PREMIUM
TEXTILE
MILLS

PREMIUM TEXTILE MILLS

ANNUAL REPORT

2024

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2024

Results in Brief

	Year 2024 PKR	Year 2023 PKR
Operating income	2,735,640,195	3,113,048,051
(Loss) / Profit after Taxation	(441,294,690)	1,042,643,340
Total assets	30,539,757,151	28,048,902,808
Total equity	8,491,731,125	9,152,667,700
Dividend paid (per share)	Nil	PKR 25

Vision

At Premium Textile Mills Ltd, we envisage ourselves as a leading company in the manufacturing of value-added products. Our relentless endeavors are directed to make our customers view Premium as a reliable brand that gets to the future first.

Mission

Our mission is to manage and operate the company in a manner that allows continued growth and profitability without high risk for investors. We do this by offering quality products to our customers, by constantly striving to improve our product to meet our customers' needs and by trying to keep abreast of the new developments taking place in the textile world.

Culture

Our company culture is deeply rooted in our rich history and our passion for excellence in textile manufacturing. We foster an environment that embraces innovation, collaboration, and a commitment to producing high-quality yarns and socks. Our culture is characterized by the following core values:

Core Values

Value our customers & employees

Think outside the box

Embrace & integrate accountability in everything we do

Create a welcoming environment for everybody

Care about generations to come

Strive for growth & learning

Business conduct & code of ethics

At Premium Textile Mills Ltd, we uphold the highest standards of business conduct and ethics. Our Code of Ethics serves as a guiding framework, outlining our commitment to integrity, transparency, and responsible practices. It guides our interactions with customers, employees, partners, and stakeholders, fostering a culture of trust, respect, and accountability.

Build Trust and Credibility - The success of our business is dependent on the trust and confidence we earn from our employees, customers, and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity, and reaching company goals solely through honourable conduct. It is easy to say what we must do, but the proof is in our actions. Ultimately, we will be judged on what we do.

Respect for the Individual - Premium Textile Mills Ltd. Is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive, or harassing behavior. Any employee who feels harassed or discriminated against should report the incident to his or her manager or to human resources.

Create a Culture of Open and Honest Communication Premium Textile Mills Ltd. will investigate all reported instances of questionable or unethical behaviour. In every instance where improper behaviour is found to have occurred, the company will take appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

Uphold the Law - Premium Textile Mills Ltd.'s commitment to integrity begins with complying with laws, rules, and regulations where we do business.

Proprietary Information - It is important that we respect the proprietary rights of others. We will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential information. We will not engage in unauthorized use, copying, distribution, or alteration of software or other intellectual property.

Selective Disclosure - We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material non-public information with respect to Premium Textile Mills Ltd, its securities, business operations, plans, financial condition, results of operations or any development plan.

Conflict of Interest - We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. We must never use Premium Textile Mills Ltd. property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with Premium Textile Mills Ltd.

Gifts, Gratuities, and Business Courtesies - Premium Textile Mills Ltd. is committed to competing solely on the merit of our products and services. We will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation, or policies of Premium Textile Mills Ltd. Or customers, or would cause embarrassment or reflect negatively on Premium Textile Mills Ltd.'s reputation.

Accurate Public Disclosures - We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely, and understandable.

Corporate Recordkeeping - We create, retain, and dispose of our company records as part of our normal course of business in compliance with all Premium Textile Mills Ltd. policies and guidelines, as well as all regulatory and legal requirements.
All corporate records must be true, accurate, and complete, and company data must be promptly and accurately entered into our books in accordance with Premium Textile Mills Ltd.'s and other applicable accounting principles.

Confidential and Proprietary Information - We will not disclose confidential and non-public information without a valid business purpose and proper authorization.

Health and Safety - Premium Textile Mills Ltd. Is dedicated to maintaining a healthy environment. A safety manual has been designed to educate you on safety in the workplace.

"Our unwavering commitment is to lead by example, upholding the values that define us. We prioritize honesty, transparency, and fairness in everything we do, fostering a culture of trust and respect. Together, we strive to create a business environment where integrity and ethical conduct flourish, ensuring our collective success and making a positive impact on the world around us."

Corporate Information

Board of Directors

Mr. Muhammad Aslam Parekh	Chairman
Mr. Abdul Kadir Adam	Chief Executive
Mr. Mohammad Yasin Siddik	Executive Director
Ms. Naila Hasan	Independent Director
Mr. Mohammad Raziuddin Monem	Independent Director
Ms. Lubna Asif Balagamwala	Non-Executive Director
Mr. Tanzeel Abdul Sattar (NIT Nominee)	Non-Executive Director

Company Secretary
Mr. Hammad Ullah Khan

Managing Director
Mr. Zaid Siddik

Technical Director
Mr. Ashraf Aziz

Chief Financial Officer
Ms. Shenila Parekh

Legal Advisor
Farooq Rashid Advocate

Auditors
Rahman Sarfaraz Rahim
Iqbal Rafiq Chartered Accountants

Registered and Corporate Office
1st floor, Haji Adam Chambers, Altaf Hussain Road,
New Challi, Karachi.
Phone: 0213 -2400405-8
Email: premhead@premiumtextile.com

Mill
Plot 58,60,61 &76,77,78 Main Super Highway,
Nooriabad, Distt. Dadu (Sindh), Pakistan.
Phone : (025) 4007463-9

Share Registrar
FD Registrar Services (SMC-Pvt) Ltd. 17th floor,
Saima Trade Tower A I.I. Chundrigar Road,
Karachi Phone:0213-2271905-6
fdregistrar@yahoo.com

Bankers
Bank Al- Habib limited
Bank Al- Falah limited
Meezan Bank Limited
Habib Bank Limited
Habib Metropolitan Bank
Askari Bank

Audit Committee

Ms. Naila Hasan	Chairperson
Mr. Raziuddin Monem	Member
Ms. Lubna Asif Balagamwala	Member

Human Resources & Remuneration Committee

Mr. Mohammad Raziuddin Monem	Chairman
Ms. Naila Hasan	Member
Ms. Lubna Asif Balagamwala	Member

Website
www.premiumtextile.com

About Premium

From the fibers we spin to the socks we create, we strive to be the vital link that weaves quality, innovation, and everyday essentials into the fabric of people's lives

Spinning

Est. **1989**

93,471 Spindles & Rotors
(87,863 Ring Frames,
3,400 Rotors AC9s
192 MVS)

Producing
98,795 kg
Yarn/day

Socks

Est. **2022**

264 Lonati Sbys Knitting Machines

Producing **6308 dozens** pairs/day

Ever since the inception of Premium Textile Mills Ltd. took place in 1989 the group has successfully diversified into the manufacturing of auto parts and trading. The relentless perseverance of the formative years has been the guiding principle for the group to achieve an annual turnover in excess of Rs.25+ billion. However, as the flagship company, Premium Textile Mills Ltd remains the major contributor in the brilliant standing of the group.

Premium Textiles started its operations with 12,230 spindles serving only the local market in the initial years. It is now annually producing approximately 33,566 million kilograms (based on 20/1) with 93,471 spindles. Currently, the company is operating in both local and international horizons that have brought the company to a reckoned position in a competitive industry. With a commitment to invest every year in BMR, Premium Textiles is geared towards acquiring the latest technology to provide better value for money to our customers in the form of Premium yarn. The company is also operating its own power generation plant to ascertain uninterrupted power supply all the year round.

Having served customers in the Americas, Europe, Middle East, Central Asia and Far East we have the requisite experience and feel of the customers around the world. Acquisition of latest technology coupled with stringent quality control measures have given us an edge that reflects in our quality and the portfolio of satisfied customers. Our standards of business ethics and the human capital form the assets that are revered not only throughout the organization but also in the industry.

PKR 27 billion in sales revenue in fiscal year 2024

All financial amounts are presented in PKR
For the fiscal year beginning 07/01/23 and ending 06/30/2024.

Empowering Journeys, One Step Further

At **Premium Textile Mills,** we strongly believe in a future that promotes sustainable and inclusive growth. That's why we're actively working on important matters like reducing carbon emissions and embracing diversity. We're driven by a clear purpose and dedicated to turning this vision into a reality. Together, we're shaping a better future for everyone.

Environmental, Social, & Governance (ESG)

Environmental Stewardship

We have strived to minimize environmental impact by adopting new technology which is designed to be environmentally friendly and helps in promoting waste reduction and recycling.

