



SAIF GROUP

Kohat Textile Mills Limited

58th Annual Report 2024



KOHAT TEXTILE MILLS LIMITED

Generation of Excellence in Business









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COMPANY INFORMATION

BOARD OF DIRECTORS

Javed Saifullah Khan (Chairman)
Barrister Assad Saifullah Khan (Chief Executive Officer)
Osman Saifullah Khan
Hoor Yousafzai
Asif Saifullah Khan
Rana Muhammad Shafi
Abdul Rehman Qureshi
Sardar Aminullah Khan

AUDIT COMMITTEE

Abdul Rehman Qureshi (Chairman)
Sardar Aminullah Khan
Rana Muhammad Shafi

HR & REMUNERATION COMMITTEE

Abdul Rehman Qureshi (Chairman)
Assad Saifullah Khan
Hoor Yousafzai

CHIEF FINANCIAL OFFICER

Abid Hussain

SR. DIRECTOR TECHNICAL

Badar Us Samee

GENERAL MANAGER MARKETING & SALES

Amir Badshah

COMPANY SECRETARY

Sajjad Hussain

HEAD OF INTERNAL AUDIT

Muhammad Adeel Raza

AUDITORS

Shinewing Hameed Chaudhri & Co.,
Chartered Accountants

LEGAL ADVISORS

Salahuddin Saif & Aslam
(Attorneys at Law)

BANKERS

Askari Bank Limited
Al Baraka Bank Pakistan Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Limited
First Habib Modaraba
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Pak Oman Investment Company Limited
Soneri Bank Limited
Saudi Pak Industrial & Agricultural
Investment Company Limited
The Bank of Punjab
The Bank of Khyber
United Bank Limited

HEAD OFFICE

4th Floor, Kashmir Commercial Complex,
Fazal-e-Haq Road, Blue Area
Islamabad
Phone : (051) 2604733-5
Fax : (051) 2604732
email : ktm@saifgroup.com

REGISTERED OFFICE

APTMA House, Tehkal Payan,
Jamrud Road, Peshawar
Phone : (091) 5843870, 5702941
Fax : (091) 5840273
email : Peshawar@saifgroup.com

MILLS

Saifabad, Kohat
Phone : (0922) 862309, 862065
Fax : (0922) 862057
email : ktmkht@saifgroup.com

SHARE REGISTRAR

Hameed Majeed Associates (Pvt.) Ltd.,
HM House, 7-Bank Square, Lahore
Phone : (042)-37235081
(042)-37325082
Fax : (042)-37358817
email : info@hmaconsultants.com

WEB SITE

www.kohattextile.com

**Head
Office**

4th Floor, Kashmir Commercial
Complex, Fazal-e-Haq Road,
Blue Area, Islamabad

OFFICES



MILLS / FACTORY

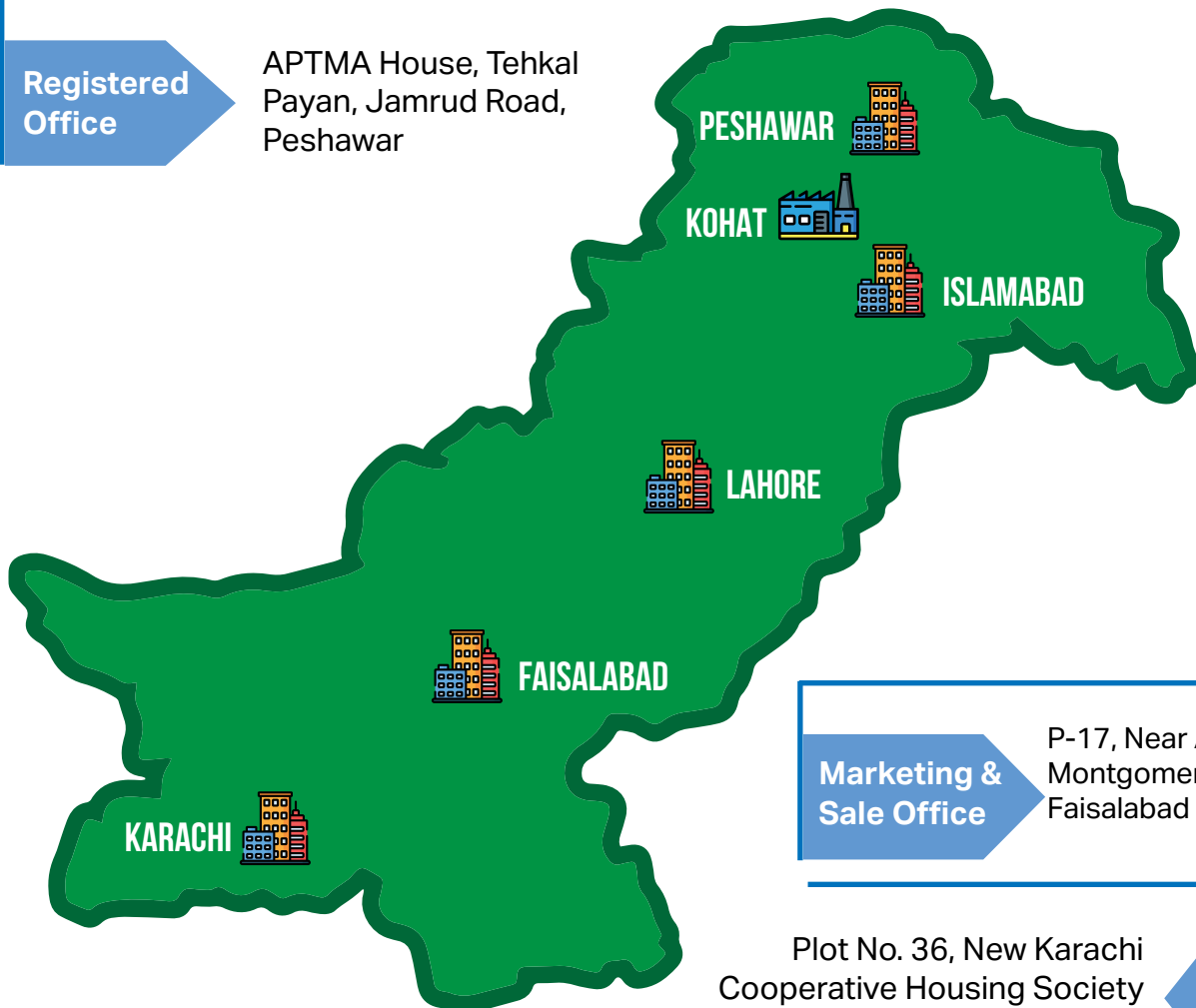


Saifabad,
Kohat

**Mills /
Factory**

**Registered
Office**

APTMA House, Tehkal
Payan, Jamrud Road,
Peshawar



**Marketing &
Sale Office**

P-17, Near Allied Bank Ltd,
Montgomery Bazar,
Faisalabad

Plot No. 36, New Karachi
Cooperative Housing Society
behind Dolmen Mall Tariq Road,
Karachi

**Marketing &
Sale Office**

ABOUT US

The Kohat Textile Mills Limited - KTM (www.kohattextile.com) is a public limited company incorporated in Pakistan in 1967 and its shares are listed on Pakistan Stock Exchange. KTM started its operations in the first quarter of 1970, and its success provided the catalyst for the subsequent blossoming and diversification of the Saif Group. The Saif Group (www.saifgroup.com) is one of Pakistan's leading industrial and services conglomerates, with primary operations in oil and gas exploration, power generation, textiles manufacturing, real estate development, healthcare services, information technology, and software development. KTM is a manufacturer & seller of good quality cotton and man made fiber yarn. The production facilities are situated in Saifabad, Kohat (Khyber Pakhtunkhwa) Pakistan while the Head office is situated in Islamabad - Pakistan.

With an installed capacity of 44,508 spindles, the Company has an annual production capacity of 10 million kgs. KTM manufactures and markets cotton cotton and manmade fibre yarn. KTM has developed a strong customer base in the domestic market.

International accreditation agencies validate quality manufacturing procedures. KTM holds certifications under ISO-9001:2015, ISO-14001:2015, ISO-45001:2015, and ISO-26000:2010. Additionally, KTM is certified by OEKO-TEX, BCI, GRS and RCS. The company has also received a credit rating of category A with a stable outlook from PACRA.

Quality Control is guaranteed through a carefully selected combination of modern European, Japanese and Chinese machinery supported by a sophisticated in-house laboratory and stringent quality control systems.

Along with 4.2 MW connection from WAPDA, KTM has also installed a 5.0 MW gas-fired Captive Power Plant and 2.1 MW solar power capacity to ensure a reliable and uninterrupted supply of electricity for the company's operations. An additional 3 MW increase in solar power capacity is currently underway.



CORE VALUES

Our core values reflect the principles of “Knowledge”, “Trust” and “Meritocracy”.

- **K**nowledge: We believe in knowledge building accumulation by providing learning opportunities to our employees for their professional growth.
- **T**rust: We promote a culture of trust, honesty, respect and recognition for exceptional performance across the Company.
- **M**eritocracy: We foster meritocracies in hiring, rewarding and promoting the best people based on their merit.



Vision

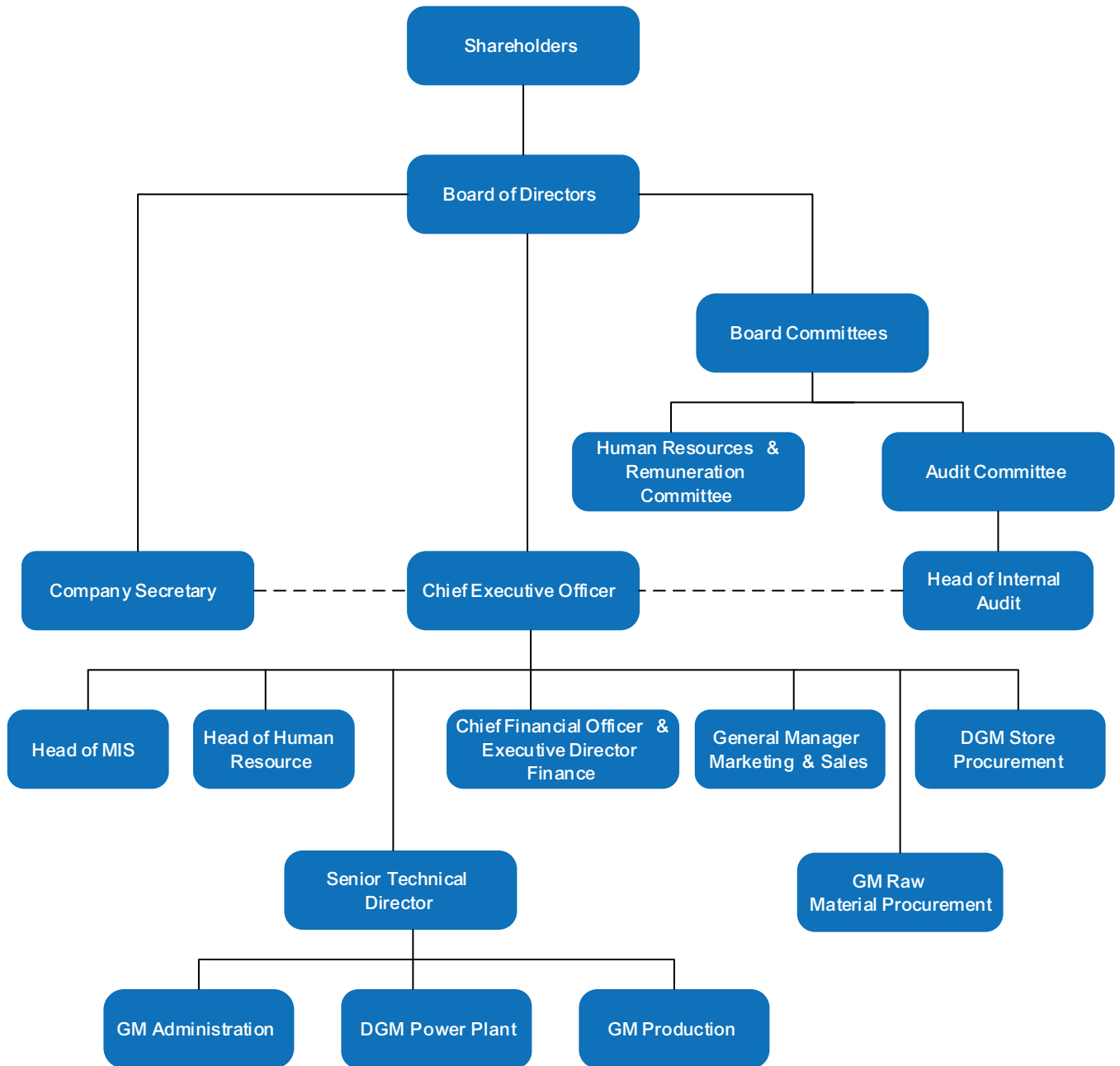
To attain market leadership through unmatched quality, a diverse and unique product mix, empowered employees, world class systems, and the highest ethical and professional standards.

Mission

- Give our shareholders a competitive return on their investment through market leadership, sustainable business growth and sound financial management.
- Earn and sustain the trust of our stakeholders through efficient resource management.
- Provide the highest quality products and services consistent with customer needs and continue to earn the respect, confidence and goodwill of our customers and suppliers.
- Foster a culture of trust and openness in order to make professional life at the Kohat Textile Mills Limited a stimulating and challenging experience for all our people
- Strive for the continuous development of Pakistan while adding value to the textile sector.



ORGANIZATIONAL CHART



TIME LINE

CELEBRATING 58TH YEARS OF EXCELLENCE (3RD GENERATION)

Financial Position: Rs.8.32 billion

No. of workers: 1,070

ISO Certified BCI, Oekotex & GRS

Pacra credit rating "A"

Additional 3 MW Solar Power
Project is in process

Increase capacity
to 44,508 spindle

Achieving the milestone on
successfully completing 50 years
celebrating its Golden Jubilee

2024

Solar Power Capacity
increase to 2.1 MW

2022

Installation of 1MW
solar project
Increase capacity
to 38,460 spindle

2019

2023

2021



Increase capacity to
35,280 spindle

2014

First export
consignment

1971

Listed on Stock
Exchanges of Pakistan
Sales: Rs.9.2 million
Profit: Rs.0.8 million

1970

Started Commercial
Production
Spindles: 12,480
No. of workers: 200

1969

Statement of
Financial Position:
Rs.2.8 million

1968

Establishment
in KPK

1967

DIRECTORS' PROFILE



Javed Saifullah Khan
(Chairman/Director)

Mr. Khan is a globally acclaimed business leader with deep and comprehensive expertise in introducing new projects in emerging markets. He has been serving as the Chairman of Saif Group for over three decades. He is also the Chairman of the Boards of Directors of Kohat Textile Mills Limited, Saif Power Limited (SPL), Saif Textile Mills Limited, and Saif Energy Limited. He also serves as Director of Saif Holdings Limited.

Under Mr. Khan's leadership, Saif Group have successfully established new businesses and developed projects in different sectors including Telecom, Power Generation, Healthcare, Textile, and Information Technology. It was his vision to set up SPL's power plant with gross capacity of 225 MWs which commenced commercial operations in April 2010. He is credited with launching Mobilink (now Jazz), the first ever GSM cellular company in the subcontinent, which is now the leading cellular company in Pakistan. He also developed Mediterranean Textile Company, located in Alexandria – Egypt, which produces yarn for the premium segment of the European shirting market.

Mr. Khan has served as Chairman of All Pakistan Textile Mills Association (APTMA) for two terms, Member Board of Directors of Pakistan International Airlines (PIA), and Board Member of Habib Bank Limited, and Member Board of Investment – Government of Pakistan.

He represented Pakistani employers in ILO meetings in Geneva twice, led APTMA delegation to ITMF conference in Cairo in 1984 and also represented Pakistan in textile quotas conference in Berlin in 1984. As a member of Prime Minister's entourage, he has visited USA, China, Germany and Italy.

In recognition of his expertise of Pakistan's corporate sector and his dedication to successfully attracting foreign direct investment into Pakistan, the Government of Pakistan awarded Mr. Khan the prestigious Sitara I Imtiaz, one of Pakistan's highest Civil Awards, in 2007.

Mr. Khan enjoys playing golf and takes keen interest in social welfare work, from the platform of Saifullah Khan Trust which serves the poor segment of society.

Mr. Khan graduated with a BA in Economics & History from Carnegie Mellon University and went on to receive his MBA from the University of Pittsburgh in 1973.



Barrister Assad Saifullah Khan
(CEO/Director)

Barrister Assad Saifullah Khan is the CEO of Kohat Textile Mills Ltd. and head of Legal Affairs for the Saif Group. As Head of the Legal Department he is responsible for coordinating all legal and contractual matters for Group subsidiaries and associated companies.

Barrister Assad Saifullah Khan brings with him the considerable experience gained through working in the UK and Pakistan. During his legal education, Barrister Assad Saifullah Khan worked with Orr, Dignam & Co (Islamabad) and as a caseworker for the current Deputy Leader of the Labor Party – the Right Honorable Harriet Harman MP, QC.

After completing the Bar Vocational Course, Barrister Assad interned for several months at J.D. Spicer & Co. a leading solicitor's practice in London, before moving back to Pakistan during the summer of 2007.

This was followed by a one-year tenure as an Associate at Hassan & Hassan (Lahore). Under the tutelage of Dr. Parvez Hassan, Barrister Assad handled company law cases and corporate work for several large multinationals.

Barrister Assad Saifullah Khan graduated from the University of Pennsylvania in 2004, majoring in History and Culture and a minor in French. He then moved to London to pursue his legal education by attaining his Common Professional Examination/ Graduate Diploma in Law from the College of Law in 2005, and certification in the Bar Vocational Course from the Inns of Court School of Law (ICSL) in 2007.



Osman Saifullah Khan
(Director)

Osman Khan currently serves as the Vice Chairman of the Saif Group, a diversified industrial and services conglomerate headquartered in Islamabad. Mr. Khan joined the Saif Group in 1995, and has held a variety of strategic and operating roles with the Group since that time. He serves as the Chairman of Saif Holding Ltd, the Group's holding company, as well as of the Group's textile manufacturing businesses. Osman Khan was formerly Chief Executive Officer of SkyElectric Pvt. Ltd, Pakistan's fastest growing solar company, and currently serves on the Board of Directors of the company.

Mr. Khan is associated with various industry advocacy platforms and is a member of the Pakistan Business Council (PBC). He has served on the Advisory Committee to the Planning Commission of Pakistan, served as a member of the Policy Board of the Securities and Exchange Commission of Pakistan (SECP) and is a member of the governing body of the Ghulam Ishaq Khan Institute of Engineering Sciences (GIKI).

Osman Saifullah Khan was elected unopposed to the Senate of Pakistan in March 2012 for a six year term and represented the Federal Capital Islamabad. He was Chairman of the Senate Standing Committee on Science & Technology and a member of the Senate Special Committee on China Pakistan Economic Corridor (CPEC).

He also served on three other Senate Committees: (i) Finance (ii) Information Technology & Telecommunications and (iii) Rules & Privileges.

Senator Khan was the mover of the private member's bill, the Domestic Workers (Employment Rights) Bill 2015, passed by the Senate on March 7th, 2016. His term in the Senate ended in March of 2018.

Osman Khan has a Master's degree in Engineering, Economics and Management from Christ Church, University of Oxford (1995), where he was a Britannia Scholar and a Master's degree in Business Administration (MBA) from the Graduate School of Business, Stanford University (2009).



Hoor Yousafzai FCA
(Director)

Hoor Yousafzai is the CEO of Saif Holdings Ltd, which is the holding company of Saif Group of Companies. In addition to being on the Boards of various Saif Group companies, she is also the Chairperson of the Board of Directors of Saif Power Ltd and Saif Healthcare Ltd. She is the CEO of Akbar Kare Institute, a leading institute that aims towards improving the lives of families with children suffering from lifelong disabilities due to Cerebral Palsy and Spina Bifida, irrespective of their wealth, class, or creed.

A seasoned, outcome-oriented leader and finance expert with over 20 years of experience, she has been actively responsible for establishing long-range goals, strategies, plans, and policies of Saif Group, with a primary focus on corporate taxation, regulatory compliance, project evaluations, and business sustainability.

Before joining Saif Group, Mrs. Yousafzai completed her CA articles in KPMG Chartered Accountants, Pakistan. In addition to being a Fellow Chartered Accountant, she also has a Master's Degree in Computer Science and Economics. She is an avid learner and received numerous distinctions during her educational years.



Asif Saifullah Khan
(Director)

Asif Saifullah Khan joined the Board of Saif Holdings Limited in 2020. After graduating from the University of Cambridge, he began his legal career in the corporate finance team of an international law firm in London. He then worked as legal counsel at asset management firms in London and Dubai. Throughout his legal career, Mr. Asif has been responsible for corporate, commercial, and regulatory compliance matters, dealing with significant stakeholders and regulators, including the London Stock Exchange, Bank of England, and the Financial Conduct Authority.

More recently Mr. Asif has worked with start-ups and SMEs in the technology sector advising on corporate, commercial, and fundraising matters.

He has a BA in International Studies and Arabic from Emory University, USA and an MA in Law from the University of Cambridge, UK. He was called to the Bar of England & Wales in 2011. He is an Advocate, Lahore High Court and a qualified Solicitor in England & Wales.



Rana Muhammad Shafi
(Director)

Rana Muhammad Shafi is an Advisor to the Board of Director of Saif Group of Companies. He advises the BOD for Investments, mergers and acquisition on new ventures and on financial matters of Saif Group Companies. He also advises on securitization of assets, treasury functions for acquisitions of funds for new projects and dealing with capital markets. He is also BOD member of Saif Textile Mills Limited and Saif Power Limited.

He has over 52 years of rich and varied experience in the field of Cost and Management Accounting, Financial & Corporate Accounting, Administration, Management control, Treasury & Financial Management. He has been associated with Saif Group since January 1981 and has worked in the capacities of Cost & Management Accountant, Chief Accountant, Commercial Manager, General Manager Finance, Executive Director Finance and Chief Financial Officer.

He is a certified director under Listed Companies (Code of Corporate Governance), Regulations, 2019. He has conducted a number of workshops on corporate accounting, leadership management and treasury financing. Before joining Saif Group, he has been associated with Ali Textile Mills Ltd., Jhang, Mansoor Textile Mills Ltd., Lahore and Nishat Mills Ltd. Faisalabad.

He holds a Master's Degree in Commerce from the University of Punjab and Cost and Management Accountant Finalist from Institute of Cost and Management Accountants of Pakistan.



Abdul Rehman Qureshi
(Director)

Mr. Abdul Rehman Qureshi is a member of the company's Board elected as an independent director. He is law graduate of the Punjab University, Lahore and possesses a vast and varied experience in various capacities as Chairman, Commissioner, Advisor and Chief Legal Affairs while working at senior level in the erstwhile Corporate Law Authority (CLA) and the Securities and Exchange Commission of Pakistan (SECP), the apex regulator of the Capital Market, Non-Banking Finance Companies, Insurance Industry and the entire corporate sector. He has been on the faculty of the International Islamic University, Islamabad (evening classes), teaching company law and comparative securities laws. He has also been Member, Board of Governors of the Institute of Management Sciences, Peshawar. Mr. Qureshi attended several international courses, seminars, training programs and workshops on various subjects related to corporate laws and corporate governance particularly in the countries like Australia, Japan, India, USA and U.K. Besides, he acted as members of various committees and commissions constituted to review and revamp the corporate laws namely the company law, Securities Law, Insurance Law, and Banking Laws. He has been associated to prepare the final draft of the Companies Act, 2017.



Sardar Aminullah Khan
(Director)

Sardar Aminullah Khan joined the Inland Revenue Service of Pakistan in 1977 in BS-17 through CSS exam and retired after serving as Member, Chief Commissioner, Additional Commissioner, Deputy Commissioner and Assistant Commissioner in Income Tax department of Federal Board of Revenue. He served for 35 years in several Government departments within and outside Pakistan in various capacities. He has been engaged in tax management, project management, cooperative housing management, social clubs management, investment promotion, framing and interpretation of laws on investment and taxation, trade and economy, tax reforms etc. His last held position was Director General, KP Revenue Authority in 2014.

He served in embassy of Pakistan Beijing China from 2008 to 2011 as Economic Minister. After retirement, he joined Ghulam Ishaq Khan Institute of Engineering Sciences and Technology as Pro-Rector Administration and Finance.

MANAGEMENTS' PROFILE



Abid Hussain
(Chief Financial Officer)

Abid Hussain is the Chief Financial Officer of Kohat Textile Mills Ltd.,(KTM) leveraging over 38 years of extensive experience in financial leadership, tax planning, budgeting, and strategic financial management. From 2008 to 2016, he also managed the financial and operational affairs of a Saif Group Company namely Mediterranean Textile Company in Alexandria, Egypt.

He has successfully driven numerous strategic initiatives that have resulted in sustained financial performance, improved operational efficiency, significant cost reductions, and revenue growth. His unwavering commitment to robust financial stewardship and innovative strategies enhances the Company's fiscal discipline and aligns with its strategic objectives. Additionally, he takes step to introduce renewable clean and green solar energy project at KTM to mitigate the environmental impact and optimize production costs. He also takes initiatives in respect of corporate social responsibility by providing free facilities to employees and local community such as social security dispensary and a school.



Badar Us Samee
(Senior Technical Director)

Badar Us Samee, a Textile Engineer from National Textile University Faisalabad, brings 30 years of industry experience to his role as Senior Technical Director. He has progressed through various positions, demonstrating his extensive expertise in export and local quality yarn manufacturing. His specialization includes a wide range of yarns such as carded/combed, PC/CVC, synthetic, and blended fibers, as well as specialty yarns like Bamboo, Tencel, and Melange. Additionally, Mr. Samee excels in project planning, management, and HR/administration affairs, contributing significantly to both technical advancements and operational efficiency in the textile sector.



Sajjad Hussain
(Company Secretary)

Sajjad Hussain is a member of the Institute of Cost and Management Accountants of Pakistan (ICMAP) and a law graduate from the University of the Punjab. With 20 years of professional experience, he brings significant expertise in managing corporate and legal affairs. His skills encompass corporate law, joint venture formation, contract management, negotiations, HR matters, and intellectual property. His comprehensive knowledge and strategic acumen have been instrumental in navigating complex legal and corporate challenges, contributing to the company's robust governance and operational success.



