیر انتظامی ڈائریکٹر	5 / 4	N/M	N / M
4	جناب جاوید یونس ءتہ	غیر انتظامی ڈائریکٹر	5 / 5	4 / 4	1 / 1
5	محترمہ ڈلییز ءتہ مسکاتیہ	غیر انتظامی ڈائریکٹر	5 / 5	N/M	1 / 1
6	جناب محمد حسن ءتہ	غیر انتظامی ڈائریکٹر	5 / 4	N/M	N / M
7	جناب سید محمد شہزیدی	خود مختار ڈائریکٹر	5 / 4	4 / 4	N / A
8	جناب معین ایم ڈا	خود مختار ڈائریکٹر	5 / 5	4 / 4	1 / 1

جناب محمد سہیل مہ نے آڈٹ اور انسانی وسائل و ادائیگیوں کی کمیٹیوں کے تمام اجلاسوں میں شرکت کی جن کیلئے انھیں مدعو کیا گیا تھا۔

N/M: رکن نہیں ہیں

N/A: اطلاق نہیں ہوتا

جو اراکین بورڈ اور اس کی کمیٹیوں کے اجلاس میں شرکت نہ کر سکے انھیں اس سلسلے میں رخصت دی گئی تھی۔

غیر انتظامی ڈائریکٹرز کے مشاہرے سے متعلق پالیسی

کمپنی کے آرٹیکلز کی رو سے بورڈ آف ڈائریکٹرز، ڈائریکٹرز کے مشاہرے متعین کرنے کا مجاز ہے۔ اس سلسلے میں بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے غیر انتظامی اور خود مختار ڈائریکٹرز کے مشاہرے سے متعلق ایک جامع پالیسی مرتب کی گئی ہے۔ پالیسی کے مطابق:

- ڈائریکٹرز کے مشاہرے کا تعین کرتے وقت مارکیٹ میں مروجہ تنخواہوں کے ساتھ ساتھ امیدواروں کے تجربے اور مہارتوں کو بھی ملحوظ خاطر رکھا جائے گا۔

- کمپنی کی جانب سے خود مختار ڈائریکٹرز کو مشاہرے کی ادائیگی بطور تنخواہ نہیں کی جائے گی بلکہ
- بورڈ یا اس کی کسی کمیٹی کے اجلاس میں شرکت کے عوض انہیں فیس ادا کی جائے گی۔

- بورڈ یا بورڈ کی کمیٹیوں کے اجلاس میں شرکت کیلئے ڈائریکٹرز کو ادا کی جانے والی فیس کا تعین
- وقت کی مناسبت سے بورڈ آف ڈائریکٹرز کی منظوری کے ساتھ کیا جائے گا۔

- انسانی وسائل و ادائیگیوں کی کمیٹی، ڈائریکٹرز کی بورڈ یا بورڈ کی کمیٹیوں کے اجلاس میں شرکت کے مشاہرے کا تعین اور اس سے متعلق سفارشات پیش کرے گی جو کے وقتا فوقتا بورڈ کی منظوری سے مشروط ہو گا۔ خود مختار ڈائریکٹرز کا مشاہرہ، ان کی بورڈ یا بورڈ کی کمیٹیوں کے اجلاس میں حقیقی حاضری سے منسلک ہو گا۔

- ڈائریکٹرز کو کمپنی کے بورڈ آف ڈائریکٹرز، بورڈ کی کمیٹیوں کے اجلاسوں یا کمپنی کے سالانہ اجلاس عام میں شرکت کیلئے کئے جانے والے سفری، قیام اور دیگر اخراجات کی ادائیگی کی جائے گی۔

- کوئی بھی ڈائریکٹر اگر کوئی ایسی خدمات سر انجام دے جو کہ بورڈ کی رائے میں قانوناً ڈائریکٹرز کی ذمہ داری نہیں ہے تو اس صورت میں ایسے ڈائریکٹر کو اضافی مشاہرہ بھی ادا کیا جاسکتا ہے۔

ڈائریکٹرز کے مشاہرے سے متعلق تفصیلات

کمپنی کا ایک ہی انتظامی ڈائریکٹر ہے جو کہ کمپنی کا چیف ایگزیکٹو بھی ہے۔ ذیل میں دوران سال چیف ایگزیکٹو کو ادا کئے گئے مشاہرے سے متعلق تفصیلات درج کی جا رہی ہیں:

	2024	2023
مشاہرہ	30,000	27,500
بونس	2,473	1,943
دیگر فوائد	2,500	1,500
	<u>34,973</u>	<u>30,943</u>

کسی بھی غیر انتظامی ڈائریکٹر کو کوئی مشاہرہ ادا نہیں کیا گیا ماسوائے اجلاسوں میں شرکت کی فیس کے جو 3.25 ملین روپے بنتی ہے (2023 میں یہ فیس 2.84 ملین روپے تھی)۔

اہم رسک اور غیر یقینی صورتحال

ہر کاروبار کو کئی قسم کے خطرات اور غیر یقینی صورتحال کا سامنا ہوتا ہے، اگر ان مسائل سے مناسب انداز سے نہ نمٹا جائے تو یہ کمپنی کیلئے سنجیدہ مسائل اور نقصانات کا باعث بن سکتے ہیں۔ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کو لاحق ممکنہ اندرونی اور بیرونی خطرات کی باقاعدہ نگرانی کی جاتی ہے اور ان کا گہرائی کے ساتھ تجزیہ بھی کیا جاتا ہے۔ ذیل میں ایسے چند خطرات کا ذکر کیا جا رہا ہے جن سے کمپنی کو سابقہ رہتا ہے

- تیزی سے ترقی کرتی ہوئی ٹیکنالوجی کمپنی کیلئے قومی اور بین الاقوامی سطح پر تقابل ایک بڑا چیلنج ہے؛

- بین الاقوامی محاذ آرائی کی وجہ سے برآمدات پر مبنی فروخت پر دباؤ اور عالمی سطح پر کساد بازاری کے باعث تیزی سے گرتی ہوئی طلب؛

- عالمی اور علاقائی سطح پر موثر یہ لاگت ہونے کی بڑھتی ہوئی مسابقت بشمول عالمی سطح پر ترسیل مال کے نظام میں رکاوٹیں؛

- کرسی کی غیر یقینی صورتحال، نتیجتاً درآمد شدہ خام مال کی بڑھتی ہوئی قیمتیں؛

- خام مال کی درآمد پر کسٹم ڈیوٹی / اینٹی ڈپنگ ڈیوٹی کے نفاذ کے باعث خام مال کی لاگت میں اضافہ؛

- لاگت تبادلہ کا بڑھتا ہوا رجحان، فیول / گیس کی بڑھتی ہوئی قیمتوں کی وجہ سے توانائی کی بڑھتی قیمت اور افراط زر کے دیگر اثرات؛

- کانی بور کی بڑھتی ہوئی شرح اور نتیجتاً تمویل لاگت میں اضافہ؛

- غیر متعین محصولات بشمول برآمد کنندگان کو فائنل ٹیکس نظام سے بدل کر نارل ٹیکس ریجیم میں لانا، کارپوریٹ ڈیری فارمز پر سیلز ٹیکس کا نفاذ اور سُب ٹیکس کا نفاذ؛

- افراط زر کی بڑھتی ہوئی شرح عام آدمی کی قوت خرید کو متاثر کرتی ہے جس کے سبب کمپنی کی مصنوعات کی مانگ میں بھی کمی واقع ہوتی ہے

لاگت برائے پیداوار کو معقول حد تک رکھنے کیلئے انتظامیہ کی جانب سے دانش مندی کے ساتھ مقامی اور در آمد شدہ کپاس کو مناسب امتزاج کے ساتھ خرید آگیا جس کہ نتیجے میں انتظامیہ خام مال کے ذخائر کو مناسب سطح پر برقرار رکھنے میں کامیاب رہی۔

کمپنی نے اس بات پر بھی توجہ مرکوز رکھی کے بجلی کی زیادہ سے زیادہ پیداوار کی خاطر موثر جزیئر سے زیادہ سے زیادہ استفادہ حاصل کیا جائے۔ تاہم رواں مالی سال کہ دوران، گیس کی قیمتوں میں بے پناہ اضافہ ہوا جو کہ 1,100 روپے فی ایم ایم پی ٹی یو سے بڑھ کر 2,750 روپے فی ایم ایم پی ٹی یو کی جانچھی۔ توانائی کی مجموعی لاگت کو کم سے کم کرنے کی خاطر کمپنی نے متبادل اور زیادہ مسابقتی ذرائع کو اختیار کرنے کی بھرپور کوشش کی جس کے تحت قابل تجدید توانائی میں سرمایہ کاری کی گئی۔ اس سلسلے میں تقریباً 10 میگا واٹ کے ایک شمسی توانائی نظام کی کامیاب تنصیب کی گئی اور مزید 7 میگا واٹ کی تنصیب کا عمل جاری ہے۔