1. **Renewable Energy**:
In order to reduce our dependence on gas consumption for running gas generators we have obtained solar energy systems to the tune of 5.2 MW. Also, we are in the process of acquiring solar energy of 7.5 MW and wind turbines will be installed in the next three years of about 4.8 MW to reduce carbon emissions and thereby comply with environmentally friendly solutions. Our reliance on green energy will therefore be around 90%.

2. **Organic Cotton Partnership:**
We have partnered with WWF Pakistan to launch an organic cotton project of 8000 acres for producing 5800 metric tons of lint cotton. It aims at bringing a positive change on the environmental and social lands in the remote town of Pacca Chang in South Eastern Pakistan.

3. **Water Consumption:**
Textile dyeing industry uses chemicals which are harmful to the environment and therefore the water discharged has to be treated or disposed of in a manner that it avoids environmental contamination. We have installed an Effluent Treatment Plant ETP that treats 750m3/day of water. Also, this screening helps achieve preservation of environment.

4. **Sustainable Materials:**
In our continuous pursuit of sustainability, we have embraced innovative yarn which include:

- **Luna Yarn**

Luna yarn is used for apparel, bedding and upholstery. It is versatile with optimum performance. It has antimicrobial properties which also makes its environmentally responsible due to non – leaching properties.

Regenerated Yarn:
The textile recycling industry annually diverts about 15 % to 30% waste. Textile recycling industry is able to process 93% of the waste without the production of any new hazardous waste or harmful by products.
We specialize in all kinds of blends on recycled yarns from 95% cotton and 5% polyester all the way up to 65% polyester 35% cotton in regenerated yarn.

- **Tri blend yarn**

Is made in viscose, wool, and polyester. It is a triple blend which provides both softness, durability and beauty. This production of this yarn lands cheaper than cotton with no compromise in quality. It is also best suited to the environment.

5. **Innovative Technologies:**
At premium we always thrive to maintain balance with advancement and innovation in business. Our focus is to minimize waste and increase productivity.
Installing Control Weighing system is one way to minimize the waste at micro levels to ensure effective control over waste. We plan to install it because it will benefit in improving MRP (Material Resource Planning) following Industrial 4.0 planning.

Energy Master (Utilities Control Software) is another milestone that can fulfill and provide hands on control on energy and its usage amicably that ensures sustainability.

Accreditations and Industry Alliances

RECYCLED 100 claim standard · RECYCLED BLENDED claim standard · CYCLO RECYCLED FIBERS · BCI Better Cotton Initiative · ORGANIC BLENDED content standard · GLOBAL ORGANIC TEXTILE STANDARD GOTS · COTTON USA · Higg Index · C-TPAT · INDITEX · U.S. COTTON TRUST PROTOCOL · OEKO-TEX® MADE IN GREEN · COTTON MADE IN AFRICA · OEKO TEX® · OEKO-TEX® STANDARD 100 · Global Recycled Standard

Social Responsibility

Through our robust social responsibility initiatives, we strive to empower lives, nurture communities, and foster sustainable development:

1. **Enhancing Healthcare Access:**
Comprehensive health insurance coverage is provided in the form of hospitalization insurance which covers maternity benefits as well. A doctor has been employed at the factory to provide medical advice and treatments to the workers on site and their families. Smoking, alcohol and drugs are prohibited in the workplace. Preventive actions are taken to avoid any injuries and illnesses in the workplace.

2. **Sustainable Farming and Employment Creation:**
ReGen Kapaas

Aims of the Initiative:
The purpose of this initiative is to promote regenerative agriculture farming practices in Sindh province through a strategic partnership between Premium Textile Mills and WWF.

Key Performance Measures:

Farmer: 1021
Cotton Area: 8023 Acres
Land: Pacca Chang Sindh Province

3. **Fair Trade and Ethical Sourcing:**
We are committed to support fair trade and ethical sourcing by ensuring that fair prices are paid to farmers and workers in our supply chain. Fair trade is to provide farmers with alternate trading routes to secure higher and more stable incomes. It is meant to improve their living and working conditions boosting their productivity and income.

4. **Technical Training and Skill Development:**
Vocational training is given to workers to improve their skills for preparing them for using new technological changes implemented by way of installing new and improved machinery for producing innovative yarn. Recent graduates who are Engineers and MBAs are employed for temporary internship at our company for equipping them with necessary skills for paving the way for long term employment.

5. **Women empowerment:**
We take pride in employing quite a few numbers of women in our company at the head office. Women empowerment involves creating of an environment and provide suitable positions in the company that require them to take important strategic decisions for the company's benefit. We have also devised strategies to help them grow and progress with our support for elevated positions in the organization.

Governance and Ethics

Under the ESG framework, our company demonstrates a strong commitment to governance and ethics.
We have implemented several measures to ensure responsible and transparent practices

1. **Codes of Conduct and Ethics:**
We uphold the highest standards of business conduct and ethics. We also have an employee handbook that indicates the rules and regulations of employment and outlines the expected standards for employees emphasizing integrity, honesty and compliance.

2. **Shareholder Engagement:**
Our company values shareholder engagement and conducts annual general meetings and corporate briefing session for apprising the shareholders about the status of the company in terms of profitability, compliance and governance and voice their concerns on performance and governance practices.

3. **Diversity and Inclusion:**
In an effort for this organization to run its business effectively and responsibly we strive to ensure that people from various races and backgrounds are socially accepted and integrated into the company"s xcd environment. Also, leadership roles and key strategic positions are given to women to shape our organization's business. Employees from all departments whether is senior or junior positions are all encouraged to voice their concerns about their problems to the HR department for matters affecting them in the company.

Gender Pay Gap as on June 30 2024

Mean: On average, men earn 41.17% more than women.

Median pay for men is 7.17% higher than for women.

The above ratios reflect the gender pay gap among head office employees only, as there are no women in the factory due to its remote location and other factors. The company is dedicated to providing equal opportunities and fair, competitive compensation for female employees, based on their experience, qualifications, and individual performance.

SUSTAINABILITY DEVELOPMENT ACHIEVEMENTS

We contribute to achieving the SDGs (Sustainable Development Goals) through our business activities in a broad range of markets associated with ocean, land, and air transport.

CLEAN WATER AND SANITATION

- Controlled & hygienic water dispensing system
- RO Plant
- Controlled plumbing & sanitation system

AFFORDABLE AND CLEAN ENERGY

- Solar PV Capacity 5.2MW
- Waste Heat Recovery System
- Energy Efficient Motors IE3 & IE4

INDUSTRY, INNOVATION AND INFRASTRUCTURE

- USGB Leed Certification
- Selection of industry 4.0 machines, equipped with regenerated motors

SUSTAINABLE CITIES AND COMMUNITIES

- Implemented policies for inclusion, resource efficiency, & disaster risk reduction
- Green spaces at Mill for workers & their families

CLEAN WATER AND SANITATION

- Margasa, textile recycling plant
- Producing Yarn with reclaimed material like r-PET sourced from Pinnacle fibers, a subsidiary of Premium Textile Mills

AFFORDABLE AND CLEAN ENERGY

- Miyawaki Forest underway; A magnificent and eco-friendly project

SUSTAINABILITY DEVELOPMENT ACHIEVEMENTS

We contribute to achieving the SDGs (Sustainable Development Goals) through our business activities in a broad range of markets associated with ocean, land, and air transport.