Saad Gul Karori
(DGM Accounts & Finance)

Saad Gul Karori, a fellow member of the Association of Chartered Certified Accountants (UK) and a finalist with the Institute of Chartered Accountants of Pakistan, joined the company in 2017 as Manager Accounts. With a strong background in finance, accounts, corporate law, and audit, Saad has progressed through various roles and is now the Deputy General Manager of Finance & Accounts. His diverse expertise and strategic insights have been pivotal in shaping the company's financial management. Additionally, he served as Company Secretary in 2019, further demonstrating his broad skill set and leadership within the organization.



Muhammad Adeel Raza
(Head of Internal Audit)

Muhammad Adeel Raza joined the Company as Head of Internal Audit in January 2024. A fellow member of PIPFA and ICAP finalist, he also holds a Master's degree from BZU, Multan. With over 8 years of experience in accounting, finance, taxation, ERP, and auditing, he has a distinguished background with a leading audit firm and a prominent listed sugar company. As a skilled financial data analyst, he excels in applying advanced analytical and audit techniques to enhance work efficiency. His expertise has significantly refined our internal audit processes, bolstered controls, and improved risk management, driving greater transparency in the Company's operations.

MANAGEMENTS PROFILE



Ikram Ullah Khan
Senior General Manager (Technical)

Ikram Ullah Khan, a dedicated textile professional with a BSc in Textile Spinning from National Textile University Faisalabad, has been with the company since September 1999. With 25 years of experience in spinning, he currently serves as Senior General Manager (Technical). Mr. Khan's expertise encompasses a wide range of fibers, blends, and yarn counts, and he is committed to maintaining high-quality standards and industry best practices. His pivotal role in optimizing production processes and ensuring excellence in manufacturing underscores his strong management skills and his significant contribution to operational efficiency and product quality.



Safi Ullah Khan
(General Manager Raw Material Procurement)

With a distinguished career spanning over 32 years in the field of costing, Safi Ullah Khan brings a wealth of expertise and experience to his role as General Manager Raw Material Procurement at KTM. Mr. Khan embarked on his professional journey in 1993, joining KTM with a vision to drive excellence in raw material management and cost efficiency. Mr. Khan holds a Master's degree in Economics from Gomal University, which has significantly contributed to his profound understanding of economic principles and their application in business.



Amir Badshah
(General Manager Marketing & Sales)

Amir Badshah holds a Master's degree in Economics from the University of Peshawar and brings 24 years of professional experience to his role as General Manager of Marketing & Sales. Renowned for his expertise in new product development, he has played a crucial role in introducing innovative trends to the textile market. His strategic vision and deep industry knowledge have significantly enhanced the company's market presence and growth. Mr. Badshah's leadership continues to drive excellence in sales and marketing, positioning the company at the forefront of industry developments and ensuring sustained success in a competitive landscape.



Muhammad Ashraf
(DGM Power Plant)

Muhammad Ashraf is a diligent employee of the Company since June 2011, now serve as head of Power division. He completed his qualification in Electrical from Government Vocational Institute Johar Abad. Joining as a Plant In-charge, he brings a wealth of expertise in Power Plant and Electrical systems. His 14 years of experience in power plants have greatly contributed to the advancement of the Power Plant department. Mr. Ashraf's diligent work and technical acumen have significantly enhanced operational efficiency and reliability within the department, ensuring robust power plant performance and supporting the company's overall operational success.



Adnan Janjua
(DGM Procurement)

Adnan Janjua, an MBA in Marketing, brings 20 years of expertise in Textile Spare Parts Procurement and 10 years in Supply Chain Management within the Solar Industry. Currently overseeing procurement operations, Mr. Janjua plays a pivotal role in managing procurement across multiple sectors and locations. His extensive experience and strategic insight are crucial in optimizing procurement processes and enhancing supply chain efficiency. His leadership ensures effective resource management and supports the company's operational success and growth across diverse industry sectors.



Fahad Saleem
(Head HR)

Fahad Saleem, Head of HR, has been with the company since 2006. He holds a BS in Computer Science and a Master's degree in Business Administration with a specialization in Human Resources. With 9 years of extensive experience in managing HR functions, administration, and employee relations, Mr. Fahad Saleem has demonstrated exceptional leadership and communication skills. His ability to effectively manage cross-functional teams and build strong relationships with diverse stakeholders has been pivotal in driving HR initiatives and fostering a collaborative work environment, contributing significantly to the company's overall success and organizational culture.

NOTICE OF 58TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **58th Annual General Meeting** of **Kohat Textile Mills Limited** (the Company) will Insha'Allah be held on **Friday, October 25, 2024** at **11:00 a.m.** at its registered office, **APTMA House Tehkal Payan, Jamrud Road, Peshawar**, to transact the following business:

• **ORDINARY BUSINESS:-**

1. To confirm minutes of the Annual General Meeting of the Company held on October 27, 2023.
2. To receive, consider and adopt the annual audited Financial Statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2024.
3. To approve cash dividend 10% i.e. Re. 1 - per share for the year ended June 30, 2024 as recommended by the Board of Directors.
4. To appoint auditors and fix their remuneration for the year ending June 30, 2025. The retiring auditors, being eligible, have offered themselves for re-appointment. The Board on the recommendation of the Audit Committee has proposed the appointment of M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants as external auditors of the company after obtaining their consent.

• **SPECIAL BUSINESS:-**

5. To ratify and approve transactions entered into by the Company with related parties in its ordinary course of business by passing the following special resolution:-

"RESOLVED THAT the Company be and is hereby authorized to share common expenses with its associated companies including M/s. Saif Textile Mills Limited. The common expenses may include but not limited to office rents, administrative salaries, utility expenses, repair and maintenance and other miscellaneous expenses etc. (collectively the "Administrative Expenses"), in respect of its joint offices.

RESOLVED FURTHER THAT the transactions entered into by the Company in its ordinary course of business with related parties during the year ended June 30, 2024 as disclosed in notes to the Financial Statements are hereby ratified and approved.

RESOLVED FURTHER THAT the Chief Executive of the Company be and is hereby authorized to execute/ approve all the transactions to be carried out in its ordinary course of business with Related Parties during the ensuing year ending June 30, 2025 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and to sign execute any and all such documents/ indentures as may be required in this regard on behalf of the Company."

6. To transact any other business with the permission of the Chair.

Statement of material facts required under Section 134(3) of the Companies Act, 2017 in respect of Special Business to be transacted at the forthcoming Annual General meeting is annexed.

BY ORDER OF THE BOARD



Sajjad Hussain

Place: Peshawar

Date: October 04, 2024 Company Secretary

NOTES:-

1. The Shares Transfer Books of the Company will remain closed from October 19, 2024 to October 25, 2024 (both days inclusive). Transfers received in order at the office of the Company's Shares Registrar M/s Hameed Majeed Associates (Pvt) Limited, HM House, 7-Bank Square, Lahore by the close of business on dated October 18, 2024 will be treated in time.

NOTICE OF 58TH ANNUAL GENERAL MEETING

2. Circulation of Annual Report through QR Code and through Web-link: In accordance with Section 223 of the Companies Act, 2017 and pursuant to SRO 389(I)/2023 dated 21 March 2023 of the Securities & Exchange Commission, the Company obtained members' approval at the 57th Annual General Meeting held on 27 October 2023 to circulate the Annual Report to members through a QR-enabled code and web-link. The Annual Report is available on the Company's website and can be downloaded through the following QR code and web-link.



<https://kohattextile.com/investor-information/#rep>

3. The Company has electronically transmitted the Annual Report 2024 via email to members whose email addresses are available with the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Limited. Printed notices of the AGM, along with the web link and QR code to download the Annual Report, have been dispatched to all members. However, the Company will provide hard copies of the Annual Report to any member upon request, at their registered address, free of cost, within one week of receiving such a request, if the request is made by the member using the standard request form available on the Company's website or by email at ca.ktml@saifgroup.com.
4. Members or proxies who wish to attend the AGM via video link or other electronic means are requested to email the Company a clear copy of both sides of their valid Computerized National Identity Card (CNIC) along with their Name, Folio Number, Cell number, and Number of Shares held. Please use the subject 'Registration for AGM of KTM' and send this information/document to sajjad.hussain@saifgroup.com at least 48 hours before the time of the AGM. Only those members whose names appear in the Register of Members of the Company as at October 18, 2024, will be entitled to attend and vote at the AGM.
5. A member entitled to attend and vote at the meeting may appoint another person/ member as a proxy to attend, speak and vote on behalf of him/her. Forms duly stamped with Rs.50/- revenue stamp, signed and witnessed by two persons, in order to be valid must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
6. Any individual beneficial owners of CDC, entitled to attend and vote at the meeting must bring his/her CNIC or passport to prove his/her identity and the proxy shall produce his/ her original CNIC or passport. In case of corporate members, the Boards' resolution or power of attorney with specimen signatures of the nominee shall require to be produced at the time of the meeting.
7. Members are requested to submit an attested photocopy of their valid Computerized National Identity Cards (CNICs) as per SECP's direction, if not provided earlier.
8. Change in Address: Members are requested to promptly notify any change in their address.
9. E-Voting / Voting by Postal Ballot: The Company shall provide its members with facilities for e-voting and voting by postal ballot for all businesses classified as special business, in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.
- E-Voting Procedure: a) Details of the e-voting facility will be shared through an e-mail with those members who have their valid CNIC numbers, cell numbers and registered e-mail address available in the register of the members of the Company by the close of business on October 18, 2024. b) E-voting facility will be available to eligible

NOTICE OF 58TH ANNUAL GENERAL MEETING

members from October 22, 2024, 9:00 am and shall close on October 24, 2024 at 5:00 pm. c) Members can cast their votes at any time in this period. Once the vote on a resolution is cast by a member, he/she shall not be allowed to change it subsequently.

10. Pursuant to Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail such facility, please fill the following form and submit to the registered address of the Company atleast seven (07) days before the date of the annual general meeting.

I/ We, _____
_____ of _____,
being a member of Kohat Textile Mills Limited, holder of _____
Ordinary Shares as per Register Folio No. / CDC A/C No. _____ hereby
opt for Video Conference facility at _____.

Signature of member

11. DIVIDEND PAYMENTS THROUGH ELECTRONIC MODE:

In order to receive the future dividends through electronic mode as per requirements of Section 242 of the Companies Act, 2017, members are requested to provide the following detail to our share registrar M/s Hameed Majeed Associates (Pvt.) Limited:

Name of Member	
Folio / CDS Account No.	
CNIC	
Email	
Title of Bank of Account	
Bank Account (IBAN) Number (24-Digits)	
Bank's Name	
Branch Name and Address	
Contact No.	

12. Members, who for any reason, could not claim their dividend, are advised to contact our Share Registrar M/s Hameed Majeed Associates (Pvt) Limited, HM House, 7-Bank Square, Lahore and collect/ enquire about their unclaimed dividend.

13. As per Section 72 of the Companies Act, 2017 every company is required to replace its physical shares with book-entry form. Members having physical shares are therefore requested to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into book-entry form. This will facilitate them in many ways including safe custody/online trading of shares, easy transfer of ownership, no risk of damage/ lost/duplicate shares, instant credit of entitlements (bonus/right issue) etc.

STATEMENT OF MATERIAL FACTS U/S 134(3) OF THE COMPANIES ACT, 2017

Agenda no. 5:

The transactions conducted with associated companies require the approval of the Board on the recommendation of the audit committee on the quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, since a majority of the company's directors were interested in the said transactions due to their common directorship and holding of shares in the associated companies, the quorum of the directors could not be formed for approval of these transactions pursuant to section 207 of the Companies Act, 2017, thus, these transactions are being placed before the members for their approval.

I am pleased to present my review of the overall performance of the Board of Directors (the "Board") of Kohat Textile Mills Limited (the Company) and its effectiveness in achieving the Company's objectives for the year ended June 30, 2024.

The Board has diligently carried out its duties in the best interests of the Company's shareholders, effectively and efficiently managing the Company's affairs. The Company remains committed to adhering to the best practices of corporate governance and complies with all relevant requirements of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (The Code), pertaining to the composition, meetings, and procedures of the Board and its Committees.

For the financial year ended on June 30, 2024, an annual evaluation of the Board was conducted in accordance with the directives of the Code. I am delighted to report that the Board has diligently fulfilled its duties in compliance with the law and in the best interests of the Company and its shareholders. The overall performance of the Board was assessed based on several factors, including its adherence to the vision, mission, and values; active involvement in strategic planning; policy formulation; oversight of the organization's business activities; supervision of financial resource management; effective fiscal control; and unbiased treatment of all employees. The Board has ensured that it maintains adequate representation of non-executive, independent, and female directors on both the Board and its committees, as mandated by the Code. Additionally, the members of the Board and its respective committees possess the necessary skills, experience, and knowledge to effectively manage the Company's affairs.

The Board diligently and consistently oversees and monitors performance of the Company and its sub-committees. The Board has formulated short, medium, and long-term plans to achieve its strategic goals. During the financial year 2023-24, the Board made significant contributions to the Company by fulfilling the following functions:

- Performed effective and robust oversight of the Company's operations
- Ensured the quality and appropriateness of financial reporting and the transparency of disclosures in annual and quarterly financial statements
- Conducted risk assessment, especially, of regulatory and legal requirements, market trends, raw material supply and price, energy availability and cost, interest rate and liquidity risks
- Ensured that the adequate system of internal controls is in place with regular reviews through self-assessment mechanism and internal audit activities
- Oversaw the governance and management of the Company's sustainability risks and opportunities, including environmental, social, and governance (ESG) considerations.
- Promoted diversity, equity, and inclusion (DE&I) to support gender equality.



(Javed Saifullah Khan)

Chairman

Place: Islamabad

Date: September 30, 2024

DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

The Directors of Kohat Textile Mills Limited are pleased to present 58th Annual Report along with audited financial statements and auditor's report thereon for the year ended June 30, 2024.

Financial review

The principal business activity of your company is the manufacturing and sale of yarn.

The Company's sales have improved from Rs.6.0 billion to Rs.8.0 billion, depicting an improvement of 34% YOY and driven mainly due to an increase in prices. The Company gross profitability has increased from Rs. 847 million to Rs. 1,220 million showing an increase of 44% YOY. And while the net profitability was dampened by higher financing costs, the Company was able to post a pre-tax profit of Rs.324 million, depicting 130% growth YOY. The Company is regular in debt servicing with all banks, and the plant operated at full capacity during the year.

Earnings per Share

The basic and diluted earnings per share for the year ended June 30, 2024 is Rs.10.29 (2023: Rs.4.09).

Dividend

The Board of Directors is pleased to propose cash dividend @ 10% for the year ended June 30, 2024.

Holding company

Saif Holdings Limited, incorporated in Pakistan, is the holding company of Kohat Textile Mills Limited with 77.98% shareholding.

Certifications

The Company is certified by ISO in following:-

- a) 9001:2015 (Quality Management Systems)
- b) 45001:2018 (Occupational Health & Safety Management Systems).
- c) 14001:2015 (Environment Management Systems)
- d) 26000:2010 (Corporate Social Responsibility Management Systems).

In addition the company is also certified in following:

- a) Global Recycled Standard (GRS)
- b) Recycled Claim Standard (RCS)
- c) Better Cotton Initiative (BCI)
- d) Oeko-Tex Standard 100

Credit Rating Certification

The Company's credit rating is maintained as "A" with stable outlook by Pakistan Credit Rating Agency (PACRA).

Debt repayment

The Company has adopted an effective cash flow strategy whereby cash inflows and outflows are monitored vigilantly. Efficient financial management has enabled the Company to meet its financial commitments.

Future Outlook

The global economy is predicted to pick up some momentum as inflationary pressures and supply chain constraints are gradually easing. However, due to the geopolitical tensions, and monetary tightening, global trade is expected to grow at a modest pace.

On the local 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 the SBP has cut policy rates by 250 basis points. Meanwhile, faster than expected drop in baseline inflation suggests potential for further rates cuts, which could stimulate demand-led growth. The textile sector has great potential for improvement but would require Government support to identify textile as a priority area.

To realize business objectives the Management of your company will continue to replace old technology machines with better and more advanced technology. An additional 3MW solar project is under installation which will take the total solar capacity to 5.1MW (2.1MW already operational)- sufficient to fulfil factory requirements. Management will put its best efforts into a reduction in the input costs so that wealth can be generated for the company's shareholders.

DIRECTORS' REPORT TO THE MEMBERS

Chairman's review

The Chairman's review is included in annual report briefly explaining the overall performance of the Board of Directors along with performance of the Board members and its committees and their effective role in meeting the challenges being faced.

Corporate governance and Financial Reporting Framework

The Directors are fully cognizant of its responsibilities as laid down in the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan and form a part of the Listing Regulations of the Pakistan Stock Exchange.

We confirm that

- The financial statements together with the notes thereon have been drawn in conformity with the Companies Act, 2017 and International Financial Reporting Standards as applicable in Pakistan. These financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of the accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process

with the objective to further strengthen the controls and bring improvements in the system.

- International Financial Reporting Standards, as applicable in Pakistan have been duly followed in preparation of the financial statements. Any departure thereof has been adequately disclosed and explained.
- All liabilities in regard to the payment on account of taxes, duties, levies and charges have been fully provided and will be paid in due course or where claim was not acknowledged as debt the same are disclosed as contingent liabilities in the notes to the financial statements.
- There is no significant doubt about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance.
- We have an Audit Committee, and HR & Remuneration Committee the members of which are from the Board of Directors and the Chairman of both committees is an independent director.
- The Board has adopted a Vision, Mission and a Statement of Overall Corporate Strategy.
- The key operating and financial data of the Company for last six years is given below;

Year ended	30-Jun					
	2024	2023	2022	2021	2020	2019
Property, plant & equipment (Rs. In 000')	4,987,986	5,051,423	4,985,146	2,923,789	2,477,022	2,348,712
Net worth (Rs. In 000')	3,910,444	3,709,061	3,624,882	1,949,002	1,651,295	1,707,895
Sales (Rs. In 000')	7,964,142	5,952,262	4,930,819	3,620,143	2,590,719	2,966,457
Gross Profit (Rs. In 000')	1,219,519	847,126	857,360	744,710	213,054	310,150
Profit from operations (Rs. In 000')	924,080	610,332	651,149	578,516	103,774	202,191
Profit / (loss) before taxation (Rs. In 000')	324,364	140,145	450,840	466,633	(76,881)	86,234
Earnings / (loss) per share (Rs.)	10.29	4.09	14.05	15.01	(3.14)	3.22
No. of spindles installed	44,508	44,508	44,508	38,460	35,280	35,280

DIRECTORS' REPORT TO THE MEMBERS

Best Corporate Report Award

This year, the Company proudly achieved a 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).

Modernization & expansion

Your Company is committed to modernize and expand production line according to rapidly changing technology.

Composition of the Board

The Board of Directors as at June 30, 2024 consist of;

Directors	Numbers	Composition	Numbers
a) Male	7	a) Independent Directors	2
b) Female	1	b) Other Non-Executive Directors	4
		c) Executive Director	1
		d) Female Director	1

Board of Directors along with Attendance of Board Meetings

During the year four meetings of the Board of Directors, four meetings of the Board Audit Committee and one meeting of the HR & remuneration Committee were held. Attendance of the Director is as under:

Sr. #	Director	Category	Committees		Attendance		
			Board Audit Committee	HR & Remuneration Committee	Board Of Directors	Board Audit Committee	HR & Remuneration Committee
1	Javed Saifullah Khan	Non-Executive Director	-	-	-	-	-
2.	Osman Saifullah Khan	Non-Executive Director	-	-	2/4	-	-
3.	Assad Saifullah Khan	Executive Director	-	✓	4/4	-	1/1
4.	Hoor Yousafzai	Non-Executive Director	-	✓	2/4	-	1/1
5.	Asif Saifullah Khan	Non-Executive Director	-	-	3/4	-	-
6.	Sardar Aminullah Khan	Independent Director	✓	-	4/4	1/4	-
7.	Abdul Rehman Qureshi	Independent Director	✓	✓	4/4	4/4	-
8.	Rana Muhammad Shafi	Non-Executive Director	✓	-	3/4	3/4	-
9.	Sohail H Hydari	Non-Executive Director	-	-	3/4	-	-

In May 2024, Sohail Hussain Hydari resigned from the Board of Directors, and Osman Saifullah Khan tendered his resignation as Chairman of the Board. Javed Saifullah Khan was subsequently appointed in due course to fill the vacancy and assumed the roles of both Director and Chairman of the Board.

Leave of absence was granted to the Directors who were unable to attend above meetings.

Human Resource & Remuneration Committee

The Committee meeting is held to review and recommend the compensation and development policies relating to the employees remuneration and to approve all matters relating to the

remunerations of the executive director and management.

Board Audit Committee (BAC)

The Board Audit Committee assists the Board primarily in reviewing and reporting financial information, systems of internal control and risk management and the audit process. Committee is completely autonomous. Committee meets in each quarter. After each meeting, the Chairman of the Committee reports to the Board.

Code of conduct

As per the Corporate Governance guidelines, the Company has prepared Code of Conduct and communicated throughout the Company.

Evaluation on Board performance

The Board of Directors comprises of highly professional individuals. All members possess reasonable qualifications, high caliber and diversified experience. Furthermore, they have in-depth knowledge of business processes and strategic vision.

The evaluation of Board's role of oversight and its effectiveness is continual process, which is appraised by the Board itself. The board has adopted a highly structured process to evaluate its own performance, as well as individual performances of every member. Comprehensive questionnaires are developed in the conformity with Code of Corporate Governance and International best Practices. The core areas of focus are:-

- I) Alignment of corporate goals and objectives with the vision and mission of the Company;
- II) Strategy formulation for sustainable operation;
- III) Board's independence; and
- IV) Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference

The overall performance of the board remained satisfactory.

Review of CEO's performance

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning, corporate success and compliance with applicable regulatory requirements.

Director's training

The directors of the Company are adequately trained to perform their duties, and are aware of their powers and responsibilities under the Companies Act 2017 and the regulations of PSX rule book.

Directors' Remuneration

The remuneration of the Board members is approved by Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his/her remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. There is only one executive director who is also the Chief Executive Officer of the Company. Please refer to note 41 of the notes to financial statements for information on remuneration of Chief Executive Officer and Directors for the year ended June 30, 2024.

Statement of Ethics & business practices

The Statement of Business Ethics and Core Values provide the framework on which the Company conducts its business. The Board of Directors and the employees of the Company are the custodians of the excellent reputation for conducting our business according to the highest principles of business ethics. The following principles constitute the business ethics & the core values of the Company.

- Demonstrate Honesty integrity, fairness and ethical behavior when interacting within or outside the organization.
- Compliance with all Laws & Regulations as a good corporate citizen.
- Commitment to run the business in an environment that is sound & sustainable.
- Belief in the principles of reliability, credibility and transparency in business transactions.
- To be an equal opportunity employer.
- Safeguard shareholders interest.
- Ensure Health & Safety environment to protect our people, neighbors, customers & visitors.
- Encourage the business challenges.
- Investment in Human Capital.
- Proper Financial disclosure of the conflict of interest transactions if any.
- Accountability & responsibility.
- Good & effective public relations.
- Promotion of culture of excellence by exceeding the expectations of all stakeholders.
- Customer satisfaction for continued growth.
- Encourage employees to be creative & innovative.
- Respect for all stakeholders.
- Reliable & dependable supplier, enhancement of profitability to benefit shareholders, employees and the Government.

Safeguarding of Records

The Company puts great emphasis for storage and safe custody of its financial records. The Company is using Microsoft Dynamics 365 (ERP) for recording its financial information. The access to electronic documentation has been secured through implementation of a comprehensive password protected

authorization system. Remote disaster recovery sites have been adequately set up for maintaining backup server and data in case our primary server encounters any issues.

Human Capital Management

During the year, efforts were made to increase the efficiency & accountability of employees, while improving services to our customers and streamlining our administration. Company remains passionate about promoting and maintaining a positive culture of employee and attracting, retaining & developing talent across. As part of its human capital strategy, the Company appreciates equal opportunity employment. While we ensure compliance with the prevailing labor laws, we follow best practices in industrial relations and ensure a productive and positive work environment for all. To maintain its competitive advantage, the Company will continue investing in its people to develop a diverse and highly competitive talent pool, fully capable of managing the future challenges of the business.

Corporate Social Responsibility

The Company considers social, environmental and ethical matters in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders. Being socially responsible, Company has provided free land for Social Security dispensary and free building to school. The company arranged the sports activities between the teams of different local organizations and tours to northern areas. Company provides the financial support to low paid salaries employees to finances the education expenses of employees' children. The company arranges free medical camps for employees. Every year, through balloting employees are sent to performed Umrah / Hajj. We also encourage our team members to dedicate their time and to take active participation in such activities.

The Company was also presented Corporate Philanthropy Award.

Sustainability

The board acknowledges its responsibility towards sustainability risks and opportunities alongside emphasis on environmental, social, and governance principles (ESG). We have prioritized our efforts to support community development and empower our workforce. The yearly plantation drive has collectively contributed more than 5,000 trees over the last 3 years. This has resulted in a positive environmental impact by reducing carbon emissions.

Company also understands the requirements of IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S 2 "Climate-related Disclosures". However, these IFRSs are not early adopted by the company.

Our Diversity, Equality, and Inclusion (DE&I) approach underscores our commitment to respecting each team member and ensuring an equitable and supportive work environment conducive to growth. As a proud equal opportunity employer, we create an environment where all employees feel that they can learn, contribute, and grow.

Retirement Benefit Funds

The Company operates a non-funded defined benefit plan (gratuity scheme) for its permanent employees. The latest actuarial valuation was carried out on June 30, 2024.

Health, Safety and Environment

We feel our responsibility in maintaining best possible standards towards health and safety of not only of our dedicated employees but also the people near our factory premises. Life insurance and medical insurance is provided to employees. Proper first aid medical assistance is provided in factory in case of any injury. A

dedicated social security dispensary is also located in front of our factory premises. We also ensure the compliance of our production facility with ISO health, safety and environment standards. Our production facility does not discharge any harmful material. However, we have strict compliance towards wastage and disposal. Regular fire drill exercises and protection sprays against seasonal diseases are carried out in the factory and residential colonies as well. As part of company's clean and green energy policy, 2.1 MW solar power project is operating and an additional 3 MW solar power project is currently underway, which will not only reduce energy costs but also positively impact the environment.