کمپنی کی لاگت برائے ترسیل مال میں اضافے کی بنیادی وجوہات میں مقامی طور پر کرا یوں میں اضافہ اور مقامی فروختگی کے حجم میں اضافہ ہونا شامل ہے۔ تاہم، بین الاقوامی سطح پر مال برداری کے کرایوں میں نمایاں کمی آئی جو کہ گزشتہ مالی سال میں ترسیلی نظام میں رکاوٹوں کہ باعث بڑھ گئے تھے۔ علاوہ ازیں، معیشت پر افراط زر کے دباؤ کے نتیجے میں کمپنی کے انتظامی اخراجات میں گزشتہ مالی سال کے مقابلے میں اضافہ ہوا ہے۔

کمپنی کی تمویلی لاگت میں بھی گزشتہ مالی سال کے مقابلے میں 84.97 فیصد کا خاطر خواہ اضافہ ہوا ہے اور اس اضافے کے بعد یہ لاگت 3,974.22 ملین روپے بنتی ہے۔ اس اضافے کی بنیادی وجوہات میں مختلف عوامل کار فرما رہے بشمول پالیسی ریٹ کا بڑھنا جو کہ زیر نظر مالی سال میں 20.5 فیصد تا 22 فیصد رہا جبکہ گزشتہ مالی سال کے دوران یہ شرح 15 فیصد تا 22 فیصد تھی، اس کے علاوہ افراط زر اور روپے کی قدر میں کمی کے باعث کاروباری سرمائے (ورکنگ کیپٹل) کی ضرورت جو کہ بلخصوص سوت کٹائی کی صنعت میں زیادہ ہوتی ہے، میں بھی اضافہ ہوا۔ مزید برآں کمپنی کی جانب سے گزشتہ اور رواں مالی مدت میں طویل مدتی سرمایہ کاری کی خاطر رعایتی تمویل کی عدم دستیابی بھی ان عوامل میں شامل ہے جس کے باعث تمویلی لاگت میں اضافہ ہوا۔ تاہم کمپنی کی جانب سے کاروباری سرمائے کے موثر انتظام کے ساتھ ساتھ ملکی اور غیر ملکی کرنسی میں قرضوں کے امتزاج جیسے خاطر خواہ اقدامات کئے گئے جس سے کمپنی اپنے قرضوں کو معقول حد تک رکھنے میں کامیاب رہی۔

کمپنی کی جانب سے مختلف النوع ذرائع میں کی جانے والی سرمایہ کاری کے باعث حاصل ہونے والی آمدن 1.43 ارب روپے رہی جبکہ گزشتہ مالی سال یہ آمدن 1.68 ارب روپے تھی جس سے کمپنی کی منفعت کو سہارا ملا۔ آمدن میں کمی کی وجہ کلی کورانڈسٹریز لمیٹڈ کی جانب سے گزشتہ عرصے کے دوران ایک شریک کمپنی نیو ٹریکو مورینا گا (پرائیویٹ) لمیٹڈ میں اپنی 51 فیصد حصص داری کو جزوی فروخت کے ذریعے سے 24.5 فیصد تک کم کیا جانا اور بقیہ حصص داری کی دوبارہ پیمائش کے تحت نفع کا اندرج تھا۔

مزکورہ بالا عوامل کے نتیجے میں کمپنی کا صافی منافع گزشتہ مالی سال کے مقابلے میں کم ہو کر 0.79 ارب روپے ہو گیا۔

مختلف شعبوں میں کاروباری کارکردگی کا جائزہ

آپ کی کمپنی میں کاروباری افعال کو بنیادی طور پر دو شعبوں میں منقسم کیا گیا ہے:

سوت کٹائی کا شعبہ: سوت سازی اور فروخت

بنائی کا شعبہ: کپڑے کی بنائی اور ٹی ہوئی چادروں کی فروخت

غیر مختص شعبہ جات بشمول دودھ کی پیداوار و فروخت

کمپنی کے مختلف شعبوں کی کارکردگی کا ذیل میں جائزہ پیش کیا جا رہا ہے:

سوت کٹائی	بنائی	سوت کٹائی	بنائی
2024	2023	2024	2023
<i>روپے ہزاروں میں</i>			
آمدن	62,424,721	8,312,242	51,611,486
منافع قبل از ٹیکس	552,550	352,418	1,296,607
			5,846,764
			1,573,377