INDUSTRY, INNOVATION AND INFRASTRUCTURE

- ETP 750 m3/day
- Reusing dyeing water discharge for fiber stamping machine
- Minimum dyeing liquor Ratio
- Employment of Nano-Bubble technology in wet processing

SUSTAINABLE CITIES AND COMMUNITIES

- Obtained certifications like Cyclo to produce recycled yarn hence preserving natural resources

PRODUCT SUSTAINABILITY

- Recycle, reuse & refresh
- Safe working conditions
- Controlled carbon emissions
- Minimized energy consumption and minimize waste

HUMAN SUSTAINABILITY

- Gender Diversity inclusion
- Equity
- Hiring Staff for a longer period
- Corporate Social Responsibility
- Health & Safety
- No Racism and discriminations

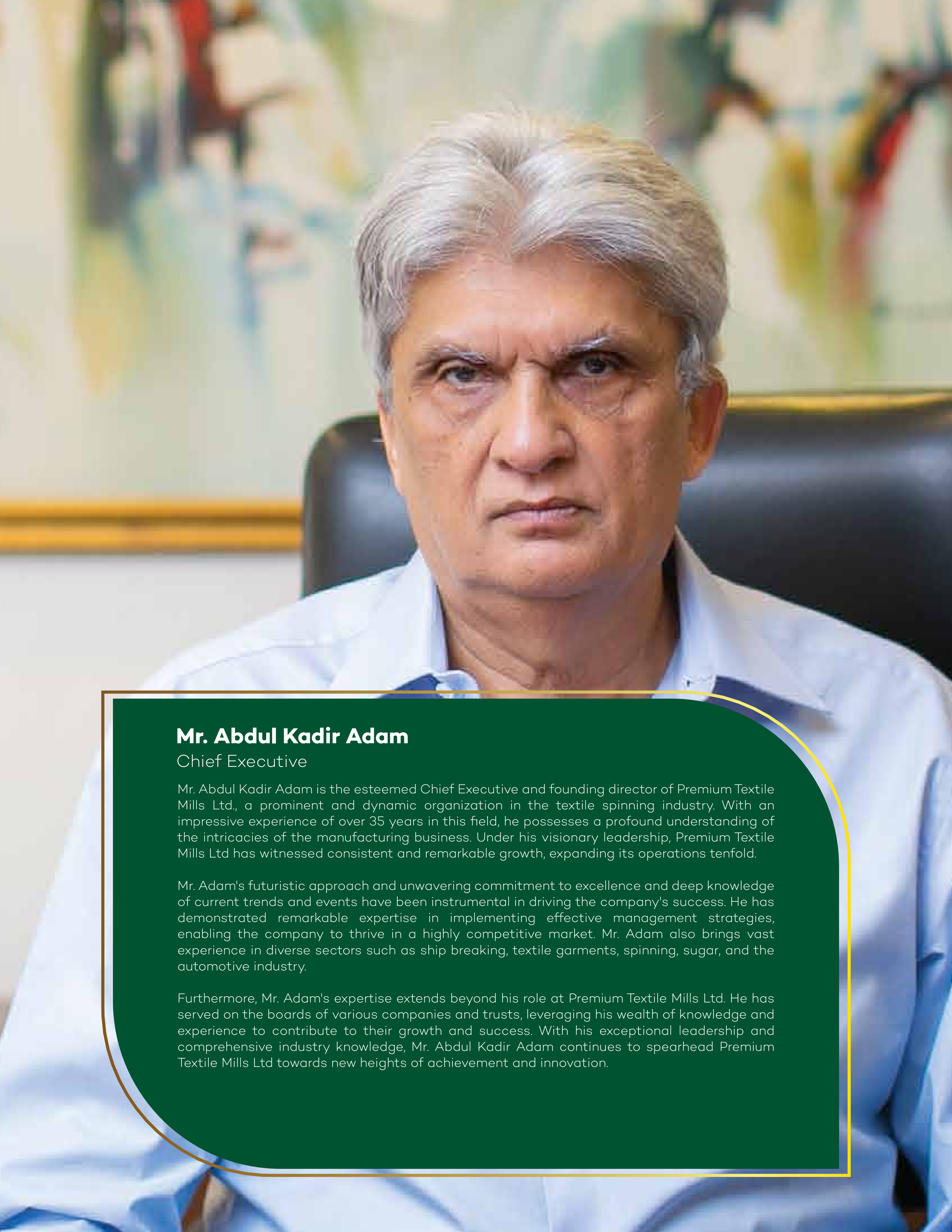
IT IMPLEMENTATIONS

- SAP 4/Hana Streamlined Operations & optimized resources usage.
- Upgraded network infrastructure.
- Machine automation software enhanced Productivity and maintained product quality

Governance

Board of Directors

Comprised of committed, driven, and seasoned executives, our forward thinking leadership team collaborates with employees to create positive impacts for all stakeholders. Their expertise and shared vision make a meaningful difference for our global communities, investors, and valued workforce.



Mr. Abdul Kadir Adam

Chief Executive

Mr. Abdul Kadir Adam is the esteemed Chief Executive and founding director of Premium Textile Mills Ltd., a prominent and dynamic organization in the textile spinning industry. With an impressive experience of over 35 years in this field, he possesses a profound understanding of the intricacies of the manufacturing business. Under his visionary leadership, Premium Textile Mills Ltd has witnessed consistent and remarkable growth, expanding its operations tenfold.

Mr. Adam's futuristic approach and unwavering commitment to excellence and deep knowledge of current trends and events have been instrumental in driving the company's success. He has demonstrated remarkable expertise in implementing effective management strategies, enabling the company to thrive in a highly competitive market. Mr. Adam also brings vast experience in diverse sectors such as ship breaking, textile garments, spinning, sugar, and the automotive industry.

Furthermore, Mr. Adam's expertise extends beyond his role at Premium Textile Mills Ltd. He has served on the boards of various companies and trusts, leveraging his wealth of knowledge and experience to contribute to their growth and success. With his exceptional leadership and comprehensive industry knowledge, Mr. Abdul Kadir Adam continues to spearhead Premium Textile Mills Ltd towards new heights of achievement and innovation.

Mr. Mohammad Yasin Siddik

Executive Director

Mr. Siddik holds an MBA degree in International Marketing from the Institute of Business Administration (IBA), Karachi, and has played a pivotal role in propelling Premium Textile Mills Limited towards exceptional growth and success.

As the founding director of Premium Textile Mills Limited, Mr. Siddik's leadership has been pivotal in driving the company's exponential expansion. Under his strategic guidance, the spinning mill has achieved an impressive tenfold growth, complemented by the establishment of a state-of-the-art socks division. This strategic diversification and expansion have propelled the company's annual turnover to surpass the significant milestone of 27 billion.

With over four decades of industry expertise, Mr. Siddik has emerged as a prominent figure in the textile sector. He has held key leadership positions for more than a decade, including the role of Chairman at the All Pakistan Textile Mills Association (APTMA) for both the Sindh Baluchistan region and the national chapter of APTMA Pakistan. His commitment to industry advancement is further evident through his position as Chairman of the Nooribabad Association of Trade & Industry (NATI).

Mr. Yaseen showcases an outstanding academic history throughout his educational journey. Furthermore, he has made significant contributions to academia by serving as a visiting faculty member at IBA, sharing his extensive expertise in the field of International Marketing Research.

Mr. Muhammad Aslam Parekh

Chairman

Mr. Muhammad Aslam Parekh is the esteemed Chairman of Premium Textile Mills Limited, with an extensive track record of corporate governance and exceptional leadership. Since his association with the company in 1990, Mr. Parekh has displayed exemplary skills in steering the organization towards new heights of success. He upholds the highest standards of corporate governance, ensuring transparency, accountability, and ethical practices throughout the company's operations.

With a diverse range of expertise in various segments of the textile sector, Mr. Parekh brings invaluable knowledge to the table. His profound understanding of textile spinning, weaving, and finishing processes, coupled with his strategic foresight, enables him to make informed decisions that drive the company's growth and profitability.

As Chairman of the Board, Mr. Muhammad Aslam Parekh is dedicated to fostering a culture of innovation, excellence, and sustainable growth within Premium Textile Mills Limited. His visionary leadership and unwavering commitment to corporate governance have positioned the company as a respected and trusted player in the textile sector.

Ms. Lubna Asif Balagamwala

Non-Executive Director

Ms. Lubna Asif Balagamwala, an esteemed member of the Board at Premium Textile Mills Limited, brings expertise and leadership to the company. With a Bachelor's degree in Arts from St. Joseph's College, Karachi, she combines education with exceptional skills in driving operational efficiency. Since joining in February 2021, Ms. Balagamwala plays a pivotal role in budget monitoring, suggesting improvements, and developing policies. Her expertise extends to human resources and enhancing the company's culture and marketing strategy.

Ms. Lubna Asif Balagamwala's skills and commitment make her an invaluable asset to Premium Textile Mills Limited. With financial acumen and strategic thinking, she oversees budget management and provides insights for improvement. Additionally, she contributes to policy development, particularly in human resources. Her expertise strengthens the company's foundation, while efforts to enhance culture and marketing strategy & fuel growth. Ms. Balagamwala's presence on the Board adds value, positioning Premium Textile Mills Limited as an industry leader.