Information Technology

Information Technology Division (ITD) continues to be a key component and provides an extensive range of computing and communication services, facilities and infrastructure for use by its employees. The ITD is aligned to the business needs of the organization, ensuring that the solutions delivered are relevant to the needs of the business. Our Vision involves strengthening decision making, using improved analytics and dashboards capability and as a strategy will focus on other state of the art applications, reduce paper footprint and increase its reach to customers by deploying latest technology.

Whistle blowing policy

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 on those concerns. 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 shall be taken against the person.

Risk Management

The Company's risk management policy involves is to continually assess the control environment to prevent and build resilience against any internal and external threats, both anticipated and unforeseen.

The Company's principal financial liabilities comprise long term finances, trade and other payables and short term borrowings. The main purpose of these financial liabilities are to finance the capital expenditure in balancing, modernization & replacement and company's operations.

Internal control

Company has adequate internal control procedures commensurate with the size of operations and the nature of the business. These controls ensures efficient use and protection of Company's financial and non-financial resources. Regular internal audit and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system

and suggests improvement for strengthening them, from time to time.

Corporate Briefing Session

The Company held its annual Corporate Briefing Session (CBS) on November 23, 2023, at APTMA House, Tehkal Payan, Jamrud Road, Peshawar. We consider CBS as an opportunity to interact with the stakeholders and prospective investors, whereby the Company takes the opportunity to apprise the local and foreign investors about the business environment and economic indicators of the country, explain its financial performance, competitive environment in which the Company operates, investment decisions, challenges faced as well as business outlook.

Transaction with Related Parties

All transactions with related parties during the year were carried out at arm's length and were placed before the Board Audit Committee and the Board for review and approval. These transactions were made and disclosed in compliance with Code of Corporate Governance.

Customer Focusing

Company believes that its valued customers are the foundation of its business success. Company policies are fully customers focused. A continuous liaison with the market and customers has always enabled your Company to best understand the needs to offer best suitable products and service level to the customers to remain the first choice.

Job Creation for Local Community

Your Company has introduced hundreds of jobs for skilled and unskilled local individuals in and around its factory premises. Employment generation not only improves the buying power of the local population but also gives them a fair opportunity to improve their standard of living.

Gender Pay Gap

Your company is an equal opportunity employer

and there is no gender pay discrimination in the company. Mean of gender pay gap is (1.56%) and median of gender pay gap is (15.20%).

Pattern of Shareholding

Pattern of shareholdings of the Company in accordance with the Companies Act, 2017 as at June 30, 2024 is annexed.

Communication

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The activities are updated on its website at www.kohattextile.com, on timely basis.

Subsequent Events

Except the announcement of cash dividend @ 10% as (mentioned dividend note) there is no material financial event or change has occurred between the end of financial year as at June 30, 2024 and date of this report having any adverse impact over financial position of the company.

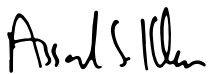
Auditors

The Board has recommended, as suggested by the Audit Committee, the appointment of M/s Shinewing Hameed Chaudhri & Co. Chartered Accountants, the retiring auditors who being eligible, have offered themselves for re-appointment for the ensuing year, subject to approval of the members in the forthcoming Annual General Meeting.

Acknowledgment

The Directors are grateful to the Company's members, financial institutions and customers for their cooperation and support. The Directors would also like to express their deep appreciation for the services, loyalty and efforts continuously rendered by the employees of the Company. We look forward to the same co-operation and dedication in the days ahead.

For and on Behalf of the Board



Assad Saifullah Khan
Chief Executive Officer

Place: Islamabad
Dated: September 30, 2024



Rana Muhammad Shafi
Director

صنفي تنخواه كا فرق:

آپ كى كمپنى ايك مساوى مواقع فراهم كرتى هے اور كمپنى ميں صنفى تنخواه ميں كوئى امتياز نهى هے۔ صنفى تنخواه كے فرق كا اوسط (1.56%) اور (15.20%) هے۔

شيئر هولڈنگ كا اصول و ضوابط:

كمپنيز كے ايكٹ 2017 كے تحت جون 30 2024، شيئر هولڈنگ كے اصول و ضوابط اور كوڈ آف كارپوريٹ گورننس كے مطابق اضافى معلومات منسلك هيں۔

مواصلات :

كمپنى شيئر هولڈرز كے ساتھ رابطے كى اهميت پر توجه مركزز كرتى هے۔ سالانہ، ششماہى اور سہ ماہى رپورٹس ان كو كمپنيز ايكٹ 2017 ميں بيان كردہ وقت كے اندر تقسيم كى جاتى هيں۔ سرگرمياں اس كى ويب سائيت پر بروقت بنيادوں پر اپ ڈيٹ كى جاتى هيں - www.kohattextile.com

بعد كے واقعات:

(تذكرو شدہ ڈيوينڈ نوٹ) مالى سال كے اختتام اور 30 جون 2024 تك 10% كيش ڈيوينڈ كے اعلان كے علاوہ اس رپورٹ كى تاريخ كے درميان كوئى مالىاتى واقعہ يا تبديلى واقع نهى ہوئى هے جس كا كمپنى كى مالىاتى پوزيشن پر كوئى منفى اثر پڑا هے۔


آڈيٹرز:

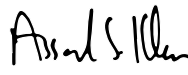
بورڈ نے، جيسا كه آڈٹ كمپنى نے تجويز كيا هے، سفارش كى هے كه مسٹر شانن ونگ حميد چوهدرى اينڈ كمپنى چارٹرڈ اكاؤنٹنٹس، ريتائر هونے اور اهل هونے كے بعد، خود كو دوباره تفررى كے ليے پيش كرتے هيں۔ جيسا كه آڈٹ كمپنى نے تجويز كيا هے، بورڈ 25 اكتوبر 2024 كو هونے والى اس سالانہ جنرل ميٹنگ كے اختتام سے لے كر اگلى سالانہ جنرل ميٹنگ كے اختتام تك عهده پر فائز رهنے كے ليے كمپنى كے آڈيٹر كے طور پر ان كى تفررى كى سفارش كرنا هے

اظهار تشكر

ڈائريكتورز كمپنى كے اراكين، مالىاتى اداروں اور صارفين كے تعاون كے ليے ان كے مشكور هيں۔ ڈائريكتورز كمپنى كے ملازمين كى مسلسل خدمات، وفادارى اور كوششوں كے ليے خراج تحسین پيش كرنا چاهيں گے۔ هم آنے والے دنوں ميں اسى تعاون اور لگن كے منتظر هيں۔

بورڈ بذا كى جانب سے


رانا محمد شفيع
ڈائريكتور


اسد سيف الله خان
چيف ايگزيكٹو آفيسر

مقام: اسلام آباد

بتاريخ: 30 ستمبر 2024

رسک مینجمنٹ:

کمپنی کی رسک مینجمنٹ پالیسی میں شامل ہے کہ کسی بھی اندرونی اور بیرونی ، متوقع اور غیر متوقع خطرات کو روکنے اور ان کے خلاف تدابیر کرنے کے لیے کنٹرول ماحول کا مسلسل جائزہ لینا ہے۔ کمپنی کی اصل مالی ذمہ داریوں میں طویل مدتی مالیات، تجارت اور دیگر قابل ادائیگی اور مختصر مدت کے قرضے شامل ہیں۔ ان مالی ذمہ داریوں کا بنیادی مقصد توازن، جدید کاری ، تبدیلی اور کمپنی کے آپریشنز میں سرمائے کے اخراجات کی مالی اعانت ہے۔

اندرونی کنٹرول :

کمپنی کے پاس آپریشن کے سائز اور کاروبار کی نوعیت کے مطابق داخلی کنٹرول کے مناسب طریقہ کار ہیں۔ یہ کنٹرول کمپنی کے مالی اور غیر مالی وسائل کے موثر استعمال اور تحفظ کو یقینی بناتے ہیں۔ باقاعدہ اندرونی آڈٹ اور چیک اس بات کو یقینی بناتے ہیں کہ ذمہ داریوں کو موثر طریقے سے انجام دیا جائے۔ بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی اندرونی کنٹرول کے نظام کی مناسبت اور تاثیر کا جائزہ لیتی ہے اور وقتاً فوقتاً ان کو مضبوط بنانے کے لیے بہتری کی تجویز دیتی ہے۔

کارپوریٹ بریفنگ سیشن:

ہاؤس، تہکال پابان، جمروڈ روڈ، پشاور APTMA 23 نومبر 2023 کو (CBS) کمپنی نے اپنا سالانہ کارپوریٹ بریفنگ سیشن منعقد کیا۔ ہم سی بی ایس کو اسٹیک ہولڈرز اور ممکنہ سرمایہ کاروں کے ساتھ بات چیت کرنے کا ایک موقع سمجھتے ہیں، جس کے تحت کمپنی مقامی اور غیر ملکی سرمایہ کاروں کو ملک کے کاروباری ماحول اور اقتصادی اشاریوں کے بارے میں آگاہ کرنے، اس کی مالی کارکردگی، مسابقتی ماحول کی وضاحت کرنے کا موقع فراہم کرتی ہے جس میں کمپنی سرمایہ کاری کے فیصلے، درپیش چیلنجز کے ساتھ ساتھ کاروباری نقطہ نظر پر کام کرتی ہے۔

متعلقہ فریقوں کے ساتھ لین دین:

سال کے دوران متعلقہ فریقوں کے ساتھ تمام لین دین ایک حد تک کیے گئے تھے اور انہیں بورڈ آڈٹ کمیٹی اور بورڈ کے سامنے جائزہ اور منظوری کے لیے پیش کیا گیا تھا۔ یہ لین دین کوڈ آف کارپوریٹ گورننس کی تعمیل میں کیا گیا۔

کسٹمر فوکسنگ :

کمپنی کا خیال ہے کہ اس کے قابل قدر صارفین اس کی کاروباری کامیابی کی بنیاد ہیں۔ کمپنی کی پالیسیاں مکمل طور پر صارفین پر مرکوز ہیں۔ مارکیٹ اور صارفین کے ساتھ مسلسل رابطے نے ہمیشہ آپ کی کمپنی کو اس قابل بنایا ہے کہ وہ صارفین کو پسند کو برقرار رکھنے کے لیے بہترین موزوں پروڈکٹس اور سروس لیول پیش کرنے کی ضروریات کو بہتر طریقے سے سمجھ سکے۔

مقامی کمیونٹی کے لیے ملازمت کی تخلیق:

آپ کی کمپنی نے اپنی فیکٹری کے احاطے میں اور اس کے ارد گرد ہنر مند اور غیر ہنر مند مقامی افراد کے لیے سینکڑوں ملازمتیں متعارف کرائی ہیں۔ روزگار پیدا کرنے سے نہ صرف مقامی آبادی کی قوت خرید میں بہتری آتی ہے بلکہ انہیں اپنے معیار زندگی کو بہتر بنانے کا ایک مناسب موقع بھی ملتا ہے۔

کے صحت ، تحفظ اور ماحولیاتی معیار کے مطابق اپنی پیداواری سہولت کی تعمیر کو بھی یقینی بناتے ہیں۔ ISO ہم ہماری پیداواری سہولت کسی نقصان دہ مواد کا اخراج نہیں کرتی ہے۔ تاہم، ہمارے پاس فضلہ ضائع کرنے کی سختی سے تعمیر کی جاتی ہے۔ فیکٹری اور رہائشی کالونیوں میں بھی فائر ڈرل کی باقاعدہ مشقیں اور موسمی بیماریوں سے بچاؤ کے اسپرے کیے جاتے ہیں۔ کمپنی کی کلین اینڈ گرین انرجی پالیسی کے حصے کے طور پر، 2.1 میگاواٹ کا سولر پاور پراجیکٹ کام کر رہا ہے اور اس وقت 3 میگاواٹ کا اضافی سولر پاور پراجیکٹ پر کام جاری ہے، جس سے نہ صرف توانائی کی لاگت میں کمی آئے گی بلکہ ماحولیات پر بھی مثبت اثر پڑے گا۔

انفارمیشن ٹیکنالوجی :

ایک کلیدی جزو کے طور پر کام کر رہا ہے اور اپنے ملازمین کے استعمال (ITD) انفارمیشن ٹیکنالوجی ڈویژن کے لیے کمپیوٹنگ اور مواصلاتی خدمات، سہولیات اور انفراسٹرکچر کی ایک وسیع رینج فراہم کرتا ہے۔ آئی ٹی ڈی کمپنی کی کاروباری ضروریات کے مطابق ہے، اس بات کو یقینی بناتا ہے کہ فراہم کردہ حل کاروبار کی ضروریات کے مطابق ہوں۔ ہمارے وژن میں فیصلہ سازی کو مضبوط بنانا، بہتر تجزیات اور ڈیش بورڈز کی صلاحیت کا استعمال شامل ہے اور ایک حکمت عملی کے طور پر دیگر جدید ترین ایپلی کیشنز پر توجہ مرکوز رہے گی، کاغذ کے استعمال کو کم کرے گا اور جدید ترین ٹیکنالوجی کو تعینات کر کے صارفین تک اپنی رسائی کو بڑھا دے گا

پالیسی برائے صاف گوئی

کمپنی کھلے پن، ایمانداری اور جوابدہی کے اعلیٰ ترین معیارات کے لیے پرعزم ہے۔ اپنی وابستگی کے مطابق، کمپنی ملازمین اور/یا فریق ثالث (سپلائرز، صارفین، ڈیلرز، وغیرہ) کو کمپنی کے کام کے کسی بھی پہلو کے بارے میں سنجیدہ خدشات کے ساتھ، آگے آنے اور ان خدشات پر صاف گوئی کی حوصلہ افزائی کرتی ہے۔ ان خدشات میں درج ذیل شامل ہو سکتے ہیں لیکن صرف انہیں ان تک محدود نہیں ہیں۔

مالی بدعنوانی یا ناانصافی یا دھوکہ دہی

قانونی ذمہ داری کی تعمیل کرنے میں ناکامی۔

کمپنی کے اندر یا باہر خفیہ معلومات کا افشاء

کمپنی کی مالی حالت کی مکمل اور منصفانہ رپورٹنگ سے انحراف

صحت اور حفاظت یا ماحول کے لیے خطرات

غیر قانونی سول اور مجرمانہ سرگرمی

نامناسب طرز عمل یا غیر اخلاقی سلوک

تمام رپورٹنگ کو خفیہ طریقے سے سنبھالا جائے گا۔ اس بات کو یقینی بنایا جائے گا کہ مسئلہ اٹھانے والا شخص، اگر گمنام نہ ہو، ہر حال میں اس معاملے کو اٹھانے پر نشانہ نہ بنایا جائے یا جرمانہ نہ کیا جائے۔ رازداری کو ہر ممکن حد تک برقرار رکھا جائے گا۔ تاہم، اگر مسئلہ اٹھانے والے شخص نے غلط بیانی/بد نیتی سے کام کیا ہے، تو اس شخص کے خلاف تادیبی کارروائی کی جائے گی۔

طریقے اپناتے ہیں اور سب کے لیے کام کے لیے ایک نتیجہ خیز اور مثبت ماحول کو یقینی بناتے ہیں۔ اپنے مسابقتی مفاد کو برقرار رکھنے کے لیے، کمپنی ایک متنوع اور انتہائی مسابقتی ٹیلنٹ پول تیار کرنے کے لیے اپنے لوگوں میں سرمایہ کاری جاری رکھے گی، جو کاروبار کے مستقبل کے چیلنجوں کو سنبھالنے کی پوری صلاحیت رکھتا ہے۔

کاروباری سماجی ذمہ داری:

کمپنی مجموعی کاروباری ماحول کے تناظر میں سماجی، ماحولیاتی اور اخلاقی معاملات پر غور کرتی ہے۔ کمپنی تمام اسٹیک ہولڈرز، خاص طور پر اس کمیونٹی کے بہترین مفاد میں کام کرنے کے لیے پرعزم ہے۔ سماجی طور پر ذمہ دار ہونے کے ناطے، کمپنی نے سوشل سیکورٹی ڈسپنسر کے لیے مفت زمین اور اسکول کو مفت عمارت فراہم کی ہے۔ کمپنی نے مختلف مقامی تنظیموں کی ٹیموں اور شمالی علاقوں کے درمیان کھیلوں کی سرگرمیوں کا اہتمام کیا۔ کمپنی ملازمین کے بچوں کے تعلیمی اخراجات کو پورا کرنے کے لیے کم تنخواہ والے ملازمین کو مالی مدد فراہم کرتی ہے۔ کمپنی ملازمین کے لیے فری میڈیکل کیمپ کا انتظام کرتی ہے۔ ہر سال قرعہ اندازی کے ذریعے ملازمین کو حج ادا کرنے کے لیے بھیجا جاتا ہے۔ ہم اپنی ٹیم کے اراکین کو بھی حوصلہ دیتے ہیں کہ وہ ایسی سرگرمیوں میں بڑھ چڑھ کر حصہ لینے کے لیے اپنا وقت وقف کریں۔

کمپنی کو کارپوریٹ فلانٹھروپی ایوارڈ سے بھی نوازا گیا۔

پائیداری (سسٹینیبلٹی):

ہم زور دینے کے ساتھ ساتھ ماحولیاتی خطرات اور (ESG) بورڈ ماحولیاتی، سماجی، اور حکمرانی کے اصولوں مواقع کے حوالے سے اپنی ذمہ داری کو تسلیم کرتا ہے۔ ہم نے کمیونٹی کی ترقی اور اپنی افرادی قوت کو بہتر بنانے کے لیے اپنی ترجیحی بنیاد پر کوشش کی ہے۔ سالانہ شجرکاری مہم نے گزشتہ 3 سالوں میں اجتماعی طور پر 5000 سے زیادہ درخت لگائے ہیں۔ اس کے نتیجے میں کاربن کے اخراج کو کم کر کے مثبت ماحولیاتی اثرات مرتب ہوئے ہیں۔

کے تقاضے 'پائیداری سے متعلق مالی معلومات کے انکشاف کے لیے عمومی تقاضے' اور IFRS S1 کمپنی "موسم سے متعلق انکشافات کے تقاضوں" کو بھی سمجھتی ہے۔

ہمارا جدِ گاہِ انداز، مساوات، اور شمولیت (DE&I) کا نقطہ نظر ٹیم کے ہر رکن کا احترام کرنے اور ترقی کے کام کے لیے سازگار، منصفانہ اور معاون ماحول کو یقینی بنانے کے لیے ہمارے عزم کو واضح کرتا ہے۔

ایک قابل فخر مساوی مواقع فراہم کرنے والے مالکان کے طور پر، ہم ایک ایسا ماحول بناتے ہیں جہاں تمام ملازمین محسوس کرتے ہیں کہ وہ سیکھ سکتے ہیں، اپنا حصہ ڈال سکتے ہیں اور ترقی کر سکتے ہیں۔

ریٹائرمنٹ بینیفٹ فنڈز:

کمپنی اپنے مستقل ملازمین کے لیے نان فنڈڈ گریجویٹ سکیم شروع کی ہے۔ تازہ ترین ایکچوریل ویلیویشن 30 جون 2024 کو کی گئی۔

صحت، حفاظت اور ماحول:

ہم نہ صرف اپنے مخلص ملازمین بلکہ اپنی فیکٹری کے احاطے کے آس پاس کے لوگوں کی صحت اور حفاظت کے حوالے سے ممکنہ بہترین معیار کو برقرار رکھنا اپنی ذمہ داری سمجھتے ہیں۔ ملازمین کو لائف انشورنس اور میڈیکل انشورنس فراہم کی جاتی ہے۔ کسی بھی چوٹ کی صورت میں فیکٹری میں مناسب ابتدائی طبی امداد فراہم کی جاتی ہے۔

ہمارے فیکٹری کے احاطے کے سامنے ایک وقف سوشل سیکورٹی ڈسپنسر بھی واقع ہے

ضابطہ اخلاق :

کارپوریٹ گورننس کے ضابطہ اخلاق کے مطابق، کمپنی نے کوڈ آف کنڈکٹ تیار کیا ہے اور پوری کمپنی میں اس کو بھیج / تقسیم کر دیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ:

بورڈ آف ڈائریکٹرز انتہائی پیشہ ور افراد پر مشتمل ہوتا ہے۔ تمام ممبران معقول قابلیت، اعلیٰ صلاحیت اور متنوع تجربہ کے مالک ہیں۔ مزید برآں، ان کے پاس کاروباری عمل اور اسٹریٹجک وژن کا وسیع علم ہے۔

بورڈ کے نگرانی کے کردار اور اس کی تاثیر کا جائزہ ایک مسلسل عمل ہے، جس کا تخمینہ بورڈ خود کرتا ہے۔ بورڈ نے اپنی کارکردگی کے ساتھ ساتھ ہر رکن کی انفرادی کارکردگی کا جائزہ لینے کے لیے ایک انتہائی منظم طریقہ کار اپنایا ہے۔ جامع سوالنامے کوڈ آف کارپوریٹ گورننس اور بہترین بین الاقوامی قوانین کے مطابق تیار کیے گئے ہیں۔

قابل توجہ بنیادی نکات درج ذیل ہیں

ا۔ کمپنی کے وژن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی ہم آہنگی

ب۔ پائیدار آپریشن کے لیے حکمت عملی کی تشکیل؛

ج۔ بورڈ کی خودمختاری؛ اور۔

د۔ متعلقہ شرائط میں مقرر کردہ اپنی ذمہ داریوں کو نبھانے کے سلسلے میں بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کی مجموعی کارکردگی تسلی بخش رہی۔

سی ای او کی کارکردگی کا جائزہ:

سی ای او کی کارکردگی کی جانچ پڑتال رسمی طور پر جائزہ سسٹم کے ذریعے کی جاتی ہے جو شماریاتی اور معیاری اقدار پر مبنی ہوتا ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جانشینی کی منصوبہ بندی اور مجموعی کامیابی اور قابل اطلاق قانونی تقاضوں کی تکمیل شامل ہے۔

ڈائریکٹرز کی تربیت :

کمپنی کے ڈائریکٹرز اپنے فرائض کی انجام دہی کے لیے مناسب تربیت یافتہ ہیں، اور کمپنیز ایکٹ 2017 اور پی۔ ایس ایکس بک کے ضوابط کے تحت اپنے اختیارات اور ذمہ داریوں سے آگاہ ہیں۔

ڈائریکٹرز کا معاوضہ:

بورڈ ممبران کے معاوضے کی منظوری بورڈ خود کرتا ہے۔ تاہم، کوڈ آف کارپوریٹ گورننس کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی میٹنگ میں شرکت کی فیس کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔ 2023-24 میں ڈائریکٹرز اور سی ای او کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم مالیاتی سٹیٹمنٹ کے نوٹس 41 کا حوالہ دیں

اخلاقیات اور کاروباری اطوار کا بیان:

کاروباری اخلاقیات اور بنیادی اقدار کا بیان وہ فریم ورک فراہم کرتا ہے جس پر کمپنی اپنا کاروبار کرتی ہے۔ بورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کاروباری اخلاقیات کی اعلیٰ ترین اقدار کے مطابق ہمارے کاروبار کو چلانے کے لیے بہترین شہرت کے حامل ہیں۔ درج ذیل اصول کاروباری اخلاقیات اور کمپنی کی بنیادی اقدار کو تشکیل دیتے ہیں۔

ضابطہ اخلاق :

کارپوریٹ گورننس کے ضابطہ اخلاق کے مطابق، کمپنی نے کوڈ آف کنڈکٹ تیار کیا ہے اور پوری کمپنی میں اس کو بھیج / تقسیم کر دیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ:

بورڈ آف ڈائریکٹرز انتہائی پیشہ ور افراد پر مشتمل ہوتا ہے۔ تمام ممبران معقول قابلیت، اعلیٰ صلاحیت اور متنوع تجربہ کے مالک ہیں۔ مزید برآں، ان کے پاس کاروباری عمل اور اسٹریٹجک وژن کا وسیع علم ہے۔

بورڈ کے نگرانی کے کردار اور اس کی تاثیر کا جائزہ ایک مسلسل عمل ہے، جس کا تخمینہ بورڈ خود کرتا ہے۔ بورڈ نے اپنی کارکردگی کے ساتھ ساتھ ہر رکن کی انفرادی کارکردگی کا جائزہ لینے کے لیے ایک انتہائی منظم طریقہ کار اپنایا ہے۔ جامع سوالنامے کوڈ آف کارپوریٹ گورننس اور بہترین بین الاقوامی قوانین کے مطابق تیار کیے گئے ہیں۔

قابل توجہ بنیادی نکات درج ذیل ہیں

ا۔ کمپنی کے وژن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی ہم آہنگی

ب۔ پائیدار آپریشن کے لیے حکمت عملی کی تشکیل؛

ج۔ بورڈ کی خودمختاری؛ اور۔

د۔ متعلقہ شرائط میں مقرر کردہ اپنی ذمہ داریوں کو نبھانے کے سلسلے میں بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کی مجموعی کارکردگی تسلی بخش رہی۔

سی ای او کی کارکردگی کا جائزہ:

سی ای او کی کارکردگی کی جانچ پڑتال رسمی طور پر جائزہ سسٹم کے ذریعے کی جاتی ہے جو شماریاتی اور معیاری اقدار پر مبنی ہوتا ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جانشینی کی منصوبہ بندی اور مجموعی کامیابی اور قابل اطلاق قانونی تقاضوں کی تکمیل شامل ہے۔

ڈائریکٹرز کی تربیت :

کمپنی کے ڈائریکٹرز اپنے فرائض کی انجام دہی کے لیے مناسب تربیت یافتہ ہیں، اور کمپنیز ایکٹ 2017 اور پی۔ ایس ایکس بک کے ضوابط کے تحت اپنے اختیارات اور ذمہ داریوں سے آگاہ ہیں۔

ڈائریکٹرز کا معاوضہ:

بورڈ ممبران کے معاوضے کی منظوری بورڈ خود کرتا ہے۔ تاہم، کوڈ آف کارپوریٹ گورننس کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی میٹنگ میں شرکت کی فیس کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔ 2023-24 میں ڈائریکٹرز اور سی ای او کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم مالیاتی سٹیٹمنٹ کے نوٹس 41 کا حوالہ دیں

اخلاقیات اور کاروباری اطوار کا بیان:

کاروباری اخلاقیات اور بنیادی اقدار کا بیان وہ فریم ورک فراہم کرتا ہے جس پر کمپنی اپنا کاروبار کرتی ہے۔ بورڈ آف ڈائریکٹرز اور کمپنی کے ملازمین کاروباری اخلاقیات کی اعلیٰ ترین اقدار کے مطابق ہمارے کاروبار کو چلانے کے لیے بہترین شہرت کے حامل ہیں۔ درج ذیل اصول کاروباری اخلاقیات اور کمپنی کی بنیادی اقدار کو تشکیل دیتے ہیں۔

ڈائریکٹرز رپورٹ برائے شیئر ہولڈر

بورڈ آف ڈائریکٹرز بمع بورڈ کے اجلاسوں میں حاضری:

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس، بورڈ آف ڈائریکٹرز کے چار اجلاس اور ایچ آر اینڈ ریمونریشن (انسانی وسائل و معاوضہ) کمیٹی کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری حسب ذیل ہے

نمبر شمار	ڈائریکٹر	درجہ بندی	کمیٹیاں		حاضری	
			ایچ آر اینڈ ریمونریشن کمیٹی	بورڈ آف ڈائریکٹرز	بورڈ آف ڈائریکٹرز کمیٹی	ایچ آر اینڈ ریمونریشن کمیٹی
1	جاوید سیف اللہ خان	نان ایگزیکٹو ڈائریکٹر	-	-	-	-
2	عثمان سیف اللہ خان	نان ایگزیکٹو ڈائریکٹر	-	-	2/4	-
3	اسد سیف اللہ خان	ایگزیکٹو ڈائریکٹر	-	✓	4/4	1/1
4	حور یوسف زئی	نان ایگزیکٹو ڈائریکٹر	-	✓	2/4	1/1
5	آصف سیف اللہ خان	نان ایگزیکٹو ڈائریکٹر	-	-	3/4	-
6	سردار امین اللہ خان	انڈیپنڈنٹ ڈائریکٹر	✓	-	4/4	2/4
7	عبد الرحمان قریشی	انڈیپنڈنٹ ڈائریکٹر	✓	✓	4/4	-
8	رانا محمد شفیع	نان ایگزیکٹو ڈائریکٹر	✓	-	3/4	-
9	سہیل ایچ حیدری	نان ایگزیکٹو ڈائریکٹر	-	-	3/4	-

مئی 2024 میں، سہیل حسین حیدری نے بورڈ آف ڈائریکٹرز سے استعفیٰ دے دیا تھا، اور جناب عثمان سیف اللہ خان نے بورڈ کے چیئرمین کے عہدے سے استعفیٰ دے دیا تھا۔ بعد ازاں جاوید سیف اللہ خان کو اس اسامی کو پُر کرنے کے لیے مقرر کیا گیا جنہوں نے بورڈ کے ڈائریکٹر اور چیئرمین دونوں کی ذمہ داریاں سنبھالیں۔

ان ڈائریکٹرز کو غیر حاضری کی اجازت دی گئی جو مذکورہ اجلاسوں میں حاضر ہونے سے قاصر تھے۔

ہیومن ریسورسز اینڈ ریمونریشن کمیٹی (انسانی وسائل اور معاوضہ کمیٹی):

کمیٹی کا اجلاس ملازمین کی اجرتوں سے متعلق معاوضے اور ترقیاتی پالیسیوں کا جائزہ لینے اور تجاویز دینے کے لیے اور ایگزیکٹو ڈائریکٹر اور انتظامیہ کے معاوضوں سے متعلق تمام معاملات کی منظوری کے لیے منعقد کیا جاتا ہے۔

بورڈ آف ڈائریکٹرز (BAC)

بورڈ آف ڈائریکٹرز کمیٹی بنیادی طور پر مالیاتی معلومات، اندرونی کنٹرول کے نظام، نظم و نسق برائے خطرات اور آڈٹ کے عمل کا جائزہ لینے اور رپورٹ کرنے میں بورڈ کی مدد کرتی ہے۔ کمیٹی مکمل طور پر اپنے امور چلانے میں خود مختار ہے۔ کمیٹی ہر سہ ماہی کے بعد اجلاس منعقد کرتی ہے۔ ہر اجلاس کے بعد، کمیٹی کا چیئرمین بورڈ کو رپورٹ پیش کرتا ہے۔

ڈائریکٹرز رپورٹ برائے شیئر ہولڈر

ظ کمپنی کا گزشتہ چھ سالوں کا اہم اپریشن (کاروباری امور چلانے) اور اعداد و شمار درج ذیل دیے گئے ہیں۔

جون 30						اختتامی سال
2019	2020	2021	2022	2023	2024	
2,348,712	2,477,022	2,923,789	4,985,146	5,051,423	4,987,986	جائیداد ، پلانٹ اور سازو سامان (روپے ہزاروں میں)
1,707,895	1,651,295	1,949,002	3,624,882	3,709,061	3,910,444	خالص مالیت (روپے ہزاروں میں)
2,966,457	2,590,719	3,620,143	4,930,819	5,952,262	7,964,142	فروخت (روپے ہزاروں میں)
310,150	213,054	744,710	857,360	847,126	1,219,519	خام منافع (روپے ہزاروں میں)
202,191	103,774	578,516	651,149	610,332	924,080	کاروباری امور سے منافع (روپے ہزاروں میں)
86,234	(76,881)	466,633	450,840	140,145	324,364	ٹیکس کی ادائیگی سے پہلے کا منافع / خسارہ (روپے ہزاروں میں)
3.22	(3.14)	15.01	14.05	4.09	10.29	آمدنی / خسارہ فی حصص (روپے)
35,280	35,280	38,460	44,508	44,508	44,508	اسپینڈلز کی تعداد (نمبرز)

بہترین کارپوریٹ رپورٹ ایوارڈ

اس سال، کمپنی نے فخر کے ساتھ ٹیکسٹائل کیٹیگری میں ایک پوزیشن حاصل کی ہے اور کمپنی کو "بہترین کارپوریٹ اور پائیداری رپورٹ ایوارڈز 2022" جو کہ مشترکہ کمیٹی انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان کی طرف سے نوازا گیا۔

جذبت اور توسیع:

آپ کی کمپنی تیزی سے بدلتی ہوئی ٹیکنالوجی کے مطابق پروڈکشن لائن کو جدت اور وسعت دینے کے لیے پرعزم ہے۔

بورڈ کی تشکیل:

30 جون 2024 تک بورڈ ان ڈائریکٹرز پر مشتمل ہے؛

ڈائریکٹرز	تعداد	کمپوزیشن	تعداد
مرد	7	خود مختار ڈائریکٹرز	2
		دیگر نان ایگزیکٹو ڈائریکٹرز	4
		ایگزیکٹو ڈائریکٹرز	1
خواتین	1	خاتون ڈائریکٹرز	1

ہم تصدیق کرتے ہیں کہ :

- ا۔ مالیاتی گوشواروں کے ساتھ دیے گئے نوٹس کو کمپنیز ایکٹ 2017 اور پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ معیار کے مطابق تیار کیا گیا ہے۔ یہ مالیاتی گوشوارے اس کی کاروباری نتائج، اس کے نقدی کے بھاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔
- ب۔ کمپنی میں حسابات کی تفصیلات کے لیے مناسب انداز میں کتابیں تیار کی گئی ہیں۔
- ج۔ مالیاتی گوشواروں کی تیاری میں مناسب حساباتی پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور حساباتی تخمینے اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- د۔ اندرونی گرفت کے نظام کا ڈیزائن اعتبار کے لحاظ سے بہت مضبوط ہے اور مؤثر انداز میں نافذ العمل ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔
- ر۔ مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیار، جیسا کہ پاکستان میں لاگو ہوتا ہے، کو مد نظر رکھا گیا ہے۔ اس میں کسی بھی قسم کی پہلو تہی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔
- ز۔ ٹیکسوں، ڈیوٹیوں، لیویز اور چارجز کی ادائیگی کے سلسلے میں تمام واجبات مکمل طور پر فراہم کی گئی ہیں اور مقررہ وقت پر ادا کر دی جائیں گی یا جہاں ان دعوے بطور قرضہ تسلیم نہیں کیا گیا، انہیں مالیاتی گوشواروں کے نوٹس میں اتفاقی واجبات کے طور پر ظاہر کیا گیا ہے
- س۔ کمپنی کی بڑھتی ہوئی کاروباری صلاحیت کے تسلسل میں کسی قسم کا کوئی شک و شبہ نہیں ہے۔
- ش۔ اداراتی نظم و ضبط کے بہترین طور طریقے میں سے کوئی بھی مادی امر نہیں چھوڑا گیا۔
- ص۔ ہمارے پاس ایک آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنیشن (انسانی وسائل و معاوضہ) کی کمیٹی ہے۔ جس کے اراکین بورڈ آف ڈائریکٹرز سے ہیں اور دونوں کمیٹیوں کا ایک خود مختار ڈائریکٹر ہوتا ہے۔
- ط۔ انٹرنل کنٹرول کی نگرانی ایک مسلسل عمل ہے جس کا مقصد کنٹرولز کو مضبوطی اور نظام میں مزید بہتری ہے۔

کریڈٹ ریٹنگ کی تصدیق :

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی کریڈٹ ریٹنگ کو گریڈ "A" کے ساتھ قرار دیا۔

قرض کی ادائیگی:

کمپنی نے رقم کے بھاؤ کی ایک موثر حکمت عملی اپنائی ہے جس کے تحت رقم کی وصولی اور خرچ کرنے کی نگرانی ذمہ داری سے کی جاتی ہے۔ موثر مالیاتی انتظام نے کمپنی کو اپنے مالی وعدوں کو پورا کرنے کے قابل بنایا ہے۔

مستقبل کا نقطہ نظر / لائمہ عمل:

عالمی معیشت میں رفتار کے بڑھنے کی پیش گوئی کی گئی ہے کیونکہ افراط زر کے دباؤ اور سپلائی چین کی رکاوٹیں بتدریج کم ہو رہی ہیں۔ تاہم، جغرافیائی سیاسی تناؤ، اور مالیاتی مشکلات کی وجہ سے، عالمی تجارت میں معمولی رفتار سے اضافہ متوقع ہے۔

مقامی سطح پر، معاشی اشاروں نے مستحکم کرنسی، کم کرنٹ اکاؤنٹ خسارے، افراط زر میں کمی اور زرمبادلہ کے بہتر ذخائر کے ساتھ بہتری کے آثار ظاہر کیے ہیں۔ اس طرح کے سازگار حالات کے پیش نظر اسٹیٹ بینک نے پالیسی ریٹ میں 250 بیسس پوائنٹس کی کمی کی ہے۔ دریں اثنا، بنیادی افراط زر میں متوقع کمی سے زیادہ تیزی سے شرح میں مزید کمی کا امکان ظاہر کرتی ہے، جو مطلوبہ ترقی کی حوصلہ افزائی کرتی ہے۔ ٹیکسٹائل سیکٹر میں بڑھوتری کی بہت زیادہ صلاحیت ہے لیکن ٹیکسٹائل کو ترجیحی شعبے کے طور پر شناخت دینے کے لیے حکومتی تعاون کی ضرورت ہوگی۔

کاروباری مقاصد کو حاصل کرنے کے لیے آپ کی کمپنی کی انتظامیہ پرانی ٹیکنالوجی کی مشینوں کو مسلسل بہتر اور جدید زیر تنصیب ہے۔ جو شمسی توانائی کی کل 3MW ٹیکنالوجی سے بدلتی رہے گی۔ جو کہ شمسی توانائی کو 5.1MW تک لے جائیگا۔ (پہلے سے 2.1 میگا واٹ چل رہا ہے) جو کہ فیکٹری کی ضروریات پوری کرنے کے لیے کافی ہے۔ انتظامیہ بنیادی اخراجات میں کمی کے لیے اپنی پوری کوشش کر رہی ہے تاکہ کمپنی کے حصہ داران کے لیے دولت پیدا کی جا سکے۔

چینرمین کا جائزہ:

چینرمین کا تجزیہ سالانہ رپورٹ میں شامل کیا گیا ہے جس میں بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی کے ساتھ ساتھ بورڈ ممبران اور اس کی کمیٹیوں کی کارکردگی اور درپیش چیلنجوں سے نمٹنے میں ان کے موثر کردار کی مختصر وضاحت کی گئی ہے۔

اداراتی نظم و ضبط اور مالیاتی رپورٹنگ فریم ورک:

کمپنی کے ڈائریکٹرز اپنی ذمہ داریوں سے پوری طرح واقف ہیں جیسا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس میں بیان کیا گیا ہے اور وہ پاکستان اسٹاک ایکسچینج کے جاری کردہ اصول و ضوابط کا حصہ ہیں۔

ڈائریکٹرز رپورٹ برائے شیئر ہولڈر

محترم ممبران

کوبائٹ ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں پر آڈیٹر کی رپورٹ کے ساتھ 58 ویں سالانہ رپورٹ پیش کرنے پر خوشی محسوس کرتے ہیں

مالیاتی جائزہ:

آپ کی کمپنی کی بنیادی کاروباری سرگرمی دھاکے کی تیاری اور فروخت ہے۔ کمپنی کی فروخت 6.0 بلین روپے سے بڑھ کر 8.0 بلین روپے ہو گئی ہے جو کہ 34 فیصد اضافہ کو ظاہر کرتا ہے اور یہ بنیادی طور پر قیمتوں میں اضافے کی وجہ سے ہے۔ کمپنی کا مجموعی منافع 847 ملین روپے سے بڑھ کر 1,220 ملین روپے ہو گیا ہے جو کہ 44 فیصد اضافہ دکھا رہا ہے۔ اور جب کہ زیادہ مالیاتی اخراجات کی وجہ سے خالص منافع کم ہوا، کمپنی نے 324 ملین روپے کا قبل از ٹیکس منافع کمایا، جو کہ 130 فیصد نمو کو ظاہر کرتی ہے۔ کمپنی تمام بینکوں کو اپنے قرض کی ادائیگی باقاعدگی سے کر رہی ہے، اور پلانٹ پورے سال کے دوران اپنی پوری صلاحیت کے ساتھ چلا۔

آمدنی فی حصص:

30 جون 2024 کو ختم ہونے والے سال میں فی حصص آمدنی 10.29 روپے (2023: 4.09 روپے) ہے۔

منافع منقسمہ :

بورڈ آف ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے 10% نقد منافع منقسمہ تجویز کرنے پر خوشی محسوس کر رہے ہیں۔

بولڈنگ کمپنی :

سیف ہولڈنگز لمیٹڈ، جو پاکستان میں تشکیل دی گئی جو کوبائٹ ٹیکسٹائل ملز لمیٹڈ کی 77.98 فیصد حصے کے ساتھ ملکیتی کمپنی ہے۔

سرٹیفیکیشنز :

کی طرف سے تصدیق شدہ ہے:- ISO کمپنی درج ذیل میں

ا۔ 9001:2015 (کوالٹی مینجمنٹ سسٹمز)

ب۔ 45001:2018 (پیشہ ورانہ صحت اور حفاظتی اقدامات کا نظام)

ج۔ 14001:2015 (ماحولیاتی نظم و نسق کا نظام)

د۔ 26000:2010 (کارپوریٹ سماجی ذمہ داری کے نظم و نسق کا نظام)۔

مزید برآں کمپنی مندرجہ ذیل میں بھی تصدیق شدہ ہے۔

ا۔ عالمی ری سائیکلڈ سٹینڈرڈ (GRS)

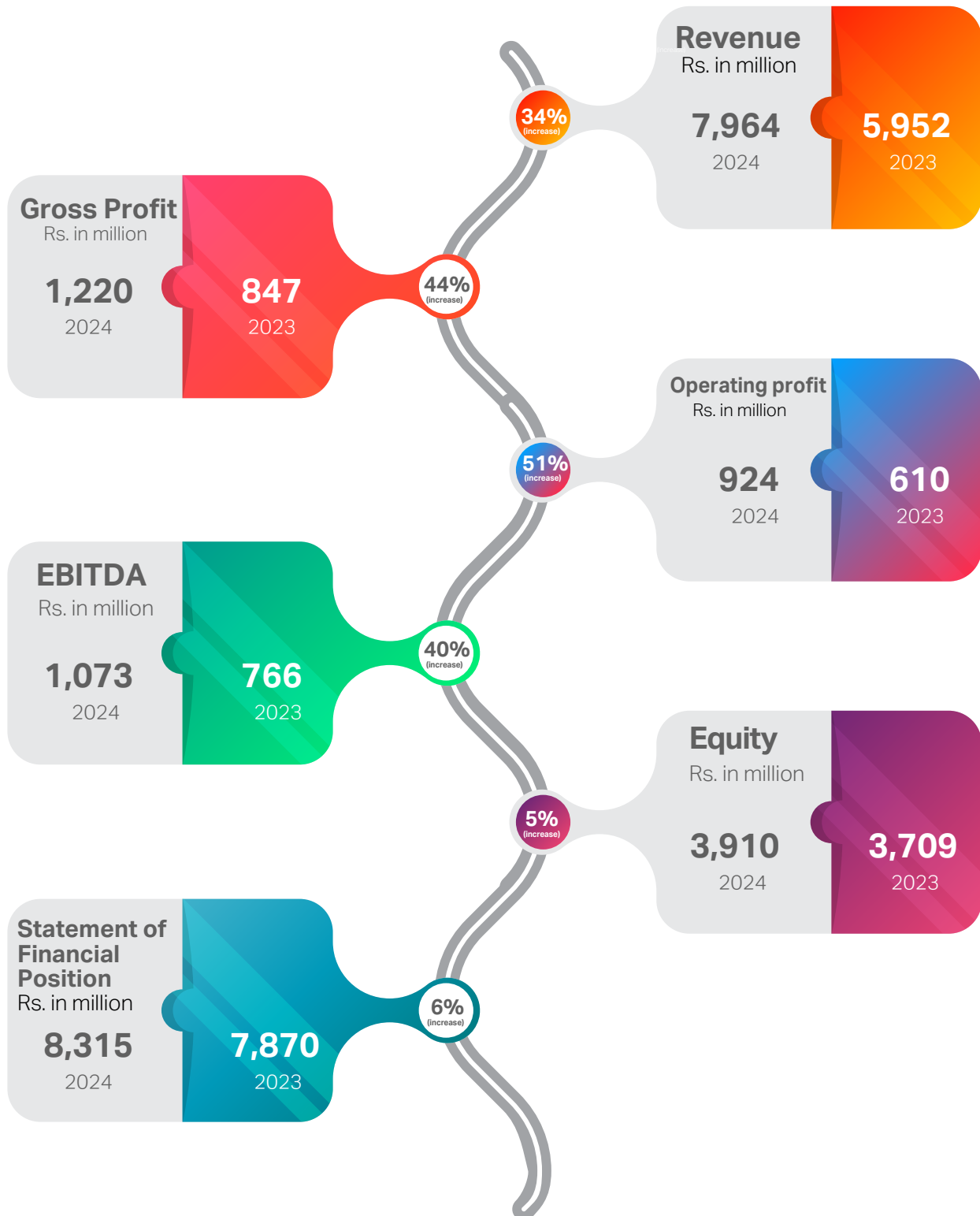
ب۔ ری سائیکل کلیم سٹینڈرڈ (RCS)

ج۔ بہتر کاتن انیشی ایٹو (BCI)

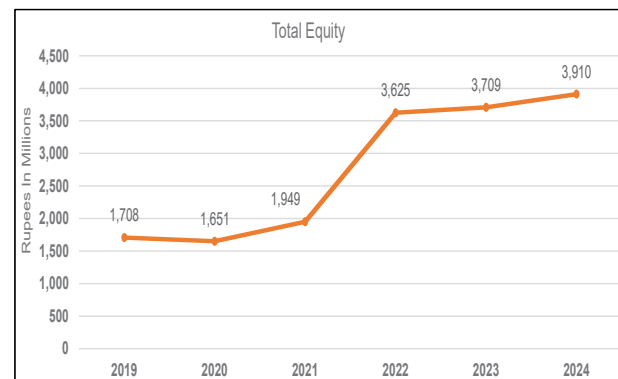
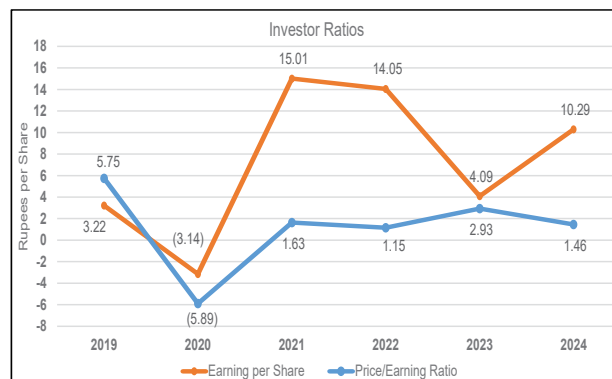
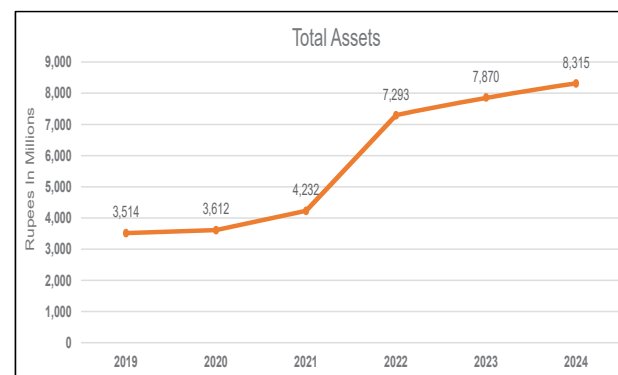
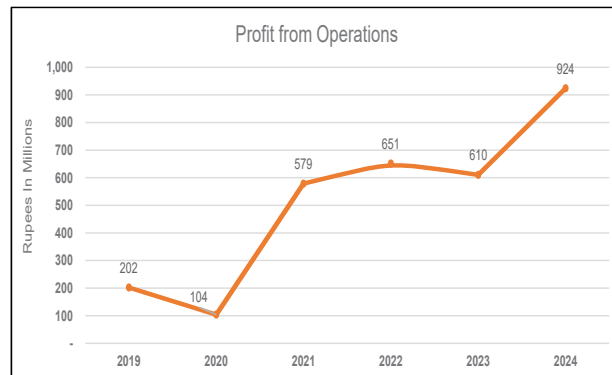
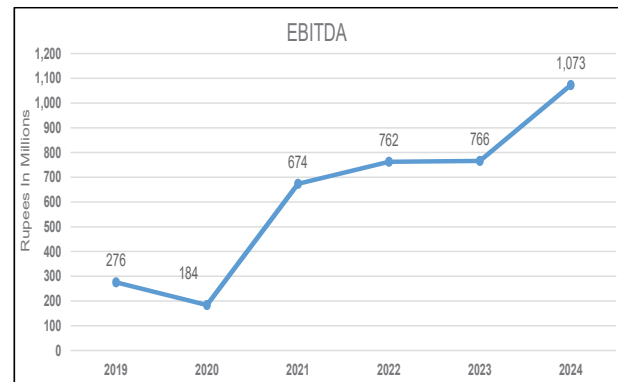
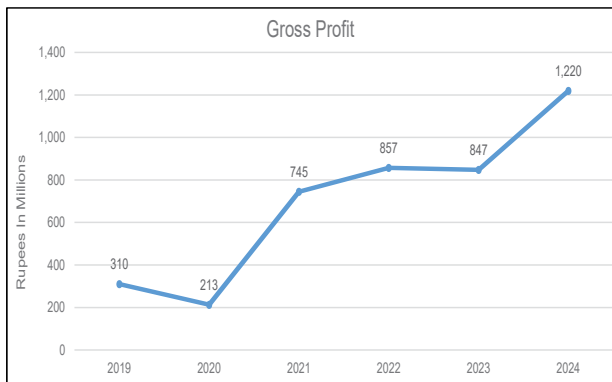
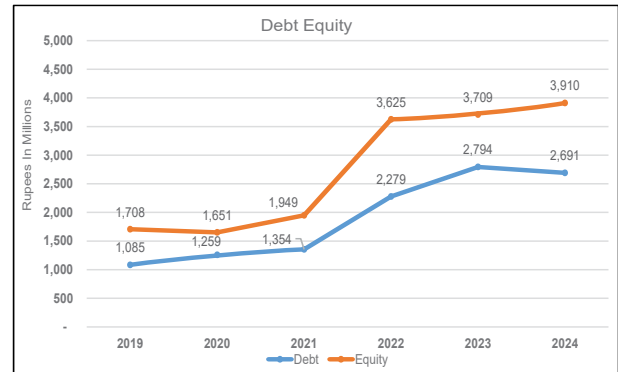
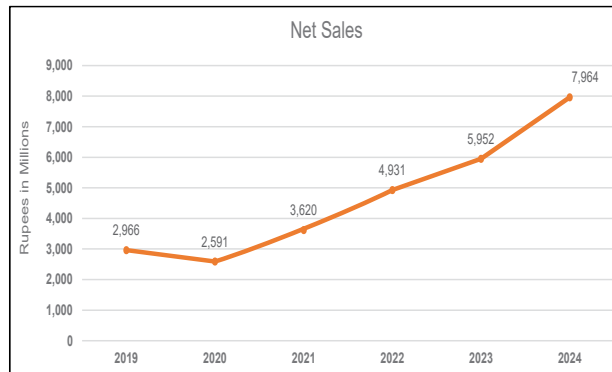
د۔ اوکو ٹیکس سٹینڈرڈ 100