زیر نظر مالی سال کے دوران، کمپنی کے دونوں شعبوں، بنائی اور سوت کٹائی کی فروختگی میں اضافے کا رجحان رہا۔ تاہم، اس مثبت پیش رفت کے باوجود دونوں شعبوں کی شرح منافع دباؤ کا شکار رہی جس کی وجوہات مندرج بالا سطور میں بیان کی جا چکی ہیں۔

اہم ترین طویل المدت سرمایہ کاری کی نوعیت

رواں مالی سال کے دوران، کمپنی نے ٹرائی کوم سولرپاور (پرائیویٹ) لمیٹڈ اور یونس وٹنڈیاور لمیٹڈ میں مزید کوئی سرمایہ کاری نہیں کی۔

اس سے قبل، کمپنی اپنے حصص داران سے مورخہ 13 اپریل 2018 کو ٹرائی کوم سولرپاور (پرائیویٹ) لمیٹڈ اور یونس وٹنڈیاور لمیٹڈ میں سرمایہ کاری کی منظوری حاصل کر چکی تھی۔ سابقہ منظوری کے ابتدائی 12 ماہ کے بعد ان منظوریوں کی معیاد کے اختتام پر، کمپنی نے تاثر ت 20 مارچ 2019 کو منعقدہ غیر معمولی اجلاس عام میں حصص داران سے سرمایہ کاری کی مدت میں توسیع کی منظوری حاصل کی جو کہ 4 سال کا عرصہ یا پروجیکٹ کے کمرشل آپریشن کے حصول تک ہے (جو بھی بعد میں وقوع پزیر ہو)۔

بورڈ آف ڈائریکٹرز کی ترتیب

لسٹڈ کمپنیوں کے قواعد (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت کمپنی کی جانب سے بورڈ میں خود مختار اور غیر انتظامی ڈائریکٹرز کی نمائندگی کو یقینی بنایا گیا ہے۔ اس کے علاوہ بورڈ میں صنفی متنوع نمائندگی کو بھی یقینی بنایا گیا ہے۔ جس کی تفصیل درج ذیل پر مشتمل ہے

بتاریخ 30 جون 2024 کمپنی کے بورڈ آف ڈائریکٹرز میں ڈائریکٹرز کی کل تعداد آٹھ ہے بشمول چیف ایگزیکٹو ٹیو (بحیثیت Deemed ڈائریکٹر)

جس کی تفصیل درج ذیل پر مشتمل ہے

ڈائریکٹرز کی کل تعداد

الف) مرد 07

ب) خواتین 01

بورڈ آف ڈائریکٹرز کی ترتیب

تفصیلات	تعداد	نام
ا) خود مختار ڈائریکٹرز	02	جناب سید محمد شہرزیدی <p>جناب معین ایم فدا</p>
ب) انتظامی ڈائریکٹر	01	جناب محمد شہبیل عنبہ
ج) دیگر غیر انتظامی ڈائریکٹرز	04	جناب محمد علی عنبہ <p>جناب عمران پونس عنبہ</p> <p>جناب جاوید یونس عنبہ</p> <p>جناب محمد حسن عنبہ</p>
د) خواتین غیر انتظامی ڈائریکٹرز	01	محترمہ ڈیپٹی عنبہ مسکاتیہ

بورڈ کی کمیٹیاں:

ذیل میں بورڈ آڈٹ، انسانی وسائل اور ادا نیگیوں اور بجٹ کمیٹیوں کے اراکین کی تفصیلات پیش کی جا رہی ہیں:

ڈائریکٹرز رپورٹ برائے ممبران

عزیز ممبران

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ 30 جون 2024 کو ختم ہونے والے مالی سال سے متعلق مالیاتی نتائج آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

آپ کی کمپنی بنیادی طور پر سوئی دھاگے اور بٹے ہوئے کپڑے کی مصنوعات کی تیاری و فروخت، رنگائی کے ساتھ ساتھ، دودھ کی پیداوار اور فروخت کے کاروبار سے منسلک ہے۔ اپنے صارفین کو سہولیات فراہم کرنے اور لاگت کے اثرات کو کم از کم سطح پر رکھنے کی غرض سے کمپنی کی جانب سے ایک حکمت عملی کے تحت اپنی صنعت سازی کے عمل کو شمالی اور جنوبی جغرافیائی محل وقوع میں منقسم کر رکھا ہے۔