Mr. Tanzeel Abdul Sattar

(NIT Nominee Director)

Mr. Tanzeel Abdul Sattar has been associated with NIT. He has over 10 years of experience in Mutual Fund industry and has earned experience of all facets of Finance Division of the Asset Management Company (Trust Accounts/Fund Accounting and Management Company Accounts).

He has been serving as Head of Trust Accounts/Fund Accounting since 2013 with strong background in financial and business management, strategic planning, Business Administration, Audit Co-ordination and Tax planning. Mr. Tanzeel is a Chartered Accountant by profession from The Institute of Chartered Accountants of Pakistan (ICAP) with training from KPMG.

Ms. Naila Hasan

Independent Director

Ms. Naila Hasan, an MBA graduate from Institute of Business Administration (IBA) Karachi, is a highly accomplished professional with over 30 years of diverse experience in the pharmaceutical industry. With a proven track record of success, she has held key positions in renowned pharmaceutical companies, both locally and internationally. Ms. Naila Hasan is also a certified Director by the Pakistan Institute of Corporate Governance (PICG). She also serves on the Board of OLP Modaraba (formerly Orix Modaraba) and Vital Pakistan Trust.

Previously, Ms. Naila Hasan demonstrated exceptional leadership for AstraZeneca Pakistan, where she effectively managed relationships with local distribution partners. She also made significant contributions as the Therapy Area Director at GlaxoSmithKline's Middle East Africa regional office based in Dubai, spearheading the implementation of vital commercial strategies across the Middle East and Africa.

Ms. Naila Hasan's background includes various roles at GlaxoSmithKline Pakistan, notably as the Marketing Director, overseeing renowned brands in the local pharmaceutical industry. Her wide-ranging skills encompass general management, marketing, business development, commercial operations, market access, distributor management, contract negotiations, coaching/mentoring, and compliance.

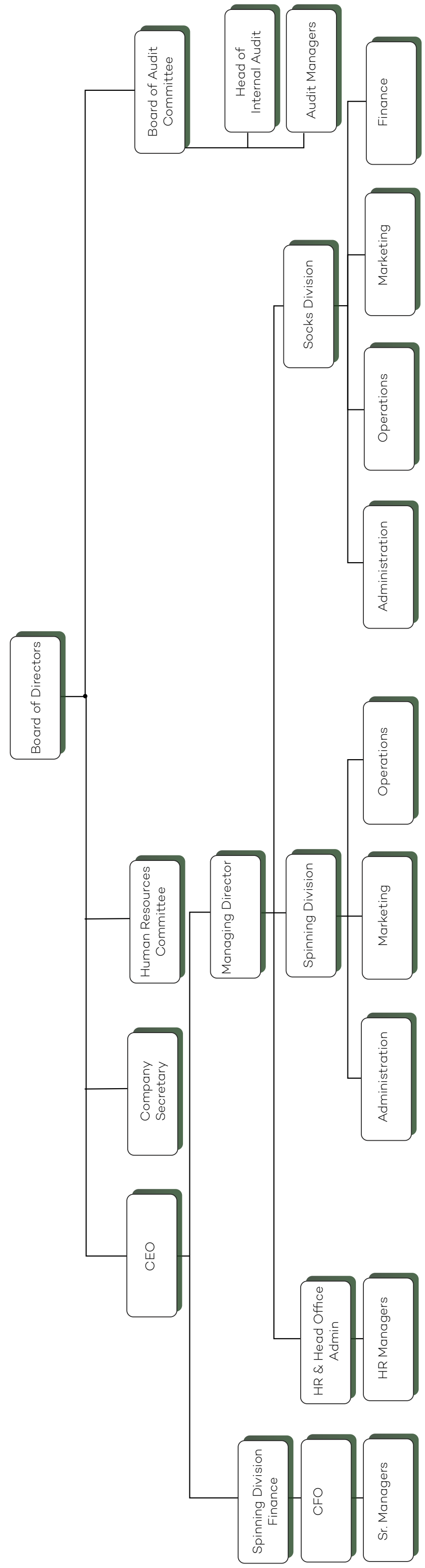
Mr. Mohammad Raziuddin Monem
Independent Director

Mr. Monem holds a BS degree in Chemical Engineering from the UET, Lahore is a highly experienced and accomplished professional with over 40 years of expertise in Oilfield Systems Performance Management, with a strong focus on QHSE (Quality, Health, Safety, and Environment) and Team Building. Throughout his career, he held key positions at M-I Drilling Fluids / M-I Overseas Ltd. (a division of SCHLUMBERGER), where he retired as the Country Manager and CEO for Pakistan and Area Operations Manager Middle East. He is a life member of the American Institute of Chemical Engineers and the Society of Petroleum Engineers and a member of the Petroleum Institute of Pakistan. He also served on the OICCI (Overseas Investors Chamber of Commerce and Industry) Energy Subcommittee.

Mr. Monem has also successfully contributed to numerous technical projects in collaboration with renowned industry giants such as Exxon, Shell, Conoco, Union Texas, Petro Canada, British Petroleum, OMV, Eni/Lasmo, and more. He has showcased his expertise by authoring several papers presented at international petroleum seminars and has also served as a co-chair for SPE (Society of Petroleum Engineers) and other industry panel sessions.

He also served as the Chairman of the Patients Behbud Society of AKUH (Aga Khan University Hospital) for 13 years and also held the position of Co-Chairman of the Community Advisory Board of AKUH from 2006. With an extensive corporate background, Mr. Monem has served on the Board of Directors and their committees for several listed companies including Pak Suzuki Motor Company, Ghandara Nissan, and SSGC (Sui Southern Gas Company). He is extremely keen on inculcating a spirit of merit and good corporate governance.

Organogram


Board of Directors
Board of Audit Committee
Head of Internal Audit
Audit Managers
Human Resources Committee
Company Secretary
CEO
Managing Director
Socks Division
Finance
Marketing
Operations
Administration
Spinning Division
Operations
Marketing
Administration
HR & Head Office Admin
HR Managers
Spinning Division Finance
CFO
Sr. Managers

Board of Directors Committees

1. Audit Committee

The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee and the following Directors are its members:

Ms. Naila Hasan	**Chairperson**
Mr. Mohammad Raziuddin Monem	**Member**
Ms. Lubna Asif Balagamwala	**Member**

The terms of reference of the audit committee are as follows:

1. Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, and the provision by the external auditors of any service to the company in addition to the audit of its financial statements.

2. Review quarterly, half-yearly, and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on major judgmental areas significant adjustments resulting from the audit, the going concern assumption, any changes in accounting policies and practices, compliance with applicable accounting standards and compliance with regulations and other statutory and regulatory requirements.

3. Facilitate the external audit and discuss with external auditors, major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).

4. At least once a year the committee shall meet:

- The external auditors without the CFO, Chief Internal Auditor and other executives
- Chief Internal Auditor and other members of the internal audit function without the CFO and external auditors

5. Review of management letter issued by external auditors and management's response thereto.

6. Ensure coordination between the internal & external auditors of the company.

7. Review the scope and extent of internal audit and ensure that the internal audit function has adequate resources and is appropriately placed within the company.

8. Consider major findings of internal investigations of activities characterized by fraud, corruption, and abuse of power and management's response thereto.

9. Ascertain that internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases.and sales, receipts and payments, assets and liabilities, and the reporting structure are adequate and effective.

10. Review the risk management framework of the company. Board has delegated the responsibility of monitoring and control of business risk to the management of the company.

11. Institute special projects, value for money studies, or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body.

12. Monitor compliance with the best practices of corporate governance and identification of significant violations thereof.

13. Consider any other issue or matters as may be assigned by the Board of Directors.

14. Institute special projects, value for money studies, other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body.

2. Human Resource and Remuneration Committee (HRRC)

The Human Resource and Remuneration (HRRC) Committee has three members comprising a majority of nonexecutive directors including the Chairman of the Committee.