KEY PERFORMANCE INDICATORS

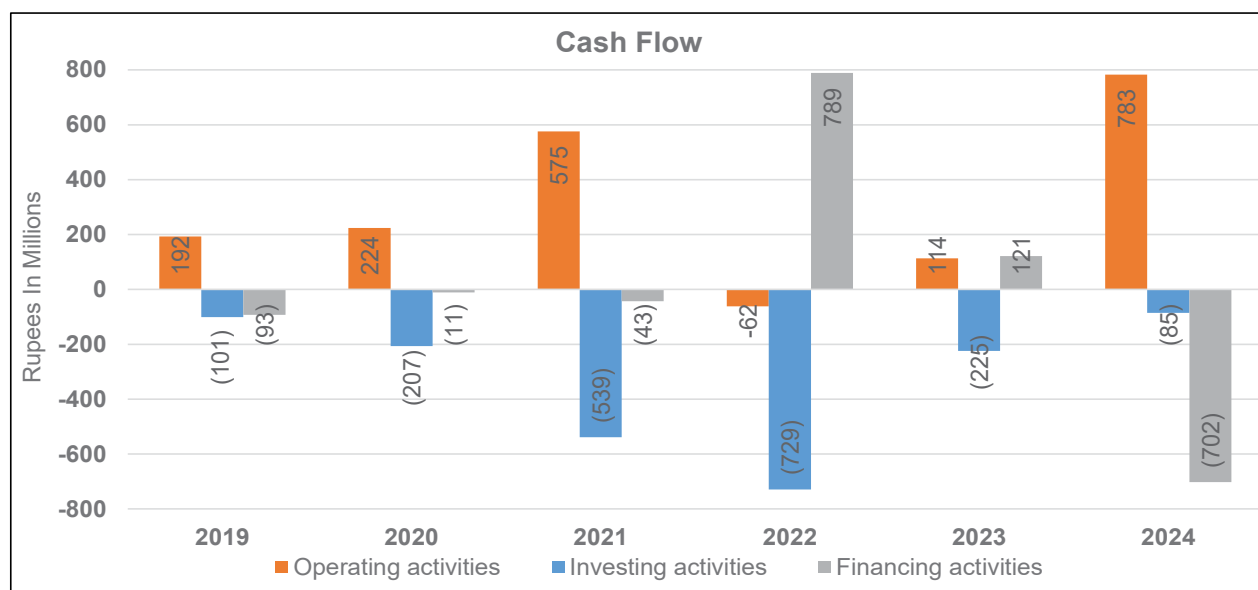
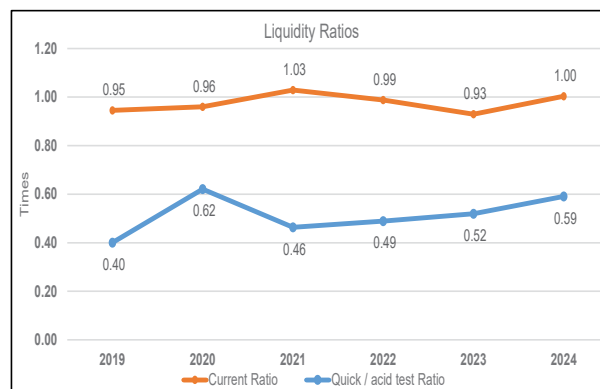
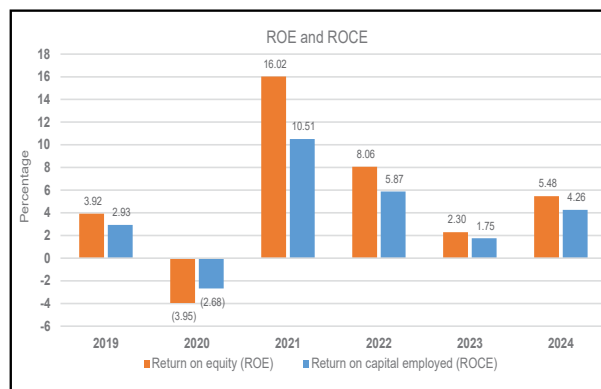
Key Performance Indicators (KPIs) depict the performance measures for the achievement of success of the company against the targets. The Company has evaluated its performance by following KPIs;



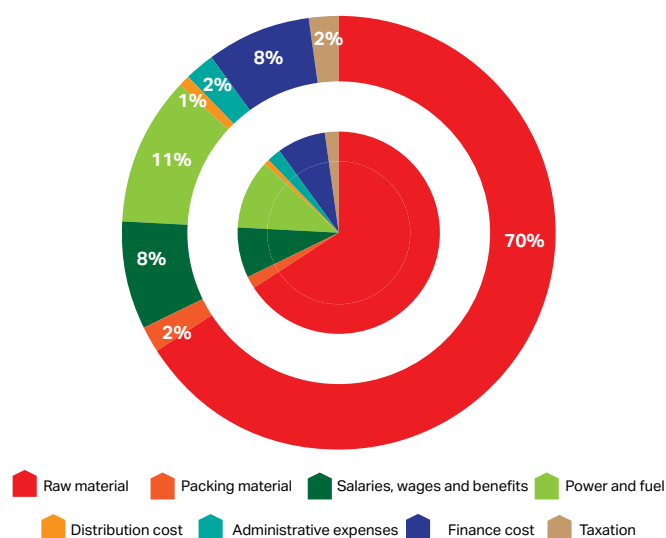
GRAPHICAL PRESENTATION



GRAPHICAL PRESENTATION



Revenue Distribution



PATTERN OF SHAREHOLDINGS

As at June 30, 2024

NUMBER OF SHARE HOLDERS	----- SHARE HOLDING ----- FROM	TO	TOTAL NO OF SHARES HELD
471	1	100	26,117
151	101	500	49,398
56	501	1,000	50,966
70	1,001	5,000	192,497
7	5,001	10,000	51,824
7	10,001	15,000	93,373
1	15,001	20,000	20,000
2	20,001	25,000	47,000
1	25,001	30,000	29,304
2	30,001	35,000	65,500
1	35,001	40,000	36,000
1	45,001	50,000	50,000
2	55,001	60,000	115,500
1	60,001	65,000	63,500
1	115,001	120,000	116,704
1	150,001	155,000	153,000
1	170,001	175,000	174,000
1	195,001	200,000	200,000
1	980,001	985,000	983,753
1	2,060,001	2,065,000	2,061,554
1	16,220,001	16,225,000	16,220,010
780	TOTAL =>		20,800,000

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	%AGE OF CAPITAL
Directors and Chief Executive Officer and their spouses and minor children	9	93,304	0.45
Associated Company	1	16,220,010	77.98
NIT & ICP	2	5,100	0.02
Banks, Development Financial Institutions, Non Banking Financial Institutions	5	2,062,126	9.91
Individuals	544	187,299	0.90
Joint Stock Companies	4	200,059	0.96
Insurance Company	1	200	0.00
Funds	2	3,650	0.02
General Public (Local)	205	2,025,252	9.74
Others	7	3,000	0.01
Total	780	20,800,000	100.00

PATTERN OF SHAREHOLDINGS

As at June 30, 2024

S. NO	NAME OF SHAREHOLDERS	SHARE HELD	Percentage
Directors, Chief Executive Officer, and their Spouse and Minor Children			
1	Javed Saifullah Khan	29,304	0.1
2	Osman Saifullah Khan	55,500	0.3
3	Assad Saifullah Khan	500	0.0
4	Hoor Yousafzai	500	0.0
5	Asif Saifullah Khan	500	0.0
6	Shereen Saifullah Khan	5,000	0.0
7	Rana Muhammad Shafi	600	0.0
8	Abdul Rehman Qureshi	900	0.0
9	Sardar Aminullah Khan	500	0.0
	Total	93,304	0.45
Associated Company			
1	Saif Holdings Limited	16,220,010	77.98
	Total		
NIT & ICP			
1	Investment Corporation of Pakistan	4,350	0.02
2	National Bank of Pakistan	750	0.00
	Total	5,100	0.02
Banks, Development Financial Institutions, Non Banking Financial Institutions			
1	IDBL (ICP Unit)	400	0.00
2	Habib Bank Limited	100	0.00
3	Bank of Bahawalpur Limited	50	0.00
4	National Bank of Pakistan	22	0.00
5	National Bank of Pakistan	2,061,554	9.91
	Total	2,062,126	9.91
Individuals			
	Total	187,299	0.90
Joint Stock Companies			
1	Fateh Textile Mills Limited.	50	0.00
2	Maple Leaf Capital Limited.	1	0.00
3	Adeel Zafar Securities (Pvt) Limited.	200,000	0.96
4	Sultan Textile Mills (Karachi) Limited.	8	0.00
	Total	200,059	0.96

PATTERN OF SHAREHOLDINGS

As at June 30, 2024

S. NO	NAME OF SHAREHOLDERS	SHARE HELD	Percentage
Insurance Company			
1	E.F.U. Ins. Co. Ltd.	200	0.00
Funds			
1	Trustee National Bank Of Pakistan Employees Pension Fund	3,526	0.02
2	Trustee National Bank Of Pakistan Emp Benevolent Fund	124	0.00
	Total	3,650	0.02
General Public (Local)			
	Total	2,025,252	9.74
OTHERS			
1	The Pak Ismailia Cooperative	350	0.00
2	Naseer Shaheed Ltd	300	0.00
3	Mollasses Export Co. Ltd.	100	0.00
4	Murree Brewery Co. Ltd.	50	0.00
5	United Executors & Trustee	1,700	0.01
6	Ambreen Silk Mills	400	0.00
7	Azeem Services (Pvt) Ltd,	100	0.00
	Total	3,000	0.01
		20,800,000	100

SIX YEARS AT A GLANCE

Particulars	2024	2023	2022	2021	2020	2019
		Restated				
	----- Rupees in 000' -----					
Statement of Profit or Loss						
Sales	7,964,142	5,952,262	4,930,819	3,620,143	2,590,719	2,966,457
Gross profit	1,219,519	847,126	857,360	744,710	213,054	310,150
Operating profit / EBIT	924,080	610,332	651,149	578,516	103,774	202,191
Profit before taxation	324,364	140,145	450,840	466,633	(76,881)	86,234
Profit after taxation	214,117	85,154	292,267	312,170	(65,228)	66,965
Statement of Financial Position						
Property, plant and equipment	4,987,986	5,051,423	4,985,146	2,923,789	2,477,022	2,348,712
Investment & Other assets	22,587	21,134	17,291	8,527	6,442	6,451
Current assets	3,304,590	2,797,525	2,290,390	1,299,791	1,128,655	1,159,022
Current liabilities	3,291,581	3,009,780	2,317,874	1,263,171	1,175,900	1,225,597
Total assets employed	5,023,582	4,860,302	4,974,953	2,968,936	2,436,219	2,288,588
Represented By:						
Share Capital	208,000	208,000	208,000	208,000	208,000	208,000
Reserves	3,702,444	3,501,061	3,416,882	1,741,002	1,443,295	1,499,895
Shareholder's Equity	3,910,444	3,709,061	3,624,882	1,949,002	1,651,295	1,707,895
Long term loans	588,686	648,155	836,897	676,282	542,192	283,741
Lease liabilities	-	-	4,426	8,321	9,081	10,779
Deferred liabilities	209,834	182,118	169,826	140,173	111,585	115,979
Cash Flow Statement						
Operating activities	783,146	113,506	(61,656)	575,427	223,882	192,479
Investing activities	(85,324)	(224,555)	(728,994)	(539,052)	(206,966)	(101,396)
Financing activities	(702,476)	121,146	788,826	(43,372)	(11,224)	(92,844)
Cash and cash equivalents at the end of the year	9,619	14,273	4,176	6,000	12,997	7,305

KEY OPERATING AND FINANCIAL DATA

Particulars	UOM	2024	2023 Restated	2022	2021	2020	2019
RATIOS:							
	UOM						
Profitability Ratios:							
Gross Profit to sales	Percentage	15.31	14.23	17.39	20.57	8.22	10.46
EBITDA to sales	Percentage	0.13	0.13	0.15	0.19	0.07	0.09
Net Profit / (loss) to sales	Percentage	2.69	1.43	5.93	8.62	(2.52)	2.26
Return on equity	Percentage	5.48	2.30	8.06	16.02	(3.95)	3.92
Return on capital employed	Percentage	4.26	1.75	5.87	10.51	(2.68)	2.93
Liquidity Ratios:							
Current ratio	Times	1.00	0.93	0.99	1.03	0.96	0.95
Quick / acid test ratio	Times	0.59	0.52	0.49	0.46	0.62	0.40
Capital Structure ratios							
Financial leverage ratio	Times	0.69	0.75	0.63	0.69	0.76	0.64
Debt to equity ratio	Times	0.20	0.23	0.30	0.47	0.36	0.22
Interest cover ratio	Times	1.79	1.63	3.81	6.02	1.02	2.38
Turnover Ratios:							
Inventory turn over	Days	70	85	84	71	82	79
Inventory turn over ratio	Times	5.20	4.27	4.35	5.17	4.46	4.62
Debtor turnover	Days	75	78	60	58	67	41
Debtors turn over ratio	Times	4.89	4.71	6.10	6.25	5.47	8.95
Creditors turnover	Days	8	9	10	11	10	7
Creditors turnover ratio	Times	45.81	39.51	37.31	32.88	36.26	53.62
Fixed assets turn over ratio	Times	1.59	1.19	1.25	1.34	1.07	1.55
Total assets turn over ratio	Times	0.98	0.79	0.86	0.92	0.73	0.99
Operating cycle	Days	137	154	134	118	138	113
Investment / Market Ratios:							
Earning per share	Rs. Per share	10.29	4.09	14.05	15.01	(3.14)	3.22
Price earning ratio	Times	1.46	2.93	1.15	1.63	-5.89	5.75
Price to book ratio	Times	0.08	0.07	0.09	0.26	0.23	0.23
Breakup value per share	Rs. Per share	188.00	178.32	174.27	93.70	79.39	82.11
Market value per share at the end of the year	Rs. Per share	15.01	12	16.12	24.5	18.5	18.5
EBITDA	Rs. in 000'	1,072,593	766,030	762,453	673,702	183,761	275,708

HORIZONTAL ANALYSIS

As at June 30,

Assets	2024		2023		2022		2021		2020		2019	
Non- Current Assets	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%
	Restated											
Property, plant & equipment	4,987,986	(1.26)	5,051,423	1.33	4,985,146	70.50	2,923,789	18.04	2,477,022	5.46	2,348,712	59.31
Intangible asset	-	-	-	-	-	-	-	-	649	(52.10)	1,355	(34.26)
Long term investment	4,886	-	4,886	105.73	2,375	1.06	2,350	(4.08)	2,450	(2.00)	2,500	-
Long term loans	1,380	40.10	985	(3.62)	1,022	(10.04)	1,136	(25.61)	1,527	4.66	1,459	(28.86)
Long term deposits	16,321	6.93	15,263	9.85	13,894	175.62	5,041	177.59	1,816	59.72	1,137	-
Total	5,010,573	(1.22)	5,072,557	1.40	5,002,437	70.60	2,932,316	18.07	2,483,464	5.45	2,355,163	59.18
Current Assets												
Stores, spare & loose tools	56,718	(0.81)	57,182	13.90	50,204	23.63	40,609	17.56	34,544	(4.21)	36,061	1.65
Stock-in-trade	1,360,565	10.28	1,233,760	6.66	1,156,684	61.94	714,281	79.17	398,667	(40.34)	668,237	38.47
Trade debt	1,760,880	25.95	1,398,063	32.47	1,055,353	105.79	512,827	(15.98)	610,367	98.38	307,669	(8.30)
Loans & advances	2,530	(54.41)	5,550	(34.68)	8,496	142.74	3,500	(68.27)	11,031	78.35	6,185	(32.28)
Deposits, other receivables & prepayments	20,489	18.92	17,229	11.32	15,477	(12.98)	17,786	20.78	14,726	(13.81)	17,086	(1.53)
Taxation-net	93,789	31.23	71,468	-	-	-	-	-	46,323	(38.45)	75,263	17.05
Sales tax refundable	-	-	-	-	-	-	4,788	-	-	-	41,216	79.25
Cash & Bank balances	9,619	(32.61)	14,273	241.79	4,176	(30.40)	6000	(53.84)	12,997	77.92	7,305	(19.42)
Total	3,304,590	18.13	2,797,525	22.14	2,290,390	76.21	1,299,791	15.16	1,128,655	(2.62)	1,159,022	18.70
Equity & Liabilities												
Share Capital & Reserves												
Issued, subscribed & paid-up Capital	208,000	-	208,000	-	208,000	-	208,000	-	208,000	-	208,000	-
Unappropriated Profit	1,138,970	24.21	916,972	12.47	815,283	52.28	535,375	144.67	218,816	(15.68)	259,508	42.69
Surplus on revaluation of property	2,563,588	(0.80)	2,584,203	(0.67)	2,601,724	115.77	1,205,777	(1.53)	1,224,529	(1.28)	1,240,387	183.02
Unrealised loss on financial assets at fair value	(114)	-	(114)	(8.80)	(125)	(16.67)	(150)	200.00	(50)	-	-	-
Total:	3,910,444	5.43	3,709,061	2.32	3,624,882	85.99	1,949,002	18.03	1,651,295	(3.31)	1,707,895	106.24
Non Current Liabilities												
Loan from holding company	-	-	-	-	60,000	(25.00)	80,000	(20.00)	100,000	-	100,000	-
Long term Financing	588,686	(9.18)	648,155	(16.57)	776,897	30.29	596,282	34.85	442,192	140.66	183,741	(7.55)
Long term deposits	7,281	57.05	4,636	23.43	3,756	33.95	2,804	22.98	2,280	21.47	1,877	(38.78)
Lease liabilities	-	-	-	-	4,426	(46.81)	8,321	(8.37)	9,081	(15.75)	10,779	219.00
"Deferred income - Government grant"	18,243	(39.03)	29,923	(16.40)	35,792	15,002.11	237	(88.13)	1,996	-	-	-
"Deferred liability - Staff retirement benefits"	209,834	15.22	182,118	7.24	169,826	21.15	140,173	25.62	111,585	(3.79)	115,979	7.26
Deferred taxation -net	289,094	0.94	286,409	(4.33)	299,374	55.83	192,117	63.10	117,790	(30.02)	168,317	21.64
Total	1,113,138	(3.31)	1,151,241	(14.73)	1,350,071	32.37	1,019,934	29.94	784,924	35.17	580,693	5.26
Current Liabilities												
Trade & other payables	944,824	48.13	637,846	(17.42)	772,402	37.05	563,606	37.02	411,343	4.32	394,290	31.32
Contract liabilities	2,210	22.64	1,802	112.00	850	(2.41)	871	(88.19)	7,377	79.97	4,099	(18.12)
Accrued mark-up/ Profit	130,196	(3.61)	135,077	115.92	62,560	156.66	24,375	(44.97)	44,292	32.93	33,320	117.12
Short term borrowings	1,919,215	(1.14)	1,941,357	61.35	1,203,169	181.76	427,015	(34.26)	649,517	(7.15)	699,557	1.63
Current portion of non-current liabilities	194,427	(10.86)	218,124	(11.35)	246,048	0.31	245,280	294.07	62,242	(31.28)	90,567	42.72
Unpaid dividend	209	-	209	-	209	51.45	138	(16.87)	166	115.58	77	-
Unclaimed dividend	939	-	939	-	939	(0.53)	944	(1.97)	963	(73.88)	3,687	(1.26)
Taxation- net	99,561	33.77	74,426	134.80	31,697	3,264.86	942	-	-	-	-	-
Total	3,291,581	9.36	3,009,780	29.85	2,317,874	83.50	1,263,171	7.42	1,175,900	(4.05)	1,225,597	13.89
For the year ended June 30, 2024												
Horizontal Analysis of Statement of Profit or Loss												
Net sale	7,964,142	33.80	5,952,262	20.72	4,930,819	36.21	3,620,143	39.74	2,590,719	(12.67)	2,966,457	32.22
Cost of sales	(6,744,623)	32.11	(5,105,136)	25.33	(4,073,459)	41.66	(2,875,433)	20.94	(2,377,665)	(10.49)	(2,656,307)	30.94
Gross Profit	1,219,519	43.96	847,126	(1.19)	857,360	15.13	744,710	249.54	213,054	(31.31)	310,150	44.28
Distribution Cost	(101,974)	27.04	(80,267)	60.72	(49,941)	38.62	(36,028)	32.46	(27,200)	19.82	(22,700)	34.33
Administrative Expenses	(181,168)	14.23	(158,600)	22.86	(129,087)	27.35	(101,366)	25.71	(80,637)	10.30	(73,106)	13.33
other income	16,010	(5.79)	16,994	17.22	14,497	98.18	7,315	239.13	2,157	186.07	754	(16.87)
other expenses	(28,307)	89.71	(14,921)	(64.20)	(41,680)	15.41	(36,115)	903.19	(3,600)	(72.11)	(12,907)	71.80
Profit from Operation	924,080	51.41	610,332	(6.27)	651,149	12.56	578,516	457.48	103,774	(48.68)	202,191	59.27
Finance cost	(599,716)	27.55	(470,187)	134.73	(200,309)	79.03	(111,883)	(38.07)	(180,655)	55.79	(115,957)	85.05
Profit before taxation	324,364	131.45	140,145	(68.91)	450,840	(3.38)	466,633	(706.95)	(76,881)	(189.15)	86,234	34.15
Taxation & minimum tax levies	(110,247)	100.48	(54,991)	(65.32)	(158,573)	2.66	(154,463)	(1,425.52)	11,653	(160.48)	(19,269)	(64.19)
Profit after taxation	214,117	151.45	85,154	(70.86)	292,267	(6.38)	312,170	(578.58)	(65,228)	(197.41)	66,965	539.53

VERTICAL ANALYSIS

As at June 30,

Assets	2024		2023		2022		2021		2020		2019	
Non- Current Assets	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%	Rs. In '000'	%
	Restated											
Property, plant & equipment	4,987,986	59.99	5,051,423	64.19	4,985,146	68.36	2,923,789	69.09	2,477,022	68.58	2,348,712	66.84
Intangible asset	-	-	-	-	-	-	-	-	649	0.02	1,355	0.04
Long term investment	4,886	0.06	4,886	0.06	2,375	0.03	2,350	0.06	2,450	0.07	2,500	0.07
Long term loans	1,380	0.02	985	0.01	1,022	0.01	1,136	0.03	1,527	0.04	1,459	0.04
Long term deposits	16,321	0.20	15,263	0.19	13,894	0.19	5,041	0.12	1,816	0.05	1,137	0.03
Total Non-Current Assets	5,010,573	60.26	5,072,557	64.45	5,002,437	68.59	2,932,316	69.29	2,483,464	68.75	2,355,163	67.02
Current Assets												
Stores, spare & loose tools	56,718	0.68	57,182	0.73	50,204	0.69	40,609	0.96	34,544	0.96	36,061	1.03
Stock-in-trade	1,360,565	16.36	1,233,760	15.68	1,156,684	15.86	714,281	16.88	398,667	11.04	668,237	19.02
Trade debt	1,760,880	21.18	1,398,063	17.76	1,055,353	14.47	512,827	12.12	610,367	16.90	307,669	8.76
Loans & advances	2,530	0.03	5,550	0.07	8,496	0.12	3,500	0.08	11,031	0.31	6,185	0.18
Deposits, other receivables & prepayments	20,489	0.25	17,229	0.22	15,477	0.21	17,786	0.42	14,726	0.41	17,086	0.49
Taxation-net	93,789	1.13	71,468	0.91	-	-	-	-	46,323	1.28	75,263	2.14
Sales tax refundable	-	-	-	-	-	-	4,788	0.11	-	-	41,216	1.17
Cash & Bank balances	9,619	0.12	14,273	0.18	4,176	0.06	6,000	0.14	12,997	0.36	7,305	0.21
Total Current Assets	3,304,590	39.74	2,797,525	35.55	2,290,390	31.41	1,299,791	30.71	1,128,655	31.25	1,159,022	32.98
Total Asset	8,315,163	100.00	7,870,082	100.00	7,292,827	100.00	4,232,107	100.00	3,612,119	100.00	3,514,185	100.00

Equity & liabilities

Share Capital & reserve

Issued, subscribed & paid-up Capital	208,000	2.50	208,000	2.64	208,000	2.85	208,000	4.91	208,000	5.76	208,000	5.92
Unappropriated Profit	1,138,970	13.70	916,972	11.65	815,283	11.18	535,375	12.65	218,816	6.06	259,508	7.38
Surplus on revaluation of property	2,563,588	30.83	2,584,203	32.84	2,601,724	35.68	1,205,777	28.49	1,224,529	33.90	1,240,387	35.30
Unrealised loss on financial assets at fair value	(114)	-	(114)	-	(125)	-	(150)	-	(50)	-	-	-
Total Share Capital & reserves	3,910,444	47.03	3,709,061	47.13	3,624,882	49.70	1,949,002	46.05	1,651,295	45.72	1,707,895	48.60

Non- Current liabilities

Loan from holding company	-	-	-	-	60,000	0.82	80,000	1.89	100,000	2.77	100,000	2.85
Long term Financing	588,686	7.08	648,155	8.24	776,897	10.65	596,282	14.09	442,192	12.24	183,741	5.23
Long term deposits	7,281	0.09	4,636	0.06	3,756	0.05	2,804	0.07	2,280	0.06	1,877	0.05
Lease liabilities	-	-	-	-	4,426	0.06	8,321	0.20	9,081	0.25	10,779	0.31
Deferred income- government grant	18,243	0.22	29,923	0.38	35,792	0.49	237	0.01	1,996	0.06	-	-
Deferred liability- staff retirement benefits	209,834	2.52	182,118	2.31	169,826	2.33	140,173	3.31	111,585	3.09	115,979	3.30
Deferred taxation -net	289,094	3.48	286,409	3.64	299,374	4.11	192,117	4.54	117,790	3.26	168,317	4.79
Total Non- Current liabilities	1,113,138	13.39	1,151,241	14.63	1,350,071	18.51	1,019,934	24.10	784,924	21.73	580,693	16.52

Current liabilities

Trade & other payables	944,824	11.36	637,846	8.10	772,402	10.59	563,606	13.32	411,343	11.39	394,290	11.22
Contract liabilities	2,210	0.03	1,802	0.02	850	0.01	871	0.02	7,377	0.20	4,099	0.12
Accrued mark-up/ Profit	130,196	1.57	135,077	1.72	62,560	0.86	24,375	0.58	44,292	1.23	33,320	0.95
Short term borrowings	1,919,215	23.08	1,941,357	24.67	1,203,169	16.50	427,015	10.09	649,517	17.98	699,557	19.91
Current portion of non-current liabilities	194,427	2.34	218,124	2.77	246,048	3.37	245,280	5.80	62,242	1.72	90,567	2.58
Unpaid dividend	209	-	209	-	209	-	138	-	166	-	77	-
Unclaimed dividend	939	0.01	939	0.01	939	0.01	944	0.02	963	0.03	3,687	0.10
Taxation- net	99,561	1.20	74,426	0.95	31,697	0.43	942	0.02	-	-	-	-
Total Current liabilities	3,291,581	39.59	3,009,780	38.24	2,317,874	31.78	1,263,171	29.85	1,175,900	32.55	1,225,597	34.88