اقتصادی نقطہ نظر سے، رواں سال بھی دشواریوں سے بھرپور رہا جس میں بلند افراط زر، مالیاتی خسارہ، اور بلند بیرونی قرضوں کی شرح کے علاوہ دیرینہ ساختی کمزوریاں نمایاں رہیں۔ تاہم، ان چیلنجوں کے باوجود، وطن عزیز کی معیشت میں کچھ بہتری کے آثار نظر آئے جو کہ حکومت کی جانب سے، سیاسی اور مالیاتی استحکام کی خاطر کی گئی مضبوط اصلاحات کا نتیجہ ہیں۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ 3 ارب امریکی ڈالر کے اسٹیٹ بانی اریٹمنٹ کے کامیاب اختتام کے نتیجے میں غیر ملکی زر مبادلہ کے ذخائر پر دباؤ کافی حد تک کم ہوا۔

موجودہ سال کے دوران، اگرچہ کمپنی نے کامیابی کے ساتھ اب تک کی سب سے زیادہ 72.72 ارب روپے کی فروخت کی حاصل کی جس میں گزشتہ مالی سال کے مقابلے میں 25.39 فیصد کا اضافہ درج کیا گیا، تاہم افراط زر کے منفی اثرات کی وجہ سے پیداواری لاگت میں خاطر خواہ اضافہ ہوا جس کے باعث کمپنی کی منفعت بری طرح متاثر ہوئی خاص طور پر توانائی کی قیمت اور لاگت برائے تمویل میں ہوشربا اضافہ ریکارڈ کیا گیا۔ ان عوامل کے اثر کے تحت کمپنی کا خالص منافع 0.79 ارب روپے رہا جو کہ گزشتہ مالی سال میں 3.29 ارب روپے ریکارڈ کیا گیا۔

معاشی منظر نامہ

زیر نظر مالی سال کے دوران وطن عزیز پاکستان کی معیشت میں استحکام کے آثار نمایاں رہے۔ زیر نظر مالی سال کے دوران درآمدی بلز 0.72 فیصد (بلحاظ امریکی ڈالر) کی معمولی کمی کے بعد 54.79 ارب امریکی ڈالر رہ گئے ہیں جبکہ گزشتہ مالی سال کے دوران درآمدی بلز 55.19 ارب امریکی ڈالر تھے۔ دوسری جانب، ملک کی برآمدات گزشتہ مالی سال کے 27.72 ارب امریکی ڈالر کی نسبت 30.67 ارب امریکی ڈالر ہو گئی جس میں 10.65 فیصد کا قابل ستائش اضافہ دیکھا گیا۔ بیرون ملک سے آنے والی ترسیلات زر میں بھی 10.7 فیصد

اضافہ ہوا، جو کہ گزشتہ مالی سال کے 27.33 ارب امریکی ڈالر کے مقابلے میں 31.25 ارب امریکی ڈالر ریکارڈ کی گئی، جس سے غیر ملکی زر مبادلہ کے ذخائر کو نمایاں طور پر تقویت ملی۔ نتیجتاً، رواں کھاتوں کا خسارہ 79 فیصد سے کم ہو کر 681 ملین امریکی ڈالر رہ گیا جو کہ گزشتہ مالی سال میں 3.2 ارب امریکی ڈالر تھا۔

رواں مالی سال کی دوسری ششماہی کے دوران افراط زر کا دباؤ کم ہونا شروع ہوا اور آخری سہ ماہی میں اس میں مزید بہتری آئی۔ افراط زر کے دباؤ میں اس قدر اعتدال کو مد نظر رکھتے ہوئے، بینک دولت پاکستان کی مانیٹری پالیسی کمیٹی نے، اپنی آخری دو میٹنگز میں، شرح کلونی (ڈسکاؤنٹ ریٹ) کو کم کر کے اسے 19.5 فیصد پر مقرر کیا۔

رواں مالی سال کے دوران وطن عزیز میں کپاس کی پیداوار میں قابل قدر اضافہ دیکھنے میں آیا اور ملکی پیداوار گزشتہ مالی سال کی 4.91 ملین گانٹھوں کے مقابلے میں 8.397 ملین گانٹھوں تک پہنچ گئی (پاکستان کپاس جزائریو سی ایشن کی تازہ ترین اشاعت کے مطابق) جس سے ٹیکسٹائل صنعت کو نہ صرف بھرپور سہارا ملا ہے، بلکہ زر مبادلہ کمانے اور اس کے ذخائر بڑھانے میں بھی اس نے کلیدی کردار ادا کیا۔