Mr. Mohammad Raziuddin Monem	**Chairman**
Ms. Naila Hasan	**Member**
Ms. Lubna Asif Balagamwala	**Member**

The terms of reference of the HRRC committee are as follows:

a) **For HRRC, the committee will:**

1. Review and evaluate the organization's structure to ensure it is optimized for achieving strategic objectives, and recommend any necessary changes to the Board of Directors.
2. Develop and recommend to the Board of Directors a policy framework for determining the remuneration of directors, both executive and non-executive.
3. Ensure that Human Resource Management policies are applicable to the entire workforce, covering recruitment, training, performance management, succession planning, and compensation philosophy.
4. Recommend human resource management policies to the Board of Directors;
5. Recommend to the Board of Directors the selection, evaluation, development, and compensation (including retirement benefits) of the Chief Operating Officer, Chief Financial Officer, Executive Director, Company Secretary, and Head of Internal Audit;
6. Review the credentials of any human resource and remuneration consultants that are appointed and state whether they have any other connection with the company.

b) **For Sustainability:**

1. Monitor and Review Sustainability-Related Risks and Opportunities
2. Ensure DE&I Practices are in Effect at Various Board Committees
3. Oversee Compliance of Relevant Laws Pertaining to Sustainability-Related Considerations and Disclosures
4. Report to the Board on Sustainability Principles

Chairman's Review Report

Dear Shareholders,
On behalf of the Board of Directors, it is my privilege to present the Annual Report of Premium Textile Mills Limited for the financial year ended June 30, 2024. As the Chairman of this esteemed company, I take this opportunity to reflect on the past year's performance.

Board Leadership and Governance:
At Premium Textile Mills Limited, we uphold the principles of strong corporate governance as the foundation of our business. Our Board of Directors comprises a diverse and highly skilled group of professionals who are committed to steering the company toward sustained success. Throughout the year, the Board has diligently fulfilled its duties in line with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

We held regular meetings to oversee the company's operations, assess the overall and ensure alignment with our strategic objectives. Our commitment to transparency, accountability, and ethical practices remains unwavering as we navigate through an increasingly complex business environment.

Strategic Focus and Financial Performance:
The fiscal year 2023-2024 presented numerous challenges, both globally and locally, yet Premium Textile Mills Limited demonstrated resilience and adaptability. Our focus on operational excellence, cost efficiency, and innovation has allowed us to maintain our competitive edge in the textile industry.

The Board, in collaboration with management, undertook several initiatives to drive growth and enhance shareholder value. These included investments in technology upgrades and strengthening our market presence.

Sustainability and Enterprise Risk Oversight:
Sustainability is at the core of our business strategy. Our efforts in this area include reducing our environmental footprint, promoting upholding equitable employment and contributing positively to the communities where we operate.
Our Enterprise Risk Oversight framework ensures that we proactively identify and mitigate risks that could impact our financial stability and operational efficiency. This comprehensive approach allows us to respond effectively to emerging challenges while safeguarding the interests of our stakeholders.

Looking Ahead:
As we look to the future, Premium Textile Mills Limited is poised to capitalize on new opportunities while staying true to our core values. We will continue to invest in research and development, explore new markets, and optimize our operations to sustain long-term growth.

I would like to express my heartfelt gratitude to our shareholders for their unwavering trust, to our customers for their continued loyalty, and to our employees for their dedication and hard work. Together, we will navigate the challenges ahead and build a stronger, more resilient company.
Thank you for your continued support.

Muhammad Aslam Parekh
Chairman, Premium Textile Mills Limited

چیئرمین جائزہ رپورٹ

معزز شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کی جانب سے، میرے لیے یہ ایک اعزاز کی بات ہے کہ میں پریمیئم ٹیکسٹائل ملز لمیٹڈ کی مالی سال ختم ہونے والے 30 جون 2024 کی سالانہ رپورٹ پیش کروں۔ اس معزز کمپنی کا چیئرمین ہونے کے ناطے، میں گزشتہ سال کی کارکردگی پر غور کرنے کا موقع پاتا ہوں۔

بورڈ کی قیادت اور حکمرانی:

پریمیئم ٹیکسٹائل ملز لمیٹڈ میں ہم مضبوط کارپوریٹ گورننس کے اصولوں کو اپنی کاروباری بنیاد مانتے ہیں۔ ہمارے بورڈ آف ڈائریکٹرز میں مختلف اور اعلیٰ مہارت کے حامل پروفیشنل شامل ہیں جو کمپنی کو مسلسل کامیابی کی راہ پر گامزن رکھنے کے لیے پرعزم ہیں۔ پورے سال کے دوران، بورڈ نے اپنی ذمہ داریاں کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق احسن طریقے سے انجام دیں۔

ہم نے کمپنی کی کارروائیوں کی نگرانی کے لیے باقاعدہ میٹنگز کیں، مجموعی کارکردگی کا جائزہ لیا اور اپنی حکمت عملی کے مقاصد کے ساتھ ہم آہنگی کو یقینی بنایا۔ شفافیت، احتساب اور اخلاقی اصولوں کے حوالے سے ہمارا عزم برقرار ہے کیونکہ ہم ایک تیزی سے پیچیدہ کاروباری ماحول میں آگے بڑھ رہے ہیں۔

حکمت عملی کا فوکس اور مالی کارکردگی:

مالی سال 2023–2024 میں عالمی اور مقامی سطح پر بہت سے چیلنجز کا سامنا رہا، لیکن پریمیئم ٹیکسٹائل ملز لمیٹڈ نے اپنے عزم اور لچک کا مظاہرہ کیا۔ آپریٹنگ کارکردگی، لاگت کی بچت اور جدت پر ہمارے توجہ نے ہمیں ٹیکسٹائل صنعت میں اپنی مسابقتی حیثیت برقرار رکھنے کے قابل بنایا۔

بورڈ نے مینجمنٹ کے ساتھ مل کر کئی اقدامات کیے تاکہ ترقی کو فروغ دیا جا سکے اور شیئر ہولڈرز کی قدر میں اضافہ ہو سکے۔ ان میں ٹیکنالوجی اپگریڈیشن میں سرمایہ کاری اور ہماری مارکیٹ کی موجودگی کو مضبوط بنانا شامل تھا۔

پائیداری اور انٹرپرائز رسک نگرانی:

پائیداری ہمارے کاروباری حکمت عملی کا بنیادی حصہ ہے۔ ہمارے اس حوالے سے اقدامات میں ہمارے ماحولیاتی اثرات کو کم کرنا، منصفانہ روزگار کو فروغ دینا اور ان کمیونٹیز میں مثبت کردار ادا کرنا شامل ہے جہاں ہم کام کرتے ہیں۔

ہمارا انٹرپرائز رسک نگرانی کا فریم ورک اس بات کو یقینی بناتا ہے کہ ہم بروقت ان خطرات کی نشاندہی اور تخفیف کر سکیں جو ہماری مالی استحکام اور آپریشنل کارکردگی پر اثر انداز ہو سکتے ہیں۔ یہ جامع اپروچ ہمیں ابھرتے ہوئے چیلنجز کے ساتھ مؤثر انداز میں نمٹنے اور اپنے اسٹیک ہولڈرز کے مفادات کی حفاظت کرنے کے قابل بناتا ہے۔

مستقبل کی طرف دیکھتے ہوئے:

جب ہم مستقبل کی طرف دیکھتے ہیں، تو پریمیئم ٹیکسٹائل ملز لمیٹڈ نئے مواقعوں سے فائدہ اٹھانے کے لیے تیار ہے، جبکہ ہم اپنی بنیادی قدروں پر ثابت قدم رہیں گے۔ ہم تحقیق اور ترقی میں مزید سرمایہ کاری جاری رکھیں گے، نئے بازاروں کی تلاش کریں گے اور طویل مدتی ترقی کو برقرار رکھنے کے لیے اپنی کارروائیوں کو بہتر بنائیں گے۔

میں اپنے شیئر ہولڈرز کا دل سے شکریہ ادا کرنا چاہتا ہوں جنہوں نے ہم پر ہمیشہ اعتماد رکھا، اپنے صارفین کا جنہوں نے ہمیں ہمیشہ وفادار رہنے کا اعزاز بخشا، اور اپنے ملازمین کا جنہوں نے اپنی محنت اور لگن سے ہماری کامیابی میں حصہ ڈالا۔ ہم مل کر آگے آنے والے چیلنجز سے نبرد آزما ہوں گے اور ایک مضبوط، زیادہ مستحکم کمپنی بنائیں گے۔

آپ کے مسلسل تعاون کا شکریہ۔

محمد اسلم پاریکھ

چیئرمین، پریمیئم ٹیکسٹائل ملز لمیٹڈ

Notice of annual general meeting

Notice is hereby given that the Annual General Meeting of Premium Textile Mills Limited (the "Company") will be held on Friday, October 25, 2024 at 4:00 pm at registered office: 1st Floor, Haji Adam Chamber, Altaf Hussain Road, Karachi and through video link facility to conduct the following business:

Ordinary business:

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on February 12, 2024.