Total Equity and Liabilities

8,315,163	100.00	7,870,082	100.00	7,292,827	100.00	4,232,107	100.00	3,612,119	100.00	3,514,185	100.00
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For the year ended June 30, 2024

Vertical Analysis of Statement of Profit or Loss

Net sale	7,964,142	100.00	5,952,262	100.00	4,930,819	100.00	3,620,143	100.00	2,590,719	100.00	2,966,457	100.00
Cost of sales	(6,744,623)	(84.69)	(5,105,136)	(85.77)	(4,073,459)	(82.61)	(2,875,433)	(79.43)	(2,377,665)	(91.78)	(2,656,307)	(89.54)
Gross Profit	1,219,519	15.31	847,126	14.23	857,360	17.39	744,710	20.57	213,054	8.22	310,150	10.46
Distribution Cost	(101,974)	(1.28)	(80,267)	(1.35)	(49,941)	(1.01)	(36,028)	(1.00)	(27,200)	(1.05)	(22,700)	(0.77)
Administrative Expenses	(181,168)	(2.27)	(158,600)	(2.66)	(129,087)	(2.62)	(101,366)	(2.80)	(80,637)	(3.11)	(73,106)	(2.46)
other income	16,010	0.20	16,994	0.29	14,497	0.29	7,315	0.20	2,157	0.08	754	0.03
other expenses	(28,307)	(0.36)	(14,921)	(0.25)	(41,680)	(0.85)	(36,115)	(1.00)	(3,600)	(0.14)	(12,907)	(0.44)
Profit from Operation	924,080	11.60	610,332	10.25	651,149	13.21	578,516	15.98	103,774	4.01	202,191	6.82
Finance cost	(599,716)	(7.53)	(470,187)	(7.90)	(200,309)	(4.06)	(111,883)	(3.09)	(180,655)	(6.97)	(115,957)	(3.91)
Profit before taxation	324,364	4.07	140,145	2.35	450,840	9.14	466,633	12.89	(76,881)	(2.97)	86,234	2.91
Taxation & minimum tax levies	(110,247)	(1.38)	(54,991)	(0.92)	(158,573)	(3.22)	(154,463)	(4.27)	11,653	0.45	(19,269)	(0.65)
Profit after taxation	214,117	2.69	85,154	1.43	292,267	5.93	312,170	8.62	(65,228)	(2.52)	66,965	2.26

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

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

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

Directors	Numbers
a) Male	07
b) Female	01

2. The composition of the board is as follows:

S.No	Directors	Numbers
a.	Independent Directors*	Abdul Rehman Qureshi
		Sardar Aminullah Khan
b.	Non-Executive Directors	Javed Saifullah Khan
		Osman Saifullah Khan
		Hoor Yousafzai
		Asif Saifullah Khan
		Rana Muhammad Shafi
c.	Executive Director	Assad Saifullah Khan
d.	Femal Director	Hoor Yousafzai

*Fractional requirement for independent directors has not been rounded up as one and presently the Company has two independent directors. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, therefore, the appointment of a third independent director is not warranted.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. None of the directors attended Directors' Training Program during the year;
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

comprising of members given below:

a	Audit Committee	
	Abdul Rehman Qureshi	Chairman
	Rana Muhammad Shafi	Member
	Sardar Aminullah Khan	Member
b	HR and Remuneration Committee	
	Abdul Rehman Qureshi	Chairman
	Hoor Yousafzai	Member
	Assad Saifullah Khan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committee during the year 2023-24 were as per following:
 - a) Audit Committee - Four (04) Meetings
 - b) Human Resource and Remuneration Committee - One (01) Meeting
15. The Board has set up an effective internal audit function and the persons assigned the responsibilities are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company; However, due to frequent changes in the Head of Internal Audit, there was a gap in appointments during the year.
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, 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. We confirm that all the requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For and on Behalf of the Board



Javed Saifullah Khan
Chairman

Place: Islamabad

Date: September 30, 2024

INDEPENDENT AUDITORS' REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **KOHAT 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.

We draw your attention to paragraph 15 of the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 mentioning the gap in the appointment of Head of Internal Audit.

ShineWingHameed Chaudhri
& Co.

SHINEWING HAMEED CHAUDHRI & CO.,

CHARTERED ACCOUNTANTS

Place: Lahore

Dated: October 01, 2024

UDIN: CR202410195W6AjoK4Se

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

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

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

Following are the key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Revenue</p> <p>As described in notes 4.22 and 28, the Company generates revenue from the sale of goods to domestic customers. During the year ended June 30, 2024, the Company generated net revenue of Rs.7.964 billion as compared to Rs.5.952 billion during the previous year, which represents an increase of approximately 34% as compared to preceding year.</p> <p>Considering the significance of amounts involved and that the revenue is a key indicator of performance measurement of the Company, we have considered revenue recognition as a key audit matter.</p>	<p>Our audit procedures to assess recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> - obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof; - evaluated the appropriateness of the Company's revenue recognition policies, in accordance with the relevant IFRS; - reviewed, on a sample basis, sale transactions near the reporting date to assess whether transactions were recorded in the relevant accounting year; - performed substantive analytical procedures including developing an expectation of the current year revenue based on trend analysis information taking into account historical sale and market patterns; - correlated the revenue transactions with movement in receivables and monetary balances and compared with the results from our balance confirmation procedures; - reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents; and - reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the applicable financial reporting standards and the Companies Act, 2017.

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

S. No.	Key audit matters	How the matter was addressed in our audit
2.	<p>Contingencies</p> <p>The Company is subject to material litigations including Gas Infrastructure Development Cess (GIDC), taxation and other matters at different courts which require management to make assessment and judgements with respect to likelihood and impact of such litigations on the financial statements of the Company.</p> <p>The details of contingencies including that relating to GIDC Act, 2015 and the Supreme Court of Pakistan (SCP) Judgment regarding the same along with management's assessment thereon have been disclosed in note 17 to the financial statements.</p> <p>Management has engaged independent legal consultants on these matters.</p> <p>The accounting for and disclosures of contingencies is complex and is a matter of significance in our audit because of the judgements required to determine the level of certainty on these matters.</p> <p>Due to the magnitude of amount involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impacts, we have considered above referred contingencies as one of the key audit matters.</p>	<p>In response to this matter, our audit procedures included:</p> <ul style="list-style-type: none"> - Discussed legal cases with the legal department of the Company to understand the management's view point and obtained management's assessment regarding their implications on the Company's financial statements; - Obtained independent opinion of legal advisors dealing with such cases in the form of confirmations; - Examined legal expense ledgers to assess any litigations or claims, which may result in material misstatement of the financial statements; - Reviewed the documents for legal and tax proceedings maintained by the management, including Judgments passed by the SCP and studied the related provisions of the GIDC Act, 2015; - Evaluated all the legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - Assessed the disclosures of legal exposures and provisions for completeness and accuracy.

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

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information, which 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 is responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 judgement 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

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

of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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 auditors' 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Nafees ud din.

Shineking Hameed Chaudhri
SHINEWING HAMEED CHAUDHRI & CO., & Co.
CHARTERED ACCOUNTANTS

Place: Lahore

Date : September 30, 2024

UDIN: AR202410195NFvgrxatE

FINANCIAL STATEMENTS

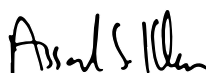


STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

		2024	2023 Restated
	Note	Rupees in '000	
Equity and Liabilities			
Share Capital and Reserves			
Authorised capital			
22,000,000 ordinary shares of Rs.10 each		220,000	220,000
Issued, subscribed and paid-up capital	5	208,000	208,000
Revenue reserve			
- unappropriated profit		1,138,970	916,972
Capital reserve			
- surplus on revaluation of property, plant and equipment	6	2,563,588	2,584,203
Unrealised loss on financial assets at fair value through other comprehensive income		(114)	(114)
Shareholders' equity		3,910,444	3,709,061
Non-current Liabilities			
Long term financing	7	588,686	648,155
Long term deposits	8	7,281	4,636
Deferred income - government grant	9	18,243	29,923
Deferred liability - staff retirement benefits	10	209,834	182,118
Deferred taxation	11	289,094	286,409
		1,113,138	1,151,241
Current Liabilities			
Trade and other payables	12	944,824	637,846
Contract liabilities		2,210	1,802
Accrued mark-up / profit	13	130,196	135,077
Short term borrowings	14	1,919,215	1,941,357
Current portion of non-current liabilities	15	194,427	218,124
Unpaid dividend		209	209
Unclaimed dividend		939	939
Provision for tax levies	16	99,561	74,426
		3,291,581	3,009,780
		4,404,719	4,161,021
Contingencies and Commitments	17	8,315,163	7,870,082

The annexed notes 1 to 46 form an integral part of these financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director




ABID HUSSAIN
Chief Financial Officer

STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

		2024	2023 Restated
	Note	Rupees in '000	
Assets			
Non-current Assets			
Property, plant and equipment	18	4,987,986	5,051,423
Long term investments	19	4,886	4,886
Long term loans	20	1,380	985
Long term deposits		16,321	15,263
		5,010,573	5,072,557
Current Assets			
Stores, spare parts and loose tools	21	56,718	57,182
Stock-in-trade	22	1,360,565	1,233,760
Trade debts	23	1,760,880	1,398,063
Loans and advances	24	2,530	5,550
Deposits, prepayments and other receivables	25	20,489	17,229
Taxation	26	93,789	71,468
Cash and bank balances	27	9,619	14,273
		3,304,590	2,797,525
		8,315,163	7,870,082

The annexed notes from 1 to 46 form an integral part of these financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director




ABID HUSSAIN
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the Year Ended June 30, 2024

		2024	2023 Restated
	Note	Rupees in '000	
Sales - net	28	7,964,142	5,952,262
Cost of sales	29	(6,744,623)	(5,105,136)
Gross profit		1,219,519	847,126
Distribution cost	30	(101,974)	(80,267)
Administrative expenses	31	(181,168)	(158,600)
Other income	32	16,010	16,994
Other expenses	33	(28,307)	(14,921)
Profit from operations		924,080	610,332
Finance cost	34	(599,716)	(470,187)
Profit before taxation and minimum tax levies		324,364	140,145
Minimum tax levies	16	(99,561)	(74,426)
Profit before taxation		224,803	65,719
Taxation	35	(10,686)	19,435
Profit after taxation		214,117	85,154
Other comprehensive income/ (loss)			
Items that will not be reclassified subsequent to statement of profit or loss:			
- loss on remeasurement of staff retirement benefit obligation	10.5	(12,734)	(986)
- unrealised gain on remeasurement of investment at fair value through other comprehensive income		0	11
		(12,734)	(975)
Total comprehensive income		201,383	84,179
		----- Rupees -----	
Earnings per share - basic and diluted	36	10.29	4.09

The annexed notes 1 to 46 form an integral part of these financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



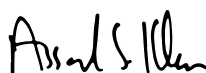
ABID HUSSAIN
Chief Financial Officer

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2024

	Note	2024 Rupees in '000	2023
Cash flow from operating activities			
Profit for the year - before taxation and final tax levies		324,364	140,145
Adjustments for non-cash and other charges:			
Depreciation on operating fixed assets and right of use assets	18.7 & 18.8	148,513	155,698
Loss on sale of operating fixed assets - net	33	248	80
Staff retirement benefits - gratuity (net)		14,982	11,306
Unclaimed payable balances written-back	32	(70)	(1,587)
Finance cost		582,194	462,109
Profit before working capital changes		1,070,231	767,751
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		464	(6,978)
Stock-in-trade		(126,805)	(77,076)
Trade debts		(362,817)	(342,710)
Loans and advances		3,020	2,946
Deposits, prepayments and other receivable		(3,260)	(1,752)
(Decrease) / increase in current liabilities:			
Trade and other payables		307,048	(132,968)
Contract liabilities		408	952
		(181,942)	(557,586)
Cash generated from operating activities		888,289	210,165
Taxes paid		(104,748)	(96,696)
Long term loans - net		(395)	37
Net cash generated from operating activities		783,146	113,506
Cash flows from investing activities			
Additions to property, plant and equipment		(92,899)	(228,336)
Sale proceeds of operating fixed assets	18.3	7,575	6,281
Long term investments made		0	(2,500)
Net cash used in investing activities		(85,324)	(224,555)
Cash flows from financing activities			
Long term financing - obtained		125,000	50,000
- repaid		(216,299)	(211,873)
Loan from the Holding Company - repaid		0	(60,000)
Lease liabilities - net		(4,605)	(6,457)
Long term deposits		2,645	880
Short term borrowings - net		(22,142)	738,188
Finance cost paid - net		(587,075)	(389,592)
Net cash (used in) / generated from financing activities		(702,476)	121,146
Net (decrease) / increase in cash and cash equivalents		(4,654)	10,097
Cash and cash equivalents - at beginning of the year		14,273	4,176
Cash and cash equivalents - at end of the year	27	9,619	14,273

The annexed notes from 1 to 46 form an integral part of these financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



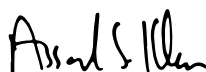
ABID HUSSAIN
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2024

	Share Capital	Revenue reserve Unappropriated profit	Capital reserve Revaluation surplus on property, plant and equipment	Unrealised loss on financial assets at fair value through other comprehensive income	Total
	Rupees in '000				
Balance as at June 30, 2022	208,000	815,283	2,601,724	(125)	3,624,882
Total comprehensive income for the year ended June 30, 2023					
- profit for the year	0	85,154	0	0	85,154
- other comprehensive income / (loss)	0	(986)	0	11	(975)
	0	84,168	0	11	84,179
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation (net of deferred taxation)	0	17,521	(17,521)	0	0
Balance as at June 30, 2023	208,000	916,972	2,584,203	(114)	3,709,061
Total comprehensive income for the year ended June 30, 2024					
- profit for the year	0	214,117	0	0	214,117
- other comprehensive loss	0	(12,734)	0	0	(12,734)
	0	201,383	0	0	201,383
Surplus on revaluation of property, plant and equipment realised during the year (net of deferred taxation):					
- on account of incremental depreciation	0	16,520	(16,520)	0	0
- upon sale of revalued assets	0	4,095	(4,095)	0	0
Balance as at June 30, 2024	208,000	1,138,970	2,563,588	(114)	3,910,444

The annexed notes 1 to 46 form an integral part of these financial statements.



ASSAD SAIFULLAH KHAN
Chief Executive Officer



RANA MUHAMMAD SHAFI
Director



ABID HUSSAIN
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Kohat Textile Mills Limited (the Company) is a public limited Company incorporated in Pakistan during the year 1967 and its shares are quoted on Pakistan Stock Exchange. The Company is principally engaged in manufacture and sale of yarn.

1.1 Geographical location and addresses of major business units including mills / plant of the Company are as under:

Kohat

Saifabad

Purpose

Mills / factory

Peshawar

KPTMA house, Tehkal Payan, Jamrud Road

Registered office

Islamabad

4th Floor, Kashmir Commercial Complex,

Head office

Fazal-e-haq road, Blue Area

Karachi

Plot No. 36, New Karachi Cooperative Housing

Marketing & Sales office

Society Near Dolmen Mall Tariq Road

Faisalabad

P-17, Near Allied Bank Ltd, Montgomery Bazar,

Marketing & Sales office

1.2 The Company is a Subsidiary Company of Saif Holdings Limited (the Holding Company), which holds 77.98% (2023: 77.98%) of the Company's issued, subscribed and paid-up capital.

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 (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand unless otherwise specified.

2.4 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

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

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

2.4.2 Standards, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain new standards and certain amendments to the accounting and reporting standards that will become mandatory for the Company's annual accounting periods beginning on or after July 01, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Judgements, estimates and assumptions made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

3.1 Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified. Useful lives, residual values and depreciation method of property, plant and equipment are stated in notes 4.10 and 18.

3.2 Stores & spares and stock-in-trade

The Company estimates the net realisable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make sale notes 4.14 and 4.15.

3.3 Provision for impairment of trade debts

Impairment losses, related to trade and other receivables, are calculated using simplified approach of expected credit loss (ECL) model. Management uses actual credit loss experience over past years for the calculation of ECL. Trade and other receivables are written off when there is no reasonable expectation of recovery - note 4.16.

3.4 Staff retirement benefits - gratuity

The present value of this obligation depends on a number of factors that is determined on actuarial basis using a number of assumptions. Any change in these assumptions will impact carrying amount of this obligation. The present value of the obligation and underlying assumptions are stated in notes 4.5 and 10.

3.5 Income taxes and tax levies

In making the estimates for income taxes and tax levies, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual charge of income taxes and tax levies, if any, is disclosed as a contingent liability - notes 4.7 and 17.

4. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except as detailed in note 4.1:

4.1 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) has issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 - the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, contingent liabilities and contingent assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current year or prior years' net sales, profit after taxes and levies, equity and cash flows. Impact as of July 01, 2022 is not material to these financial statements. In accordance with the requirements of IAS 1 (Presentation of financial statements), the balances as at June 30, 2023 have been restated and third statement of financial position as of July 01, 2022 has not been presented due to immaterial impact.

In the statement of profit or loss for the year ended June 30, 2023, in terms of the requirements of IFRIC 21 / IAS 37 (the requirements), minimum tax amounting Rs.74.426 million, which was previously presented as 'taxation' has now been reclassified as 'minimum tax levies'.

In the statement of financial position as at June 30, 2023, in terms of the aforementioned requirements, minimum tax aggregating Rs.74.426 million, which was previously presented as 'Taxation' has now been reclassified and bifurcated as 'Provision for tax levies' and 'Taxation'.

4.2 Borrowings and borrowing cost

These are recognised initially at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings as interest expense.

Borrowing costs are recognised as an expense in the period 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.

4.3 Leases

The Company leases vehicles and office buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.4 Government grants

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with IFRS 9 (Financial instruments). The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20 (Accounting for government grants and disclosure of government assistance). The entity considers the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

4.5 Staff retirement benefits (gratuity)

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2024 on the basis of the projected unit credit method by an independent Actuary.

The liability recognised in the statement of financial position in respect of retirement gratuity scheme is the present value of defined benefit obligation at the end of reporting period. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which these occur.

4.6 Trade and other payables

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

4.7 Tax levies and taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in statement of other comprehensive income or directly in equity. In this case, the tax is also recognised in statement of other comprehensive income or directly in equity, respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

(a) Current year

Provisions for current taxation and tax levies are based on taxable income and gross amount of revenue or other basis respectively at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax and tax levies includes adjustments, where necessary, relating to prior years, which arise from assessments framed / finalised during the year.

(b) Deferred

The Company accounts for deferred taxation using the statement of financial position liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited to the statement of profit or loss except for deferred tax arising on surplus on revaluation of property, plant and equipment, which is charged to revaluation surplus.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.8 Dividend distributions

Dividend distributions to the Company's shareholders are recognised in the period in which these are approved.

4.9 Financial liabilities

Classification and subsequent measurement

Financial liabilities are classified and measured at amortised cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

Derecognition

Financial liabilities are derecognised when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.10 Property, plant and equipment

Operating fixed assets, other than fire extinguishing equipment, furniture & fixtures, vehicles and live stock, are stated at fair value, based on valuations carried-out with sufficient regularity by external independent Valuers less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of asset and the net amount is restated to the revalued amount of asset. Fire extinguishing equipment, furniture & fixtures, vehicles and live stock are stated at historical cost less accumulated depreciation. Cost of some items of plant and machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior years. Borrowing costs are also capitalised for the period upto the date of commencement of commercial production of the respective plant and machinery, acquired out of the proceeds of such borrowings. Historical cost includes expenditure that is directly attributable to the acquisition of items. Capital work-in-progress is stated at cost.

The revaluation is measured on individual asset; if an asset's carrying amount is increased as a result of revaluation, the surplus is recognised in statement of other comprehensive income and accumulated in equity under the heading of revaluation surplus on property, plant and equipment. However, the surplus is recognised in statement of profit or loss to the extent that it reverses revaluation decrease of the same asset previously recognised in statement of profit or loss. If an asset's carrying amount is decreased as a result of revaluation, the deficit on revaluation of asset is recognised in statement of profit or loss. However, the decrease is recognised in statement of other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. All other repairs and maintenance are charged to income during the financial year in which these are incurred.

Depreciation is taken to statement of profit or loss applying reducing balance method, except for overhauling of gas fired power plant, so as to write-off the depreciable amount of an asset over its remaining useful life. Depreciation on overhauling of gas fired power plant is charged to the statement of profit or loss using straight line method. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. Rates of depreciation are stated in note 18.1.

Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

Gain / loss on disposal of property, plant and equipment, if any, is taken to statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

4.11 Right-of-use assets

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated over the lease term on the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

4.12 Intangible assets - computer software

Computer software is stated at cost less accumulated amortisation. Software cost is only capitalised when it is probable that future economic benefits attributable to the software will flow to the Company and the same is amortised applying the straight-line method.

4.13 Financial assets

Initial measurement

The Company classifies its financial assets in the following three measurement categories:

- fair value through other comprehensive income (FVTOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

• **Equity instruments at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss. Other net gains and losses are recognised in statement of other comprehensive income and are never reclassified to the statement of profit or loss.

• **Debt instruments at FVTOCI**

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in statement of other comprehensive income. On derecognition, gains and losses accumulated in statement of other comprehensive income are reclassified to the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

- **Debt instruments at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss.

- **Financial assets measured at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

4.14 Stores, spare parts and loose tools

Stores, spare parts and loose tools are stated at cost. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated up to the statement of financial position date. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for identified obsolete and slow moving items.

4.15 Stock-in-trade

Basis of valuation are as follows:

Particulars	Mode of valuation
Raw materials:	
At mills	- At lower of moving average cost and market value.
In transit	- At cost accumulated to the statement of financial position date.
Work-in-process	- At manufacturing cost.
Finished goods	- At lower of cost and net realisable value.
Waste	- At contracted rates.
• Cost in relation to work-in-process and finished goods consists of prime cost and appropriate production overheads. Prime cost is allocated on the basis of moving average cost.	

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

- Provision for obsolete and slow moving stock-in-trade is determined based on the management's assessment regarding their future usability.
- Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

4.16 Trade debts and other receivables

These are classified at amortised cost and are initially recognised and measured at fair value of consideration receivable. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

4.17 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise of cash-in-hand and balances with banks.

4.18 Provisions

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

4.19 Foreign currency translations

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing on the date of transactions. Assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing on the reporting date except where forward exchange rates are booked, which are translated at the contracted rates. Exchange differences, if any, are taken to statement of profit or loss.

4.20 Impairment

(a) Financial assets

The Company assesses on a forward looking basis for the expected credit loss (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Further, the Company follows simplified approach for measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. Management uses actual credit loss experience over past years for calculation of ECL.

For debt instruments measured as FVTOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognised in the statement of profit or loss.

The Company considers a financial asset in default when contractual payments past due for a reasonable period of time. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

4.21 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a 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.

4.22 Revenue recognition

Revenue is recognised when the performance obligation associated to the contract is satisfied and is measured at the fair value of consideration received or receivable on the following basis:

- revenue from local sale of goods is recognised at the point of time when the customer obtains control of the goods, which is generally at the time of delivery / dispatch of goods to customers;
- revenue from the export sale of goods is recognised at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally, it is on the date of bill of lading or at the time of delivery of goods to the destination port;
- dividend income from investments is recognised when the Company's right to receive dividend is established; and

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

- return on bank deposits / interest income is recognised using applicable effective interest rate. Income is accrued as and when the right to receive the income is established.

4.23 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the approved accounting standards, is presented in note 43 to these financial statements.

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024	2023		2024	2023
--- No. of shares ---			--- Rupees in '000 ---	
14,525,400	14,525,400	ordinary shares of Rs.10 each fully paid in cash	145,254	145,254
6,274,600	6,274,600	ordinary shares of Rs.10 each issued as fully paid-up by conversion of loans and debentures	62,746	62,746
20,800,000	20,800,000		208,000	208,000

5.1 Saif Holdings Ltd. (the Holding Company) held 16,220,010 ordinary shares of the Company as at June 30, 2024 and June 30, 2023.

5.2 Voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding.

6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net

6.1 The Company had revalued its freehold land, buildings on freehold land, plant & machinery, diesel generators & fuel reservoir, gas fired power plant, electric installations and equipment and appliances during the financial years 1984, 1995, 2004, 2005, 2008, 2012, 2016, 2019 and 2022. These fixed assets were revalued by Independent Valuers on the basis of market value / depreciated market values.