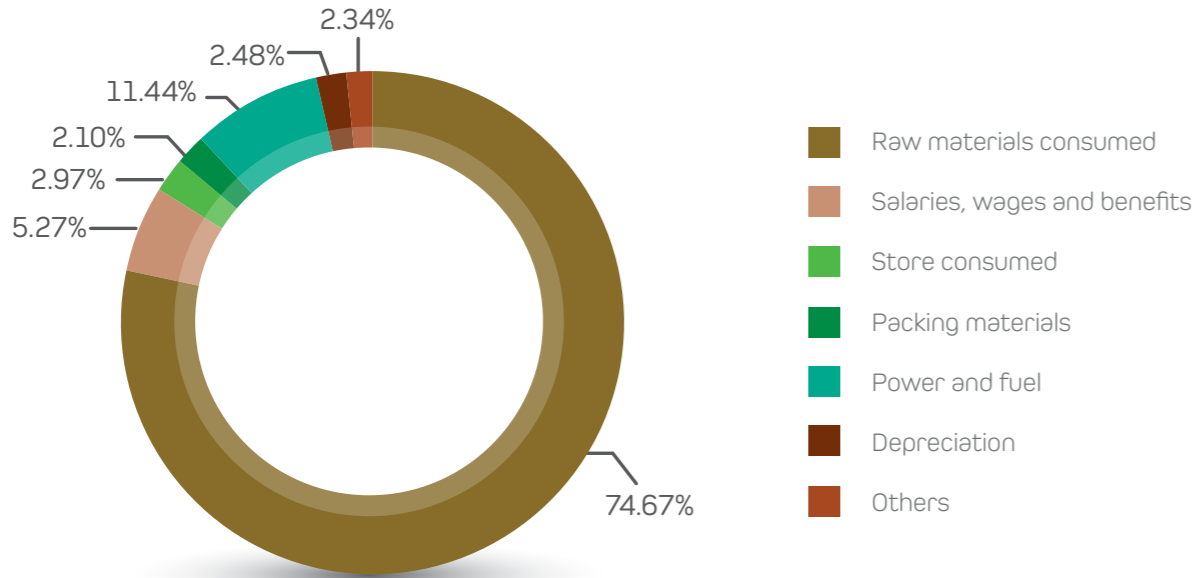
مالیاتی کارکردگی

زیر نظر مالی سال اختتامیہ 30 جون 2024 سے متعلق کمپنی کے اہم مالیاتی نتائج کا موازنہ ذیل میں پیش خدمت ہے:

خلاصہ برائے نفع نقصان	روپے ہزاروں میں		ثبت / منفی) فیصد
	June 30, 2023	June 30, 2024	
فروختگی (صافی)	57,997,240	72,723,982	25.39
خانہ خالی	6,167,845	5,017,444	(18.65)
لاگت برائے ترسیل مال	846,043	894,348	(5.71)
لاگت برائے انتظامی امور	478,197	538,602	(12.63)
دیگر اخراجات برائے کاروباری افعال	288,902	100,646	65.16
تمویلی لاگت	2,148,630	3,974,220	(84.97)
دیگر آمدن	2,376,210	1,879,276	(20.91)
منافع قبل از ٹیکس	4,782,283	1,388,904	(70.96)
منافع بعد از ٹیکس	3,291,867	794,548	(75.86)
آمدنی حصص (روپے)	117.44	28.35	

رواں مالی سال کے دوران، کمپنی کی مجموعی فروختگی گزشتہ مالی سال کے مقابلے میں بلحاظ حجم اضافے کے ساتھ ساتھ قیمت فروخت میں بھی بہتری آئی، تاہم برآمدی قیمتیں بلحاظ ڈالر متاثر رہیں۔

لاگت برائے پیداوار کا تجزیہ ذیل میں پیش کیا جا رہا ہے



لاگت برائے پیداوار کا اہم جز خام مال پر مشتمل ہے جو 74.67 فیصد (2023: 79.07) بنتا ہے اور اس کے بعد توانائی کے اخراجات 11.44 فیصد (2023: 7.28) ہیں جسے قابو میں رکھنا انتظامیہ کے لئے ہمیشہ سے تشویش کا باعث رہا ہے۔



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