2. To receive, consider and adopt the Audited Financial Statements together with the Director's Report, Auditor's Report and Chairman Review Report of the Company for the year ended June 30, 2024.

3. To appoint the external auditors for the next financial year ending June 30, 2025 and to fix their renumeration. The present auditors, M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Account¬ants, retire and being eligible, offer themselves for re-appointment.

Special business:

Increase in Directors Remuneration

4. To consider, and if deemed appropriate, to pass the following resolution (with or without modifications) which would enable the Company to increase the Directors remuneration:

   "RESOLVED THAT the remuneration of the working Directors, namely Mr. Abdul Kadir Adam Chief Executive Officer, and Mr. Yasin Siddik – Executive Director, shall be increased to Rs. 1,815,000 and 1,440,000 per month, respectively. The increase shall be accompanied by other benefits as per the company's policy."

5. To transact any other business with the permission of the Chairman.

By order of the Board of Directors

Hammad Ullah Khan
Company Secretary

Karachi: October 3, 2024

STATEMENT OF SPECIAL BUSINESS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out material facts pertaining to the special business to be transacted at the AGM of the Company to be held on October 25, 2024.

Agenda Item No. 4: increase in Directors Remuneration

The Board of Directors, on the recommendations of Board Human Resource and Remuneration Committee, (HRRC) decided to increase the Executive Directors Remuneration subject to approval from the members.

The Directors of the company, both working and non-working, have no personal interest, directly or indirectly, in the proposed increase in remuneration, except to the extent of their entitlement to remuneration as applicable. Following is the further necessary information:

Information	Details
Details of the extra services performed or to be performed by the director;	Mr. Abdul Kadir Adam (CEO) will continue to lead the company with strategic vision and overall management, leveraging his extensive experience to drive growth and innovation. Mr. Muhammad Yasin Siddik (Executive Director) will support the CEO by managing day-to-day operations and overseeing financial strategies, ensuring robust financial performance and operational efficiency.
Statement on suitability of the selected director for performing extra services;	Mr. Abdul Kadir Adam and Mr. Muhammad Yasin Siddik have shown remarkable performance and dedication in their current positions. Their extensive industry experience and consistent track record of success position them as highly capable of handling the additional responsibilities. Their ongoing contributions to the company's growth and governance further affirm their suitability for these extra services.
Remuneration of the director, including perks and benefits, pecuniary or otherwise for the extra services;	Remuneration of the CEO and Executive Director will be increased to 15%, amounting to Rs. 1,815,000, and 15%, amounting to Rs. 1,440,000, per month, respectively. Any extra benefits from additional services, such as a company-maintained car and other perks, will follow the company's existing policies
Any other benefits or profits arising consequent to performing of extra services by the director;	NIL
Benefits to the company and its members as a result of such extra services to be performed by the director; and	The extra services provided by the directors are expected to result in enhanced governance, strategic oversight, and better management of company affairs, ultimately benefiting both the company and its shareholders.
Period of performing such extra services.	The period for these extra services extends until the next board election on February 12, 2027.

Notes:

a) The share transfer books of the Company will remain closed from October 19, 2024 to October 25, 2024, (both days inclusive). Transfers received by the Company's share registrar, M/s F.D. Registrar Services (Private) Limited, Room No.1705, 17th Floor, Saima Trade Tower-A, I.I Chundrigar Road, Karachi by the close of business on October 18, 2024 will be considered for entitlement to attend and vote at the meeting.

b) A member of the Company entitled to attend, and vote may appoint another member as his/her proxy to attend and vote instead of him/her.

c) Proxies must be received at the Registered Office of the Company not later than 48 hours before the time of the Meeting.

Circulation of Annual Report through QR Code and Through Weblink

In accordance with the 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 has obtained Shareholders' approval in the Annual General Meeting of the Company held on October 25, 2023 to circulate the Annual Report of the Company to Members through QR enabled Code and Weblink. The Annual Report is available through following QR Code and Weblink. https://www.premiumtextile.com/reports/

For Attending the Meeting

In light of the clarification issued by the Securities and Exchange Commission of Pakistan for ensuring participation of members in general meeting through electronic means as a regular feature, the company has also provided the facility for attending the meeting via video-link to its shareholders. The members are encouraged to participate in the meeting online for following the below guidelines.

To participate in the AGM through video-link arrangement, members are requested to get themselves registered by sending the particulars prescribed in the table below at the following email address hammad@premiumtextile.com by the close of business hours (5:00 pm) on October 23, 2024.

Name of member	Authorized Representative (incase of corporate member)	CNIC No. / NTN No.
CDC Participant ID/ Folio No.	Cellphone #	Email address

- The Video Conference Link would be emailed to the registered members or their proxies who have provided all the requested information.

- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of meeting.

- In the case of a corporate entity, a resolution of the Board of Directors / power of attorney with a specimen signature of the nominee should be attached with the proxy form or may be provided at the time of the meeting.

For Appointing Proxies

- In the case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations shall submit the proxy form as per the above requirements.

- The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

- Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

- The proxy shall produce his original CNIC or original passport at the time of the Meeting.

- In the case of the corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with a proxy form to the Company.

Procedure for E-Voting

- In accordance with the Companies (Postal Ballot) Regulations 2018, amended through Notification dated December 05, 2022, for the purpose of election of directors and approval of any special agenda item at the general meetings, members will be allowed to exercise their vote through postal ballot i.e., by post or e-voting, in the manner and subject to conditions contained in the Companies (Postal Ballot) Regulations, 2018.

- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the company by the close of business on October 20, 2024.

- The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

- Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

- Members shall cast vote online at any time from October 21, 2024, 9:00 am to October 24, 2024 at 5:00 pm. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting Through Postal Ballot

- Pursuant to Companies (Postal Ballot) Regulations 2018 (“Regulations”), for the purpose of election of directors and for the purpose of approval of any special agenda item at the general meetings subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post, in accordance with the requirements and procedure contained in the aforesaid Regulations.

- The members shall ensure that the duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman through the post at the Company’s registered address: 1st Floor, Haji Adam Chamber, Altaf Hussain Road, Karachi, or email at chairman@premiumtextile.com one day before the AGM on or before October 24, 2024, during working hours. Any postal ballot received after this date, will not be considered for voting.

- The signature on the Ballot Paper shall match with signature on the CNIC.

- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Conversion of Physical Share certificate in book entry

- With reference to the provisions of Section 72 of the Companies Act, 2017, Securities and Exchange Commission of Pakistan, through its letter No. CSD/ED/MISC/2016-639-640 dated March 26, 2021, has required listed companies to replace the existing physical shares issued by them into Book Entry Form. In compliance to regulatory requirements, shareholders of company holding physical share certificates are requested to convert their physical share certificates into Book Entry Form.

Mandatory registration detail of shareholders

- According to Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile / telephone number, International Bank Account No (IBAN), etc. to registrar of the company.

Unclaimed/Unpaid Shares and Dividends

In accordance with the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it is due and payable, the Company shall proceed to deposit the unclaimed or unpaid Dividends with the Federal Government.

BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting To be held on October 25, 2024 at 4:00 p.m. at Company Registered office: 1st Floor, Haji Adam Chamber, Altaf Hussain Road, Karachi
Designated email address of the Chairman at which the duly filled in ballot paper may be sent at: chairman@premiumtextile.com

Name of shareholder/joint shareholder(s):	
Registered Address:	
CDC Participant/Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	
Name of Authorized Signatory:	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory – (copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by giving my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below:

S. No.	Nature and description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	**Agenda Item No.4: Increase in Directors Remuneration** To consider, and if deemed appropriate, to pass the following resolution (with or without modifications) which would enable the Company to increase the Directors remuneration: **"RESOLVED THAT** the remuneration of the working Directors, namely Mr. Abdul Kadir Adam – Chief Executive Officer, and Mr. Yasin Siddik – Executive Director, shall be increased to Rs. 1,815,000 and Rs. 1,440,000 per month, respectively. The increase shall be accompanied by other benefits as per the company's policy."			

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NOTES:

1. Dully filled postal ballot should be sent to the Chairman of Premium Textile Mills Limited at 1st Floor, Haji Adam Chamber, Altaf Hussain Road, Karachi (Email: chairman@premiumtextile.com).
2. Copy of CNIC/ Passport No. (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting within business hours by or before October 24, 2024. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport No. (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten ballot paper will be rejected.
6. This Postal Poll paper is also available for download from the website of Premium Textile Mills Ltd at www.premiumtextile.com. Shareholder may download the ballot paper from website or use the same ballot paper published in newspapers.