6.2 The latest revaluation exercise has been carried-out by M/s. Hamid Mukhtar (Pvt.) Ltd. (Independent Valuers and Consultants) to replace the carrying amounts of these assets with the market value / depreciated market values. The net appraisal surplus arisen on latest revaluation exercise has been credited to this account.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

		2024	2023
	Note	Rupees in '000	
Opening balance		2,710,856	2,735,534
Less: transferred to unappropriated profit:			
- on account of incremental depreciation for the year		(23,267)	(24,678)
- upon sale of revalued assets		(5,767)	0
		2,681,822	2,710,856
Less: deferred tax on:			
- opening balance of surplus		126,653	133,810
- incremental depreciation for the year		(6,747)	(7,157)
- sale of revalued assets		(1,672)	0
		118,234	126,653
Closing balance		2,563,588	2,584,203
7. LONG TERM FINANCING - Secured			
The Bank of Khyber (BoK)			
Demand finance - I	7.1	38,657	91,870
Demand finance - II	7.2	17,614	24,659
Energy finance	7.3	39,487	45,128
National Bank of Pakistan (NBP)			
Demand finance	7.4	99,588	149,588
The Bank of Punjab (BoP)			
Term finance	7.5	0	16,553
Meezan Bank Ltd. (MBL)			
Diminishing musharakah - I	7.6	13,699	17,709
Diminishing musharakah - II	7.7	43,056	50,000
Bank Alfalah Islamic Ltd. (BAFL)			
Islamic temporary economic refinance facility (ITERF)	7.8	79,705	88,866
Diminishing musharakah	7.9	42,308	47,436
Dubai Islamic Bank Pakistan Ltd. (DIB)			
Diminishing musharakah - ITERF	7.10	168,345	183,076
Soneri Bank Ltd. (SBL)			
Term finance	7.11	30,000	50,000
Askari Bank Ltd. (ABL)			
Diminishing musharakah - ITERF	7.12	73,968	83,818
Pak Oman Investment Company Ltd.			
Term finance	7.13	125,000	0
		771,427	848,703
Less: current portion grouped under current liabilities		182,741	200,548
		588,686	648,155

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

- 7.1** The Company, during the financial year ended June 30, 2018, had arranged a demand finance facility of Rs.300 million from BoK. BoK, against the said facility, had disbursed in aggregate Rs.262.486 million. This finance facility is repayable in 20 equal quarterly instalments commenced from March, 2019. This finance facility carries mark-up at the rate of 6 months KIBOR + 110 basis points per annum payable semi annually; effective mark-up rate charged, during the current financial year, ranged from 22.58% to 24.07% (2023: 16.58% to 18.17%) per annum. This finance facility is secured against first pari passu charge over present and future fixed assets of the Company for Rs.400 million.
- 7.2** The Company, during the financial year ended June 30, 2021, had arranged a demand finance facility of Rs.37.500 million from BoK. BoK, against the said facility, had disbursed Rs.35.227 million. This finance facility is repayable in 10 equal semi-annual instalments commenced from December, 2021. This finance facility carries mark-up at the rate of 6-months KIBOR + 110 basis points per annum payable quarterly; effective mark-up rate charged, during the current financial year, ranged from 22.58% to 24.07% (2023: 16.58% to 18.17%) per annum. This finance facility is secured against first pari passu charge over present and future fixed assets of the Company for Rs.400 million.
- 7.3** The Company, during the financial year ended June 30, 2021, had arranged a long term finance facility amounting Rs.55 million from BoK to finance the purchase of 650 KW Solar Grid on Run Off basis under Category-II of SBP Financing Scheme for Renewable Energy. This finance facility is repayable in 39 equal quarterly instalments commenced from December, 2021. This finance facility carries mark-up at the rate of SBP rate plus 2% (i.e. 4%) per annum. This finance facility is secured against first pari passu charge over fixed assets of the Company.
- 7.4** The Company, during the financial year ended June 30, 2020, had arranged a demand finance facility of Rs.250 million from NBP, against the said facility, had disbursed Rs.249.588 million. This finance facility is repayable in 20 equal quarterly instalments commenced from September, 2021. This finance facility carries mark-up at the rate of 6-months KIBOR + 110 basis points per annum payable quarterly; effective mark-up rate charged, during the current financial year, ranged from 22.56% to 24.01% (2023: 16.26% to 23.08%) per annum. This finance facility is secured against first pari passu charge over present and future fixed assets of the Company for Rs.333.333 million.
- 7.5** BoP, during the financial year ended June, 30, 2020, had converted a cash finance facility (already utilised by the Company upto Rs.99.316 million) into a term finance facility of Rs.100 million. This finance facility was repayable in 6 equal semi-annual instalments commenced from February, 2021. This finance facility carried mark-up at the rate of 6-months KIBOR + 100 basis points per annum payable semi-annually; effective mark-up rate charged, during the current financial year, was 23.97% (2023: mark-up rates ranged from 16.35% to 18.04%) per annum. This finance facility was secured against first pari passu charge over present and future fixed assets of the Company for Rs.243.334 million. The Company, during the current financial year, had fully repaid the outstanding balance of this finance facility.
- 7.6** The Company, during the financial year ended June 30, 2021, had arranged a long term finance facility amounting Rs.27 million from MBL to finance the purchase of 320 KW Solar

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

Grid on Run Off basis under Category-II of SBP Financing Scheme for Renewable Energy. This finance facility is repayable in 80 equal monthly instalments commenced from April, 2021. This finance facility carries mark-up at SBP rate plus 3% per annum payable monthly; effective mark-up rate charged, during the current financial year, was 6% (2023: 6%) per annum. This finance facility is secured against registration of ranking charge over fixed assets of the Company.

- 7.7** The Company, during the financial year ended June 30, 2022, had arranged a long term finance facility amounting Rs.50 million from MBL to finance the purchase of Solar Grid on Run off basis under Category-II of SBP Financing Scheme for Renewable Energy. This finance facility is repayable in 36 equal monthly instalments commenced from June, 2023. This finance facility carries mark-up at SBP rate plus 2% per annum payable monthly; effective mark-up rate charged during the current financial year was 5% (2023: 5%) per annum. This finance facility is secured against registration of ranking charge over fixed assets of the Company.
- 7.8** The Company, during the financial year ended June 30, 2021, had obtained an Islamic temporary economic refinance facility (ITERF) of Rs.100 million from BAFL. BAFL has fully disbursed the said finance facility in two tranches of different amounts. The principal balance is repayable in 25 quarterly instalments commenced from March, 2023. This finance facility carries mark-up at SBP rate plus 3% per annum payable quarterly; effective mark-up rate charged during the current financial year was 4% (2023: 4%) per annum. This finance facility is secured against first pari passu charge on entire fixed assets of the Company for Rs.133.334 million.
- 7.9** The Company, during the preceding financial year, had arranged a long term finance facility of Rs.50 million from BAFL to finance the purchase of solar power panels under category-II of SBP financing scheme for renewable energy. This finance facility is repayable in 40 equal monthly instalments commenced from January, 2023. This finance facility carries mark-up at SBP rate plus 1% per annum payable quarterly; effective mark-up rates charged during the current financial year was 4% (2023: mark-up rates ranged from 4% to 16.36%) per annum. This finance facility is secured against first pari passu registered charge on entire fixed assets of Company with 25% margin amounting to Rs.66.667 million.
- 7.10** The Company, during the financial year ended June 30, 2021, has obtained a diminishing musharakah (ITERF) facility of Rs.200 million from DIB. DIB has fully disbursed the said amount in nine tranches of different amounts. The principal balance is repayable in 20 equal quarterly instalments commenced from September, 2023. This finance facility carries mark-up at SBP rate plus 4% per annum payable quarterly; effective mark-up rates charged during the current financial year was 5% (2023: 5%) per annum. This finance facility is secured against first pari passu charge of Rs.267 million over present and future fixed and current assets of the Company.
- 7.11** The Company, during the financial year ended June 30, 2022, has obtained a term finance facility of Rs.80 million from SBL to finance construction of staff colony and Mosque at mill premises. The principal balance is repayable in 16 equal quarterly instalments commenced from January, 2022. This finance facility carries mark-up at the rate of 3-months KIBOR

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

+ 100 basis points per annum payable quarterly; effective mark-up rates charged during the current financial year ranged from 22.46% to 23.91% (2023: 16.16% to 22.98%) per annum. This finance facility is secured against first pari passu charge of Rs.106.667 million over present and future fixed assets of the Company.

7.12 The Company, during the financial year ended June 30, 2022, has obtained a diminishing musharakah (ITERF) facility of Rs.100 million from ABL to finance BMR and upgradation of operational facilities. The principal balance is repayable in 20 equal quarterly instalments commenced from November, 2023. This finance facility carries mark-up at SBP rate plus 4% per annum payable quarterly; effective mark-up rates charged during the current financial year was 3.50% (2023: mark-up rates ranged from 3.50% to 17.16%) per annum. This finance facility is secured against first pari passu charge of Rs.160 million over present and future fixed assets of the Company.

7.13 The Company, during the current financial year, has arranged a term finance (TF) facility of Rs.125 million from Pak Oman Investment Company Ltd. to finance installation of 1 MW Solar Power System at plant site of the Company in Kohat. The principal balance is repayable in 16 equal quarterly instalments commencing September, 2025. This finance facility carries mark-up at the rate of KIBOR plus 1.5% per annum payable quarterly; effective mark-up rate charged during the current financial year was 21.76% per annum. This finance facility is secured against first pari passu charge on all present and future fixed assets (including land and building) of the Company with 25% margin and post dated cheques for instalments payments.

8. LONG TERM DEPOSITS

These deposits have been received in accordance with the Company's Car Incentive Scheme and against these deposits vehicles have been provided to the employees. These are adjustable after specified periods by transfer of title of vehicles to the respective employees.

9. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2024 ---- Rupees in '000 ----	2023
Government grant against temporary economic refinance facility	9.1	29,929	43,952
Less: current portion grouped under current liabilities		11,686	14,029
		<u>18,243</u>	<u>29,923</u>

9.1 This relates to the difference between the fair value and actual proceed of temporary economic refinance facility loans 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 charged that would have been charged to statement of profit or loss at market rate and the interest paid as per the scheme.

9.2 The Company has adhered to the terms of grants. During the year, an amount of Rs.14,023 thousand (2023: Rs.12,906 thousand) has been recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

10. DEFERRED LIABILITY - STAFF RETIREMENT BENEFITS (Gratuity)

10.1 Projected unit credit method, as allowed under IAS 19 (Employee Benefits), has been used for actuarial valuation based on the following significant assumptions:

	2024	2023
- discount rate	14.75%	16.25%
- expected rate of increase in salary	13.75%	15.25%
- mortality rates	SLIC	SLIC
	2001-2005	2001-2005
	Setback 1 year	
- withdrawal rates	Age-based	Age-based
- retirement assumption	Age 60	Age 60
- average expected remaining working life of employees	9 years	9 years

10.2 Amount recognised in the statement of financial position

	2024	2023
	--- Rupees in '000 ---	
Net liability at beginning of the year	182,118	169,826
Charge to statement of profit or loss	62,257	52,935
Remeasurement recognised in statement of other comprehensive income	12,734	986
Payments made during the year	(47,275)	(41,629)
Net liability at the end of the year	209,834	182,118

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

Balance at beginning of the year	182,118	169,826
Current service cost	36,504	33,191
Interest cost	25,753	19,744
Benefits paid	(47,275)	(41,629)
Remeasurement of obligation	12,734	986
Balance at end of the year	209,834	182,118

10.4 Charge to statement of profit or loss:

Current service cost	36,504	33,191
Interest cost	25,753	19,744
	62,257	52,935

10.5 Remeasurements recognised in statement of other comprehensive income

Experience adjustment	12,734	986
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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

10.6 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is detailed below: is:

	Change in assumption	Increase in assumptions	Decrease in assumptions
Discount rate	1%	<u>192,603</u>	<u>230,505</u>
Increase in salaries	1%	<u>230,757</u>	<u>192,026</u>

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

The methods and types of assumptions used in preparing the sensitivity analysis have not changed compared to the previous period.

10.7 Comparison of present value of defined benefit obligation and experience adjustment on obligation for five years is as follows:

	2024	2023	2022	2021	2020
	----- Rupees in '000 -----				
Present value of defined benefit obligation	<u>209,834</u>	<u>182,118</u>	<u>169,826</u>	<u>140,173</u>	<u>111,585</u>
Experience adjustment on obligation	<u>12,734</u>	<u>986</u>	<u>14,663</u>	<u>14,363</u>	<u>(29,478)</u>

10.8 Based on the Actuary's advice, the expected charge for the year ending June 30, 2025 amounts to Rs.72.735 million.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

11. DEFERRED TAXATION - net	Note	2024 --- Rupees in '000 ---	2023
This is comprised of the following :			
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation allowances		310,894	285,693
- surplus on revaluation of property, plant and equipment	6	118,234	126,653
- lease finances		0	768
		429,128	413,114
Deductible temporary differences arising in respect of:			
- minimum tax recoverable against normal tax charge in future years		(128,626)	(115,297)
- alternative corporate tax recoverable against normal tax charge in future years		(11,408)	(11,408)
		(140,034)	(126,705)
		289,094	286,409
12. TRADE AND OTHER PAYABLES			
Due to an Associated Company (Saif Power Ltd.)		2,709	0
Creditors		123,083	102,888
Bills payable	12.1	551,459	369,170
Sales tax payable		47,195	52,391
Accrued expenses		174,703	85,778
Security deposits	12.2	3,000	2,500
Workers' (profit) participation fund	12.3	16,485	7,037
Workers' welfare fund	12.4	16,226	10,892
Others	12.5	9,964	7,190
		944,824	637,846
12.1	These are secured against import documents.		
12.2	These represent interest free security deposits received from the Company's transport contractor. The amount received has been utilised for the purpose of business in accordance with the written agreement with the contractor.		
12.3 Workers' (profit) participation fund			
Opening balance		7,037	22,818
Paid during the year		(7,504)	(23,869)
Allocation for the year		16,485	7,037
Interest accrued		467	1,051
Closing balance		16,485	7,037

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

12.4 Workers' welfare fund

	Note	2024 --- Rupees in '000 ---	2023
Opening balance		10,892	10,298
Charge for the year		5,334	594
Closing balance		16,226	10,892

12.5 These represent withholding income and sales tax.

13. ACCRUED MARK-UP / PROFIT

Mark-up / profit accrued on:

- long term financing		15,608	27,066
- short term borrowings		114,588	108,011
		130,196	135,077

14. SHORT TERM BORROWINGS

Short term finance facilities available from various commercial banks aggregate to Rs.2,200 million (2023: Rs.2,598 million). These facilities, during the current financial year, carried mark-up / profit at the rates ranging from 18.11% to 25.71% (2023: 13.01% to 23.97%) per annum payable on quarterly basis. Facilities available for opening letters of credit / guarantee from various commercial banks aggregate to Rs.1,559 million (2023: Rs.1,792 million) of which the amounts aggregating Rs.571.175 million (2023: Rs.964.863 million) remained un-utilised at the reporting date. The aggregate facilities are secured against pledge of raw materials & finished goods, charge on fixed and current assets of the Company, lien on documents of title to imported goods. These facilities are expiring on various dates by December, 2024.

15. CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term financing	7	182,741	200,548
Government grant	9	11,686	14,029
Lease liabilities	15.1	0	3,547
		194,427	218,124

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

15.1 Movement in the account of lease liabilities

	Note	2024 --- Rupees in '000 ---	2023
Opening balance as at July 01,		3,547	8,635
Reassessment due to mark-up rate adjustment		0	254
Modification		762	0
Interest charge for the year		320	999
Payment made during the year		(4,629)	(6,341)
Closing balance as at June 30,		0	3,547

15.2 The Company had entered into lease arrangements to acquire vehicles. The liabilities under these finance arrangements were repayable in 60 monthly instalments ended on April 20, 2024. These facilities, during the current financial year, carried mark-up at the rates ranging from 21.76% to 24.07% (2023: 13.01% to 23.97%) per annum. The Company, during the current financial year, has exercised its option to purchase the vehicles upon completion of lease terms. The liabilities were secured against title of the leased vehicles in the name of bank and post dated cheques of each principal instalment.

15.3 The Company has entered into a lease contract for the head office premises having lease term of three years, which ended on June 30, 2024. The lease liability was discounted using incremental borrowing cost rate of the Company.

16. PROVISION FOR TAX LEVIES

	Note	2024 Rupees in '000
Balance at beginning of the year		74,426
Add: provision made during the year	16.1	99,561
Less: adjustment made against completed assessment		(74,426)
		99,561

16.1 No numeric tax rate reconciliation has been given in these financial statements as provisions made for the current and preceding financial years represent minimum tax payable under section 113 and of the Income Tax Ordinance, 2001.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Guarantees aggregating Rs.132.481 million (2023: Rs.132.481 million) have been issued by the banks of the Company to Sui Northern Gas Pipeline Ltd. (SNGPL), Peshawar Electric Supply Company and Excise and Taxation Department, Karachi. These guarantees are secured against pari passu charge over the Company's fixed and current assets and are expiring on various dates by January, 2026.

17.1.2 Gas Infrastructure Development Cess ("GIDC") was initially imposed as a levy on gas consumers in the year 2011 vide GIDC Act, 2011. The said Act was challenged before the Peshawar High Court ("PHC") that declared the levy of GIDC unconstitutional. The Government challenged the PHC's judgment before the Supreme Court of Pakistan ("SCP"). The SCP upheld the PHC's judgment declaring GIDC a fee and not a tax that could not be introduced through money bill. Soon after the said judgment, GIDC Ordinance, 2014 was promulgated through which GIDC was again imposed. The Ordinance was also given retrospective effect from December 15, 2011. While the Ordinance was still in the field, the Government sought a review of the SCP's judgment, which was also dismissed by the SCP.

In May, 2015, the Government had passed the GIDC Act, 2015 whereby GIDC was again imposed on gas consumers. The Company had filed a writ petition before the PHC and challenged the validity of the GIDC Act, 2015. The PHC dismissed the writ petition of the Company vide its judgment dated May 31, 2017 and declared the GIDC Act, 2015 to be intra vires the Constitution. The Company had preferred an appeal to the SCP against the said judgment of PHC. The SCP, vide its detailed judgment dated August 13, 2020, had declared the GIDC Act, 2015 as valid and constitutional. The SCP in its said judgment stated that the Cess under GIDC Act, 2015 is applicable only to those consumers of natural gas which on account of their industrial or commercial dealings had passed on GIDC burden to their end customers / clients.

Subsequently, the Company has filed a review petition against the said judgment of the SCP for waiver of the full amount of GIDC Cess on the ground that the Company, being spinning unit and producing raw materials for weaving sector, has not passed on the burden of GIDC to its customers. The SCP has dismissed the afore-mentioned review petition vide its judgment dated November 02, 2020; however, SCP has mentioned in its said judgment that the companies claiming any relief under the GIDC Act, 2015 may approach the right forum. In case of an adverse decision, the contingent liability aggregates to Rs.97.630 million, calculated on the basis of applicable rate for industry from June, 2015 to October, 2018 because from October, 2018 the gas tariff is inclusive of all charges including GIDC and therefore GIDC is not applicable afterwards.

It is pertinent to mention that SNGPL, as per the SCP's judgment dated August 13, 2020, has raised GIDC demand amounting Rs.13.330 million in the month of August, 2020 and total quantum of 24 instalments aggregated Rs.319.934 million.

In February, 2021, the Company had filed a writ petition No. 872-P/2021 before the PHC claiming non-applicability of GIDC Act, 2015 and had sought relief against the recovery of GIDC Instalment Bills. The PHC, vide its judgment dated June 15, 2022, had dismissed the writ petition on the ground of non-maintainability. Afterwards, the Company had filed another writ petition No. 2459-P/2022 challenging recovery of GIDC on various grounds. The PHC had passed an interim order dated July 07, 2022 and thereby restrained SNGPL from cutting off the gas supply and recovering GIDC from the Company.

The management maintains that since the Company has not passed on the burden of GIDC to its consumers, it is not liable to pay GIDC as it clearly falls within the ambit of the exemption in line with section 8(2) of the GIDC Act, 2015.

SNGPL, following the Court's order, corrects gas bill of each month by removing the GIDC amount and requests payment for the net bill amount only i.e., excluding GIDC.

Additionally, para 42(iv) of the SCP's judgment dated August 13, 2020 categorically stated that:

"The Federal government shall take all steps to commence work on the laying of the North South pipeline within six months and on TAPI pipeline as soon as its laying in Afghanistan reaches the stage where the work of laying pipeline on Pakistan soil can conveniently start and on IP pipeline as soon as the sanctions on Iran are no more an impediment in its laying. In case no work is carried out on North-South pipeline within the prescribed time and for laying any of the two other major pipelines (IP and TAPI) though the political conditions become conducive, the purpose of levying Cess shall be deemed to have been frustrated and the GIDC Act, 2015 would become permanently in-operational and considered dead for all intents and purposes."

Since the work on IP (Iran-Pakistan Pipeline Project) and TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipelines did not commence within six months as ordered by the SCP; therefore, the provisions of GIDC Act, 2015 regarding recovery and applicability of GIDC are no longer applicable and enforceable.

17.1.3 The OGRA, while citing the judgment of the SCP dated May 10, 2019 in civil appeal in number 159-L to 2014-L of 2018 titled Sui Northern Gas Pipelines Ltd, Vs Bulleh Shah Packaging (Pvt.) Ltd., has passed the judgment that the consumers who are having supply of natural gas for industrial use and having in-house electricity generation facility for self-consumption fall in the category of industrial consumers and are subject to the corresponding tariff. The OGRA also directed SNGPL to adjust the excess amount paid. Excess amount paid by the Company amounting to Rs.46.698 million, which is expected to be adjusted by the SNGPL in future gas bills. The Company has not accounted for this amount as receivable in its financial statements.

17.1.4 The Company has challenged SRO # 584(I)/2017 by filing a writ petition dated May 15, 2018, before the PHC, challenging the levy of further tax @ 1% on textile goods usable as industrial inputs if supplied to unregistered person under section 3(A) of the Sales Tax Act, 1990. The PHC has granted stay and against the charging of further tax the Respondents have been asked to submit their comments. The petition before the PHC is pending adjudication. However, in a similar case, Lahore High Court has decided the matter in favour of industry vide its judgment dated December 11, 2018.

17.1.5 The Company has filed a writ petition before the PHC wherein vires of section 5A of the Income tax Ordinance, 2001 (Tax on undistributed profits) have been questioned. The issue revolves around imposition of tax at the rate of 5% on the accounting profit before tax where a Company does not distribute cash dividend at least 20% of its after tax profits within the period of six months from the end of the relevant tax year. Financial impact of the said tax would be around Rs.46 million. The writ petition is pending adjudication.

17.1.6 A civil petition for leave to appeal was filed against the impugned order dated March 08, 2022 passed by the PHC in W.P No. 62549 / 2019. The issue revolves around interpretation and implication of section 65(B) of the Income Tax Ordinance, 2001 viz., tax credit from investment. The subject civil petition is pending before the SCP.

17.1.7 A constitutional petition was filed before the Islamabad High Court challenging the vires of section 4C of the Income Tax Ordinance, 2001. The subject petition was decided through a consolidated order dated April 18, 2023 in favour of the petitioner. Against the order of single Judge, the Department has filed an intra court appeal, which is pending adjudication.

17.2 Commitments

17.2.1 Commitments against irrevocable letters of credit outstanding at the year-end were for Rs.303.939 million (2023: Rs.324.966 million).

17.2.2 The Company has entered into Ijarah arrangements for twelve (2023: thirteen) vehicles with First Habib Modaraba. Aggregate commitments for rentals under Ijarah arrangements as at the reporting dates are as follows:

		2024	2023
	Note	--- Rupees in '000 ---	
Not later than one year		20,711	25,127
Later than one year but not later than five years		34,507	63,750
		55,218	88,877
18. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	18.1	4,937,654	4,989,755
Right-of-use assets	18.8	0	6,196
Capital work-in-progress - factory building		0	3,360
Stores and spares held for capital expenditure		50,332	52,112
		4,987,986	5,051,423

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

18.1 Operating Fixed assets - tangible

Owned													
Freehold land	Buildings on freehold land			Plant & machinery	Diesel generators & fuel reservoir	Gas fired power plant	Electric installations	Equipment & appliances	Fire extinguishing equipment	Furniture & fixtures	Vehicles	Live-stock	Total
	Factory	Non - factory	Residential officers										

----- Rupees in '000 -----

COST / REVALUATION

Balance as at July 01, 2022	2,294,595	470,800	92,131	74,652	20,370	1,991,620	5,969	219,197	170,941	60,800	2,089	17,832	36,162	1	5,457,159
Additions during the year	0	66,717	1,540	686	3,324	92,814	0	5,556	79,310	5,730	210	48	0	0	255,935
Disposals during the year	0	0	0	0	0	(5,535)	0	0	0	0	0	0	(3,174)	0	(8,709)
Balance as at June 30, 2023	2,294,595	537,517	93,671	75,338	23,694	2,078,899	5,969	224,753	250,251	66,530	2,299	17,880	32,988	1	5,704,385

Balance as at July 01, 2023

Additions during the year	0	17,125	0	298	0	70,230	0	0	9,101	503	0	20	0	0	97,277
Transfer from right of use to owned	0	0	0	0	0	0	0	0	0	0	0	0	9,474	0	9,474
Disposals during the year	0	0	0	0	0	(32,463)	0	0	0	0	0	0	(2,513)	(1)	(34,977)
Balance as at June 30, 2024	2,294,595	554,642	93,671	75,636	23,694	2,116,666	5,969	224,753	259,352	67,033	2,299	17,900	39,949	0	5,776,159

DEPRECIATION

Balance as at July 01, 2022

Charge for the year	0	25,509	3,963	2,264	859	84,292	178	16,426	10,313	3,575	84	957	3,950	0	152,370
On disposals during the year	0	0	0	0	0	(1,120)	0	0	0	0	0	0	(1,228)	0	(2,348)
Balance as at June 30, 2023	0	25,509	17,593	31,917	14,830	437,507	3,777	102,806	21,253	30,076	1,490	9,263	18,609	0	714,630

Balance as at July 01, 2023

Charge for the year	0	25,509	17,593	31,917	14,830	437,507	3,777	102,806	21,253	30,076	1,490	9,263	18,609	0	714,630
Transfer from right of use to owned	0	26,199	3,804	2,182	886	83,616	164	8,052	11,659	3,664	81	864	3,227	0	144,398
On disposals during the year	0	0	0	0	0	(25,603)	0	0	0	0	0	0	6,631	0	6,631
Balance as at June 30, 2024	0	51,708	21,397	34,099	15,716	495,520	3,941	110,858	32,912	33,740	1,571	10,127	26,916	0	838,505

BOOK VALUE AS AT

JUNE 30, 2023

BOOK VALUE AS AT

JUNE 30, 2024

2,294,595	502,934	72,274	41,537	7,978	1,621,146	2,028	113,895	226,440	33,293	728	7,773	13,033	0	4,937,654
0	5	5	5	5	10	5	7.5	5 & 15	5	10	10	10	20	0

Depreciation rate (%)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

- 18.2** During the financial year ended June 30, 2023, borrowing cost was charged at the rates ranging from 4.00% to 17.83% per annum. Amounts aggregating Rs.4.535 million and Rs.5.526 million were included in the cost of plant & machinery and electric installations respectively.

18.3 Disposal of operating fixed assets

Asset Description	Cost / Revaluation	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
----- Rupees in '000 -----							

Particulars of operating fixed assets disposed-off during the year having book value of Rs. 500,000 or more:

Plant & machinery

Murata Machconner 7II

(Autocone)	32,463	25,603	6,860	4,800	(2,060)	Negotiation	GT Traders. Yasrab Colony, Main Bazar, Faisalabad
Toyota Corolla	2,513	1,551	962	2,775	1,813	Company policy	Norberat Saleem (ex-employee).