</td>
<td>

Signature of shareholder(s)/Authorized Signatory

(in case of corporate entity, please affix company stamp)

Place: ____________________

Date: ____________________

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Director's report

To the Shareholders The Directors of Premium Textile Mills are pleased to submit the Annual Report along with the audited financial statements of the Company for the year ended 30th June, 2024.

Directors' Report

To the Shareholders

Dear Shareholders,

The Directors are pleased to present to you the 37th Annual Report together with the Audited Accounts of the Company for the year ended June 30, 2024 for your kind consideration and approval.

Business Performance Highlights

Operating Result:

PKR Million	2024	2023
Operating Profit	2,735,640,195	3,113,048,051
Financial & Others	(2,934,775,166)	(1,615,375,328)
Loss before Levies & Taxation	(199,134,971)	1,497,672,723
Levies & Taxation	(242,159,719)	(455,029,383)
Profit /Loss after Taxation	(441,294,690)	1,042,643,340
Earnings /Loss per share	(71.60)	169.18
Gross Margin %	13.81%	17.26%
Operating Profit %	10.10%	13.64%

Annual Performance Review:

Premium Textile Mills Limited operates in two primary segments: spinning and socks. During the financial year, the socks division continued to perform well, contributing positively to the company's profitability. However, the spinning division faced several critical challenges, leading to a significant impact on overall financial performance.

The external environment was affected by a steep rise in energy prices, especially natural gas, and persistently high-interest rates prevailing in the country. These factors created an unsustainable business climate, putting pressure on operational costs and reducing profitability. As a result, the company posted a loss for the period under review.

Despite the challenges, Premium Textile Mills Limited remained committed to its long-term growth strategy. The company made significant capital expenditures (CAPEX) amounting to Rs.4.376 billion. This investment was directed towards installing a solar energy plant, and in machineries. These strategic investments are expected to enhance operational efficiency and contribute positively to the company's future growth trajectory.

In the fiscal year 2024, the Company's operating profit decreased to PKR 2.736 billion from PKR 3.113 billion in 2023. Despite maintaining substantial revenue levels, financial and other expenses surged significantly by 81.67% rising from PKR 1.615 billion to PKR 2.934 billion, impacting overall profitability.

Consequently, Loss / Profit before Levies and taxation was PKR 199.135 million compared to PKR 1,497.672 million in the previous year.

Taxation for the year including Levies amounted to PKR 242.160 million, contributing to a net loss after taxation of PKR 441.295 million, a sharp decline from the net profit of PKR 1,043 million in 2023. This resulted in a loss per share of PKR 71.60, compared to an earnings per share of PKR 169.18 in the prior year.

Gross margin declined to 13.81% from 17.26% due to increased cost pressures, while the operating margin was recorded at 10.10% down from a 13.64% in the previous year. The substantial increase in financial costs and specially energy tariffs which increased operational challenges have significantly impacted the Company's profitability for the year. For instance, gas rates were Rs. 1,100/MMBTU in July 2023, and as of today, they have increased to Rs. 3,000/MMBTU for indigenous gas and approximately Rs. 3,200/MMBTU for blended gas after the inclusion of the RLNG portion.

Principal Activity:

The principal activity of the Company is manufacturing of yarn and socks.

Principal Risks:

The principal risks impacting the company's business are as follows:

- Increase in production costs due to rising inflation.
- Increase/Decrease in foreign currency exchange rates due to the devaluation of the Pakistani Rupee.
- Possibility of inventory losses leading to a reduction in profit.
- Levy of additional taxes on imported items and other levies on power and gas tariffs.
- Increase in KIBOR rates resulting in higher financial costs.

Sustainability-Related Risks Management:

At Premium Textile Mills, we actively identify, assess, and manage sustainability-related risks that could impact our operations and long-term growth. Our comprehensive risk management framework includes the following strategies:

1. **Risk Identification and Assessment:**

   We continuously monitor and identify potential sustainability-related risks across environmental, social, and governance domains. This involves evaluating risks such as climate change, resource scarcity, regulatory changes, and evolving consumer expectations for sustainable products.

2. **Risk Mitigation Strategies:**

   To address these risks, we have implemented the following measures:

   Climate Risk Mitigation:
   We have invested in renewable energy sources by expanding our solar capacity from 5.2 MW to 12.7 MW, reflecting a 7.5 MW increase, which represents a 144% growth. This new addition will significantly reduce our carbon footprint and dependence on non-renewable energy, aligning with our commitment to sustainable energy solutions.

Water Risk Management:
Our Effluent Treatment Plant (ETP) treats up to 750m³ of water daily, ensuring that water used in the dyeing process is treated to prevent environmental contamination. This also helps us comply with regulatory requirements and supports water conservation efforts.

Sustainable Agriculture and Community Development:
In collaboration with WWF Pakistan, we have launched a 5-year plan for an organic/regenerative cotton project covering 8,000 acres in Pacca Chang, South Eastern Pakistan. The project aims to produce 5,800 metric tons of seed cotton and 2,030 metric tons of lint cotton annually.

This initiative supports sustainable/organic agricultural practices, reduces reliance on chemical fertilizers and pesticides, and brings positive environmental and social changes to local communities.

Product Innovation and Circular Economy:
By developing sustainable materials like regenerated yarn and Luna yarn, and utilizing recycling machines whereby used fabric is re-converted into fabric and re-spun into yarn, we reduce reliance on virgin resources and promote a circular economy. This strategy mitigates risks associated with resource depletion and aligns with consumer demand for environmentally friendly products.

Regulatory Compliance and Preparedness:
We stay ahead of regulatory changes by maintaining proactive engagement with policymakers and industry stakeholders. Regular audits and compliance checks ensure adherence to environmental, social, and governance regulations, reducing the risk of non-compliance penalties.

Stakeholder Engagement and Transparency:
We maintain open communication with stakeholders, including investors, customers, and communities, to understand their concerns and expectations. Transparent reporting on our sustainability performance builds trust and helps us identify emerging risks early.

Crisis Management and Contingency Planning:
We have established crisis management protocols and contingency plans to respond swiftly to unexpected events, such as natural disasters or supply chain disruptions. These plans include risk assessment, communication strategies, and recovery measures to minimize operational impact.

3. Monitoring and Reporting:

We regularly monitor and report on our sustainability performance, including progress against our sustainability targets. This transparency enables continuous improvement of our risk management strategies and fosters trust with our stakeholders.

Related Party Transactions:

The Company engages in transactions with related parties in the normal course of business, conducted on arm's length terms and in compliance with applicable laws and regulations. All related party transactions are reviewed and recommended by the Board Audit Committee and subsequently approved by the Board of Directors. The nature and value of these transactions are disclosed in the financial statements to ensure transparency and accountability.

Composition of the Board:

The total number of Directors are 7 as follows:

Male	5
Female	2

The composition of the Board is as follows:

Independent Directors

Mr. Mohammad Raziuddin Monem
Ms. Naila Hasan (Female)

Non – Executive Directors

Mr. Mohammad Aslam Parekh
Ms. Lubna Asif Balagamwala (Female Category)
Mr. Tanzeel Abdul Sattar

Executive Directors

Mr. Abdul Kadir Adam
Mr. Mohammad Yasin Siddik

During the year under review 4 Board of Directors meetings were held and attended as follows:

S#	Name of Directors	Nature	Meetings Attended
1.	Mr. Muhammad Aslam Parekh	Chairman / Non-Executive Director	2
2.	Mr. Abdul Kadir Adam	Chief Executive Officer	4
3.	Mr. Muhammad Yasin Siddik	Executive Director	4
4.	Mr. Mohammad Raziuddin Monem	Independent Director	4
5.	Ms. Naila Hasan	Independent Director	4
6.	Ms. Lubna Asif Balagamwala	Female Category / Non-Executive Director	2
7.	Mr. Tanzeel Abdul Sattar (NIT Nominee)	Non-Executive Director	2

During the year under review 4 Board Audit Committees (BAC) and 2 Human Resource and Remuneration Committee (HRRC) meetings were held and attended as follows:

BAC

1.	Mr. Mohammad Raziuddin Monem	4
2.	Ms. Naila Hasan	4
3.	Ms. Lubna Asif Balagamwala	2

HRRC

1.	Mr. Mohammad Raziuddin Monem	2
2.	Ms. Naila Hasan	2
3.	Ms. Lubna Asif Balagamwala	1

Gender Diversity and Empowerment:

We believe that fostering a diverse, equitable, and inclusive work environment is critical to our success and reflects our core values. Our DE&I policy, approved at the board level, outlines our commitment to enhancing diversity, ensuring equity, and promoting inclusion across all levels of the organization. Key initiatives include:

- We are committed to ensuring equal opportunities for all employees, regardless of gender. Our recruitment, promotion, and retention policies are designed to achieve gender parity across all roles, including leadership positions.