Others:

Live stock 1 0 1 0 (1) Natural death

Total - 2024	34,977	27,154	7,823	7,575	(248)
Total - 2023	8,709	2,348	6,361	6,281	(80)

- 18.4** Freehold land of the Company and buildings thereon are located at Saifabad, Kohat with an area of 193,145 square yards.

- 18.5** Had the operating fixed assets been recognised under the cost model, the carrying amounts of each revalued class of operating fixed assets would have been as follows:

	2024	2023
	--- Rupees in '000 ---	
Freehold land	20,475	20,475
Buildings on freehold land:		
- Factory	330,890	330,909
- Non-factory	14,392	15,149
- Residential		
- Officers	16,652	17,226
- Workers	21,107	21,994
Plant & machinery	1,501,773	1,509,771
Diesel generators & fuel reservoirs	395	427
Gas fired power plant	94,079	104,200
Electric installations	210,247	211,953
Equipment & appliances	21,176	22,991
	2,231,186	2,255,095

- 18.6** Based on the latest revaluation exercise carried-out on June 30, 2022, forced sale value of the Company's revalued assets was Rs.3,791.315 million.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

18.7 Depreciation for the year has been apportioned as under:

	2024	2023
	--- Rupees in '000 ---	
Cost of sales	138,409	145,717
Administrative expenses	5,989	6,653
	144,398	152,370

18.8 Right-of-use assets

	2024			2023		
	Vehicles	Buildings	Total	Vehicles	Buildings	Total
Cost	-----Rupees in '000-----					
Opening balance	9,474	8,119	17,593	9,474	7,865	17,339
Reassessment due to mark-up rate change	0	762	762	0	254	254
Transferred to owned assets	(9,474)	0	(9,474)	0	0	0
	0	8,881	8,881	9,474	8,119	17,593
Accumulated depreciation						
Opening balance	5,920	5,477	11,397	5,031	3,038	8,069
Depreciation for the year	711	3,404	4,115	889	2,439	3,328
Transferred to owned assets	(6,631)	0	(6,631)	0	0	0
	0	8,881	8,881	5,920	5,477	11,397
Net book value at end of the year	0	0	0	3,554	2,642	6,196
Depreciation rate (%)	20	33.33		20	33.33	

Depreciation expense relating to right of use assets has been grouped under administrative expenses.

18.9 Intangible assets

Computer software, having cost of Rs.3.532 million which has been fully amortised at the rate of 20% per annum, is still in use of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

19.	LONG TERM INVESTMENT		2024	2023
	Debt Instruments - at FVTOCI	Note	--- Rupees in '000 ---	
	Habib Bank Ltd.			
	25 Term finance certificates of Rs.100,000 each	19.1	2,500	2,500
	Adjustment arising from re-measurement to fair value		(117)	(117)
			2,383	2,383
	Soneri Bank Ltd.			
	25 Term finance certificates of Rs.100,000 each	19.2	2,500	2,500
	Adjustment arising from re-measurement to fair value		3	3
			2,503	2,503
			4,886	4,886
19.1	These carry profit at the rate of 3 months KIBOR +1.60%. Effective profit rates earned, during the current financial year, ranged from 22.97% to 24.20% (2023:16.48% to 22.79%) per annum.			
19.2	These carry profit at the rate of 6 months KIBOR + 1.70%. Effective profit rate earned during the current financial year, ranged from 23.13% to 23.83% (2023:18.76%) per annum.			
20.	LONG TERM LOANS - Secured			
	Loans to employees	20.1	1,967	1,707
	Less: current portion grouped under current assets		587	722
			1,380	985
20.1	Loans provided to employees are interest-free and have been advanced for various purposes and are secured against employees' gratuity benefits. Some of the loans provided to employees are recoverable in lump sum at the time of retirement by way of adjustment against gratuity benefits of the respective employees.			
21.	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores		16,884	8,531
	Spare parts		39,774	48,571
	Loose tools		60	80
			56,718	57,182
22.	STOCK-IN-TRADE			
	Raw materials:			
	- at mills		806,123	773,564
	- in-transit		88,764	53,453
			894,887	827,017
	Work-in-process		59,382	75,783
	Finished goods	22.2	406,296	330,960
			1,360,565	1,233,760

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

22.1 Raw materials and finished goods inventories are pledged with commercial banks as security for short term finance facilities (note 14).

22.2 As at June 30, 2024, no finished goods inventory has been stated at net realisable value; (June 30, 2023: finished goods included items costing Rs.145.485 million, which were stated at their net realisable value aggregating Rs.137.300 million. The amount charged to cost of sales in respect of finished goods stocks written down to their realisable value amounted to Rs.8.185 million).

23. TRADE DEBTS

All the trade debts of the Company have been considered good as no balance was overdue as at June 30, 2024; accordingly, no allowance for expected credit loss is required at the reporting date.

24. LOANS AND ADVANCES

	Note	2024 --- Rupees in '000 ---	2023
Current portion of long term loans	20	587	722
Advances - considered good			
- employees		1,358	1,599
- suppliers		585	3,229
		<u>2,530</u>	<u>5,550</u>

25. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposits		8,880	5,640
Claims for mark-up subsidy	25.1	10,831	10,831
Short term prepayments		167	167
Other receivables		611	591
		<u>20,489</u>	<u>17,229</u>

25.1 These represent mark-up subsidy claims booked under the Government's "Technology Up-gradation Support Order 2010". These claims have been duly verified by the banks of the Company.

26. TAXATION - Net

Balance of advance tax / (tax payable) at beginning of the year		71,468	(31,697)
Add: income tax deducted / paid during the year		104,748	96,696
		<u>176,216</u>	<u>64,999</u>
Less: provision made for			
- current year	35	(8,001)	0
- prior year		0	6,469
		<u>(8,001)</u>	<u>6,469</u>
		<u>168,215</u>	<u>71,468</u>
Less : adjustment made against completed assessment		(74,426)	0
Balance of advance tax at end of the year		<u>93,789</u>	<u>71,468</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

- 26.1** Income tax assessments of the Company have been finalised by the Income Tax Department or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 upto Tax Year 2023.

27. CASH AND BANK BALANCES

	Note	2024 --- Rupees in '000 ---	2023
Cash-in-hand		0	2,357
Cash at banks on:			
- current accounts		9,618	11,705
- dividend account		1	211
		9,619	14,273

28. SALES - Net

Own manufactured goods:

- yarn	9,186,511	6,933,021
- waste	66,886	40,432

Trading activities:

- raw materials	183,025	17,862
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	9,436,422	6,991,315
Less: sales tax	1,472,280	1,039,053
	7,964,142	5,952,262

- 28.1** All the contracts were with the local customers under one performance obligation and the revenue has been recognised at the point in time when the goods have been transferred to the customers.

29. COST OF SALES

Raw materials consumed	29.1	4,919,598	4,046,191
Packing materials consumed		153,211	123,641
Salaries, wages and benefits	29.2	613,519	488,037
Power and fuel		834,041	400,764
Repair and maintenance		106,243	80,390
Depreciation	18.7	138,409	145,717
Insurance		20,143	14,056
Vehicles' running and maintenance		9,745	9,005
Traveling and conveyance		2,079	633
Guest house and entertainment		1,341	1,410
Textile cess		54	38
Others		5,175	4,916
		6,803,558	5,314,798
Adjustment of work-in-process			
Opening		75,783	67,607
Closing		(59,382)	(75,783)
		16,401	(8,176)
Cost of goods manufactured		6,819,959	5,306,622
Adjustment of finished goods			
Opening stock		330,960	129,474
Closing stock		(406,296)	(330,960)
		(75,336)	(201,486)
		6,744,623	5,105,136

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

	Note	2024 --- Rupees in '000 ---	2023
29.1 Raw materials consumed			
Opening stock		827,017	959,603
Add:			
Purchases		4,825,207	3,894,838
Cost of raw materials sold		159,171	15,977
Insurance		3,090	2,790
		4,987,468	3,913,605
		5,814,485	4,873,208
Less: closing stock		894,887	827,017
		4,919,598	4,046,191
29.2	These include Rs.54.164 million (2023: Rs.46.053 million) in respect of staff retirement benefits - gratuity.		
30. DISTRIBUTION COST			
Freight and forwarding		68,852	54,167
Travelling and conveyance		2,373	3,101
Salaries and benefits	30.1	17,628	14,321
Rent, rates and utilities		1,077	1,158
Communication		65	97
Insurance		1,988	1,072
Commission		9,991	6,351
		101,974	80,267
30.1	These include Rs.0.622 million (2023: Rs.0.529 million) in respect of staff retirement benefits - gratuity.		

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

31. ADMINISTRATIVE EXPENSES

	Note	2024 --- Rupees in '000 ---	2023
Directors' remuneration and fees		26,806	26,657
Salaries and benefits	31.1	65,550	53,033
Travelling and conveyance		3,616	2,184
Rent, rates and taxes		5,163	8,767
Ijarah rentals		24,798	19,076
Entertainment		2,712	2,218
Communication		2,320	1,575
Printing and stationery		1,133	1,103
Utilities		5,630	4,265
Insurance		13,394	11,396
Vehicles' running and maintenance		10,274	7,351
Repair and maintenance		2,389	2,280
Advertisement		160	277
Subscription		4,099	4,995
Newspapers and periodicals		31	42
Depreciation related to operating fixed assets	18.7	5,989	6,653
Depreciation related to right of use assets	18.8	4,115	3,328
Auditors' remuneration	31.2	1,762	1,731
Legal and professional (other than Auditors)		625	1,134
Others		602	535
		181,168	158,600

31.1 These include Rs.7.471 million (2023: Rs.6.353 million) in respect of staff retirement benefits - gratuity.

31.2 Auditors' remuneration

Statutory audit	1,100	1,100
Half yearly review	150	147
Certification charges	377	349
Consultancy services and others	120	120
Out-of-pocket expenses	15	15
	1,762	1,731

31.3 The Company, during the current financial year, has shared administrative expenses aggregating Rs.5.038 million (2023: Rs.4.278 million) with Saif Textile Mills Ltd. (a related party) on account of proportionate expenses of the combined offices at Karachi and Lahore. These expenses have been booked in the respective heads of account.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

	Note	2024 --- Rupees in '000 ---	2023
32. OTHER INCOME			
Sale of scrap		737	1,794
Unclaimed payable balances written-back		70	1,587
Profit earned on term finance certificates		1,180	707
Amortisation of government grant	9.2	14,023	12,906
		16,010	16,994
33. OTHER EXPENSES			
Loss on sale of operating fixed assets	18.3	248	80
Workers' (profit) participation fund	12.3	16,485	7,037
Workers' welfare fund	12.4	5,334	594
Donations	33.1	6,240	7,210
		28,307	14,921

- 33.1** These include Rs.6 million (2023: Rs.6 million) and Rs.0.240 million (2023: Rs.0.960 million) donated to Akbar Kare (a section 42 Company) and Wadaan Foundation for Sustainable Development (Technical and Training Institute) respectively. Following directors of the Company are interested in these donations.

Akbar Kare

- Hoor Yousafzai
- Rana Muhammad Shafi

Wadaan Foundation for Sustainable Development:

- Osman Saifullah Khan
- Rana Muhammad Shafi

34. FINANCE COST - Net

Mark-up on sub-ordinated loan from the Holding Company	34.1	0	5,100
Mark-up / profit on long term financing		93,936	112,124
Mark-up / profit on short term borrowings		487,471	342,835
Interest on lease finances		320	999
Interest on workers' (profit) participation fund	12.3	467	1,051
Bank and other charges		17,522	8,078
		599,716	470,187

- 34.1** The Company had fully repaid the outstanding balance of sub-ordinated loan from the Holding Company during the preceding financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

35. TAXATION

		2024	2023 Restated
	Note	--- Rupees in '000 ---	
Current			
- for the year	35.1	8,001	0
- for prior year		0	(6,469)
		8,001	(6,469)
Deferred - origination and reversal of temporary differences	11	2,685	(12,966)
		10,686	(19,435)

35.1 This represents tax due under section 4C (Super tax on high earnings persons) of the Income Tax Ordinance, 2001.

36. EARNINGS PER SHARE

36.1 Basic earnings per share

Profit after taxation attributable to
ordinary shareholders

214,117	85,154
--- No. of shares ---	

Weighted average number of shares
outstanding during the year

20,800,000	20,800,000
--- Rupees ---	

Earnings per share

10.29	4.09
-------	------

36.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2024 and June 30, 2023, which would have any effect on the earnings per share if the option to convert is exercised.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

37.1 Financial Risk Factors

The Company has exposure to the following risks from its use of financial instruments:

- market risk
- credit risk; and
- liquidity risk.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

37.1.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will effect 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 the return. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

(a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of raw materials, plant & machinery and stores & spares denominated in U.S. Dollar. The Company's exposure to foreign currency risk for U.S. Dollar has been disclosed in note 17.2.1.

The following significant exchange rates have been applied:

	Average rate		Reporting rate	
	2024	2023	2024	2023
U.S. \$ to Rupee	282.60	250.08	278.80	287.10

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the Company.

(b) 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 change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2024	2023	2024	2023
	Effective rate		Carrying amount	
Financial liabilities	%	%	---	Rupees in '000 ---
Variable rate instruments				
Long term financing	3.50 to 24.07	3.50 to 23.08	771,427	848,703
Lease liabilities	21.76 to 24.07	13.01 to 23.97	0	3,547
Short term borrowings	18.11 to 25.71	13.01 to 23.97	1,919,215	1,941,357

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

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 of the Company.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2024, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit after taxation for the year would have been lower / higher by Rs.26.906 million (2023: Rs.27.936 million) mainly as a result of higher / lower interest expense on variable rate financial liabilities.

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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 instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk.

37.1.2 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss to the Company if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities 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.

Credit risk primarily arises from long term deposits, trade debts, security deposits and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 days to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high crediting ratings.

Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2024 along with comparative is tabulated below:

	2024	2023
	--- Rupees in '000 ---	
Long term deposits	16,321	15,263
Trade debts	1,760,880	1,398,063
Security deposits and other receivable	9,491	6,231
Bank balances	9,619	14,273
	<u>1,796,311</u>	<u>1,433,830</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

All the trade debts at the statement of financial position date represent domestic parties.
The aging of trade debts at the statement of financial position date was as follows:

	2024	2023
	--- Rupees in '000 ---	
Not yet due	1,401,514	1,250,207
Past due - more than 30 days	359,366	147,856
	<u>1,760,880</u>	<u>1,398,063</u>

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for the Company various customer segments with similar loss patterns (i.e. by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

37.1.3 Liquidity risk

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

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
----- Rupees in '000 -----				

As at June 30, 2024

Long term financing	771,427	959,679	254,887	625,090	79,702
Long term deposits	7,281	7,281	0	7,281	0
Trade and other payables	864,918	864,918	864,918	0	0
Accrued mark-up / profit	130,196	130,196	130,196	0	0
Short term borrowings	1,919,215	2,106,099	2,106,099	0	0
Unpaid dividends	209	209	209	0	0
Unclaimed dividends	939	939	939	0	0
	<u>3,694,185</u>	<u>4,069,321</u>	<u>3,357,248</u>	<u>632,371</u>	<u>79,702</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 years and above
----- Rupees in '000 -----					
As at June 30, 2023					
Long term financing	848,703	1,067,565	315,904	735,863	15,798
Lease liabilities	3,547	3,895	3,895	0	0
Long term deposits	4,636	4,636	0	4,636	0
Trade and other payables	619,918	619,918	619,918	0	0
Accrued mark-up / profit	135,077	135,077	135,077	0	0
Short term borrowings	1,941,357	2,142,932	2,142,932	0	0
Unpaid dividends	209	209	209	0	0
Unclaimed dividends	939	939	939	0	0
	<u>3,554,386</u>	<u>3,975,171</u>	<u>3,218,874</u>	<u>740,499</u>	<u>15,798</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

37.2 Fair value measurement of financial instruments

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant input are not based on observable market data, the instrument is included in Level 3.

At June 30, 2023, investment in debt instruments have been measured at fair value using year-end quoted price. Fair value of these investments falls within level 1 of fair value hierarchy as mentioned above.

Except for the above, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

37.3 Financial instruments by category

	2024			2023		
	Amortised cost	At fair value through OCI	Total	Loans and receivables	At fair value through OCI	Total
Financial assets	----- Rupees in '000 -----					
as per statement of financial position						
Long term investments	0	4,886	4,886	0	4,886	4,886
Long term loans	1,380	0	1,380	985	0	985
Long term deposits	16,321	0	16,321	15,263	0	15,263
Trade debts	1,760,880	0	1,760,880	1,398,063	0	1,398,063
Loans and advances	1,945	0	1,945	2,321	0	2,321
Deposits and other receivables	19,711	0	19,711	16,471	0	16,471
Cash and bank balances	9,619	0	9,619	14,273	0	14,273
	1,809,856	4,886	1,814,742	1,447,376	4,886	1,452,262

	Financial liabilities measured at amortised cost	
	2024	2023
Financial liabilities	--- Rupees in '000 ---	
as per statement of financial position		
Long term financing	771,427	848,703
Lease liabilities	0	3,547
Long term deposits	7,281	4,636
Trade and other payables	864,918	619,918
Accrued mark-up / profit	130,196	135,077
Short term borrowings	1,919,215	1,941,357
Unpaid dividends	209	209
Unclaimed dividends	939	939
	3,694,185	3,554,386

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

38. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities				
	Long term financing	Lease liabilities	Short term borrowings	Accrued mark-up and interest	Dividend
	----- Rupees in '000 -----				
Balance as at July 01, 2023	848,703	3,547	1,941,357	135,077	1,148
Changes from financing activities					
Finances obtained	125,000	0	0	0	0
Finances repaid	(216,299)	0	(22,142)	0	0
Transferred to deferred income	14,023	0	0	0	0
Modification	0	762	0	0	0
Repayment of finance lease liabilities	0	(4,629)	0	0	0
Finance cost paid	0	0	0	(587,075)	0
Total changes from financing cash flows	771,427	(320)	1,919,215	(451,998)	1,148
Other changes					
Mark-up / Interest expense	0	320	0	582,194	0
Balance as at June 30, 2024	771,427	0	1,919,215	130,196	1,148

	Liabilities				
	Long term financing	Liabilities Lease	Short term borrowings	Accrued mark-up and interest	Dividend
	----- Rupees in '000 -----				
Balance as at July 01, 2022	1,007,311	8,635	1,203,169	62,560	1,148
Changes from financing activities					
Finances obtained	50,000	0	738,188	0	0
Finances repaid	(211,873)	0	0	0	0
Transferred to deferred income	3,265	0	0	0	0
Reassessment due to mark-up rate change	0	254	0	0	0
Repayment of finance lease liabilities	0	(6,341)	0	0	0
Finance cost paid	0	0	0	(389,592)	0
Total changes from financing cash flows	848,703	2,548	1,941,357	(327,032)	1,148
Other changes					
Mark-up / Interest expense	0	999	0	462,109	0
Balance as at June 30, 2023	848,703	3,547	1,941,357	135,077	1,148

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

39. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

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 and / or issue new shares.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. It is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (long term finances and short term borrowings as shown in the statement of financial position) less cash and bank balances. Total equity includes all capital and reserves of the Company that are managed as capital. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2024	2023
	--- Rupees in '000 ---	
Total borrowings	2,690,642	2,793,607
Less: cash at banks	9,619	14,273
Net debt	2,681,023	2,779,334
Total equity	3,910,444	3,709,061
Total capital	6,591,467	6,488,395
Gearing ratio	41%	43%

40. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Holding Company, Associated Companies, Directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

40.1 Name and nature of relationship

Holding and Associated Companies

Saif Holdings Ltd. (the Holding Company holds 77.98% shares of the Company)

Saif Textile Mills Ltd. (an Associated Company due to common directorship)

Sky Electric Private Ltd. (an Associated Company due to common directorship)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the entity. The Company considers its Chief Executive, Directors and all team members of its management team to be its key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

	2024	2023
	--- Rupees in '000 ---	
40.2 Significant transactions with the related parties		
i) The Holding Company		
- mark-up accrued on loan	0	5,100
- sale of asset	0	2,450
ii) Associated Companies		
Sale of:		
- goods, store items and services	151,179	3,126
Purchase of raw materials	0	192,801
Purchase of assets	16,061	78,033
Donations	6,240	7,210
iii) Related Party		
Gas purchase	467,469	0
iv) Key management personnel		
Salary and other employment benefits	41,916	40,303

41. REMUNERATION OF CHIEF EXECUTIVE, AND EXECUTIVES

	Chief Executive		Executives	
	2024	2023	2024	2023
	----- Rupees in '000 -----			
Managerial remuneration	26,146	25,777	58,033	45,334
Medical expenses reimbursed	0	0	543	598
	26,146	25,777	58,576	45,932
Number of persons	1	1	9	10

41.1 In addition to the above, meeting fees amounting Rs.660 thousand (2023: Rs.880 thousand) were paid to eight (2023: eight) directors during the current financial year.

41.2 The Chief Executive and some of the executives are also provided with Company's maintained cars in accordance with their terms of employment.

	2024	2023
42. CAPACITY AND PRODUCTION		
No. of spindles installed (in '000)	45	45
Average no. of spindles shifts worked (in '000)	47,752	47,204
No. of days worked	366	365
No. of shifts worked	1,098	1,095
Average count	31.33	33.93
Actual production (in '000)	Kgs 9,751	9,193

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

It is difficult to describe precisely the production capacity in textile spinning industry since it fluctuates widely depending on various factors, such as count of yarn spun, spindles speed, twist per inch and raw materials used, etc. It also varies according to the pattern of production adopted in a particular year.

43. OPERATING SEGMENT

These financial statements have been prepared on the basis of single reportable segment.

43.1 Yarn sales represent 97.34% (2023: 99.16%) of the total sales of the Company.

43.2 Whole of the Company's sales relate to customers in Pakistan.

43.3 All non-current assets of the Company as at June 30, 2024 are located in Pakistan.

43.4 None of the Company's customers sales exceeded 10% of total sales of the Company.

44. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees as at June 30,	1,070	1,082
Average number of employees during the year	1,058	1,107

45. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX AND CORRESPONDING FIGURES

45.1 DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under Paragraph 10 of item VI and item VII of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

	2024		2023	
	Carried under		Carried under	
	Non - Sharia arrangements	Sharia arrangements	Non - Sharia arrangements	Sharia arrangements
	----- Rupees in '000 -----			
Long term financing	350,346	421,081	351,422	514,857
Short term borrowings	819,249	1,099,966	841,486	1,099,871
Bank balances	8,107	1,512	12,044	2,229
Mark-up	299,051	282,676	235,463	220,495

The Company has banking relationship with Islamic windows of conventional banking system as well as Shariah compliant banks only.

45.2 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; significant re-classifications / re-statements made in these financial statements have been detailed in note 4.1.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

46. GENERAL

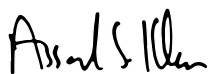
46.1 Non Adjusting events subsequent to the reporting date

The Board of Directors of the Company, in their meeting held on September 30, 2024 has proposed a final cash dividend of 10% (i.e. Rs 1 Per share) amounting to Rs 20.800 million for the year ended June 30, 2024, for approval of the members at the Annual General Meeting to be held on October 25, 2024.

These financial statements do not include the effect of above dividends.

46.2 Date of authorisation for issue

These financial statements were authorised for issue on September 30, 2024 by the Board of Directors of the Company.



ASSAD SAIFULLAH KHAN

Chief Executive Officer



RANA MUHAMMAD SHAFI

Director



ABID HUSSAIN

Chief Financial Officer

FORM OF PROXY

I/we.....of.....being a member of Kohat Textile Mills Limited hereby appoint Mr./Ms..... offailing whom Mr./Ms..... ofas my proxy to attend act for me, and on my behalf, at the Annual General Meeting of the Company to be held on Friday, 25 October, 2024 at 11:00 a.m. and any adjournment there of.
Dated thisday of2024.

Revenue
Stamp
Rs..50/-

Specimen Signature of Proxy

Folio No.....

Participant I.D No.....

Sub Account No.

Signature of Shareholder

Specimen Signature of Alternate Proxy

Folio No.....

Folio No.....

Participant I.D No.....

Participant I.D No.....

Sub Account No.....

Sub Account No.....

Note:

- i) If a member is unable to attend the Meeting, he/she may appoint another member as his/her proxy and send this form to Kohat Textile Mills Limited, APTMA House, Tehkal Payan, Jamrud Road, Peshawar to reach not less than 48 hours before the time appointed for holding the meeting.
- ii) Attested copies of CNIC or the Passport of the beneficial owners and the Proxy shall be furnished with the Proxy form.
- iii) The Proxy shall produce his original CNIC or original Passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted(unless it has been Provided earlier) along with Proxy Form to the Company.

فارم آف پراسی

[illegible]

مورخه _____ برونه _____ ماهه _____ 2024

پراسی کے دستخط کا نمونہ۔

فولیو نمبر۔

شرکت کنندہ کی شناختی کارڈ نمبر۔

ذیلی اکاؤنٹ نمبر۔

متبادل پراسی کے دستخط کا نمونہ۔

فولیو نمبر۔

شرکت کنندہ کی شناختی کارڈ نمبر۔

ذیلی اکاؤنٹ نمبر۔

حصہ دار کا دستخط _____
 فولیو نمبر _____
 شرکت کنندہ کی شناختی کارڈ نمبر _____
 ذیلی اکاؤنٹ نمبر _____

نوٹ:

- (i) اگر کوئی ممبر اجلاس میں حاضر ہونے سے قاصر ہے تو وہ اپنا پراکسی تعینات کرنے کا مجاز ہے اور فارم ہذا کو اجلاس کے انعقاد کے لئے مقررہ وقت سے کم از کم ۴۸ گھنٹے پہلے تک کو ہاٹ ٹیکسٹائل ملز لمیٹڈ واقع آپٹا ہاؤس، تہہ کال پایاں، جمرو دروڈ، پشاور میں جمع کرادے۔
- (ii) مستفید مالکان اور پراکسی کے شناختی کارڈ یا پاسپورٹ کے مصدقہ نقول پراکسی فارم کے ساتھ منسلک ہونا چاہیئے۔
- (iii) اجلاس کے وقت پراکسی کو اپنا اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- (iv) کمپنی ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بشمول نمونہ دستخط (بشرطیکہ پہلے سے کمپنی کو فراہم نہ کیا گیا ہو) پراکسی فارم کے ساتھ جمع کرنا ہوگا۔



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