- We actively promote women into leadership roles and set targets to increase female representation at all levels of the organization. We provide mentorship, leadership training, and professional development opportunities tailored specifically to support women in advancing their careers.

- To further support female employees, we offer additional benefits to address specific needs and enhance their overall work experience.

Fairness in Compensation and Career Growth:

- We provide equal access to training, skill development, and career advancement opportunities, ensuring that all employees, regardless of gender or background, have the opportunity to progress in their careers.

Inclusion Initiatives:

- We implement comprehensive training programs to foster an inclusive environment, addressing biases and promoting a culture where all employees feel valued and supported.

- We maintain a zero-tolerance policy towards harassment and discrimination, with clear procedures for reporting and addressing any complaints. This ensures a safe and respectful workplace for all employees.

Material Changes and Commitments:

There have been no material changes and commitment affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of the report, other than disclosed in the Financial Statements, or in this report.

Health & Safety Responsibility:

The company maintains safe working conditions to protect the health of employees and the public at large. Our focus is on improving all aspects of safety, particularly concerning production, delivery, storage, and handling of materials. Safety equipment, including fire extinguishers, has been installed at various locations in the mills and the registered head office. Regular medical visits by a doctor are arranged to provide medical advice and treatment.

Rural Development Program:

The factory's location on the superhighway near Nooriabad Industrial Estate allows us to offer employment to local residents in areas such as manufacturing, loading, unloading, packing, and security. Premium Textile Mills Ltd actively engages in corporate citizenship through philanthropy, energy conservation, environmental protection, community service, consumer protection, employment of individuals with disabilities, occupational health and safety, business ethics, anti-corruption measures, and contributions to the national exchequer. We are committed to mobilizing funds to establish an educational facility in partnership with The Citizens Foundation (TCF) to provide formal education opportunities to underprivileged students from our workers' families.

Statement on Corporate and Financial reporting framework:

Your company is committed to standards of corporate governance and continually seeking improvements. The company applies the principles contained in the following manner.

a) The financial statements, prepared by the company, fairly presents its state of affairs in operations, cash flows and changes in equity.

b) Proper books of accounts have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment, of financial statements and any deviation has been adequately disclosed.

d) International accounting Standards, as applicable in Pakistan, has been followed in preparation.

e) International accounting Standards, as applicable in Pakistan, has been followed in preparation.

f) There has been no deviation from the best practices of corporate governance, as mentioned in the listing regulations.

Directors' Remuneration:

Directors (including non-executive and independent directors) receive a meeting fee of Rs. 75,000 for attending Board and committee meetings, as per the policy approved by the Board and the members.

The remuneration of Executive Directors is subject to approval by shareholders at the General Meeting, based on recommendations from the Human Resource and Remuneration Committee and the Board of Directors.

Details of Directors' remuneration is disclosed in Note 30 of the Financial Statements as of June 30, 2024.

Election of Directors:

The election of the Company's Directors was held on February 12, 2024, for a new three-year term. All directors were re-elected unopposed, reflecting the ongoing confidence and trust of our investors

Auditors:

The current External Auditors, Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants, have completed the annual audit for the year ended June 30, 2024. The auditors will retire at the conclusion of the upcoming Annual General Meeting and, being eligible, have offered themselves for reappointment.

Based on the recommendation of the Audit Committee, the Board proposes their reappointment as auditors of the Company for the year ending June 30, 2025.

Pattern of Shareholding:

The pattern of shareholding of the company as at June 30, 2024 is annexed.

Future Prospects:

Despite the current challenges, the textile sector in Pakistan, including Premium Textile Mills Ltd, holds significant growth potential if key issues are effectively addressed. With global shifts in supply chains, such as the decoupling from China and disruptions in Bangladesh, there is an opportunity for Pakistan to capture a larger market share. Realizing this potential requires substantial policy reforms to make energy costs competitive, streamline taxation, and improve operational efficiencies.

To support this growth, it is crucial for the government to introduce policies that provide incentives for export-led industries. These could include tax relief measures, rebates, and subsidies for raw materials and energy, as well as simplification of the regulatory framework to reduce the cost of doing business.

Further, these past six months have not been good for the Pakistan Spinning Industry mainly due to 3 reasons:

1. The energy rates have been going up constantly.
2. The Mark up rates have also reached up to 22%.
3. The EFS facility has been withdrawn in the budget and due to this, imports of textile products have increased 2-3 times and on top of it, imported finished goods from Uzbekistan, China and other countries.

On top if this according to the new customs rules, all items imported under EFS are not required to pay Sales tax and income tax at the import stage whereas local supplies are subjected to the payment of both these taxes. So, all in all, things have been very difficult for the spinning industry to survive.

Another very disturbing factor is the Govt' repeated statement that Gas supply to the Captive power sector will be disconnected in Jan 25. Now, we do not know whether to spend more money on the repair and upgradation of our Power Houses or not.

After all this doom and gloom just now at the time of writing this report, 2 days ago the SBP has reduced the mark up rate by 200bps signalling a sign of some relief and hope for better times to come. Also, the new cotton season has started and the cotton prices are at a level which is far better than those of last year. Thirdly, we are hopeful that the last tranche of our solar panels will be installed in the next 2-3 months thereby reducing our weighted average cost of energy.

Acknowledgement:

The Board expresses its gratitude to our bankers for their continued support and to our staff and workers for their hard work and dedication. We also thank our valued shareholders for their trust and support, and our customers for their ongoing business and partnership.

Together, we look forward to achieving new milestones and sustaining growth in the future.

ON BEHALF OF THE BOARD OF DIRECTORS

Mr. Abdul Kadir Adam
Chief Executive

Mr. Yasin Siddik
Executive Director

September 12, 2024
Karachi.

امید ہے کہ ہمارے سولر پینلز کی آخری قسط اگلے 2-3 مہینوں میں نصب ہو جائے گی، جس سے ہماری توانائی کی اوسط قیمت کم ہو جائے گی۔

اعتراف:

بورڈ اپنے بینکاروں کا ان کی مسلسل حمایت کے لیے شکریہ ادا کرتا ہے اور اپنے عملے اور مزدوروں کی محنت اور لگن کے لیے بھی شکر گزار ہے۔ ہم اپنے معزز حصص داروں کا بھی ان کے اعتماد اور حمایت کے لیے شکریہ ادا کرتے ہیں، اور اپنے صارفین کا ان کے جاری کاروبار اور شراکت کے لیے شکریہ ادا کرتے ہیں۔

مل کر، ہم مستقبل میں نئے سنگ میل حاصل کرنے اور ترقی کو برقرار رکھنے کی توقع کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

جناب عبدالقادر آدم
چیف ایگزیکٹو

جناب محمد یاسین صدیق
ایگزیکٹو ڈائریکٹر

12 ستمبر 2024
کراچی۔

سے علیحدگی اور بنگلہ دیش میں خلل کے ساتھ، پاکستان کے لیے بڑے مارکیٹ شیئر کو حاصل کرنے کا موقع ہے۔ اس صلاحیت کو حقیقت میں لانے کے لیے توانائی کی قیمتوں کو مسابقتی بنانے، ٹیکس کو ہموار کرنے، اور عملی کارکردگی کو بہتر بنانے کے لیے اہم پالیسی اصلاحات کی ضرورت ہے۔

اس ترقی کی حمایت کے لیے، حکومت کے لیے یہ ضروری ہے کہ وہ برآمد پر مبنی صنعتوں کے لیے مراعات فراہم کرنے والی پالیسیاں متعارف کرائے۔ ان میں ٹیکس کی چھوٹ، ریبیٹس، اور خام مال اور توانائی کے لیے سبسڈی شامل ہوسکتی ہیں، نیز کاروباری لاگت کو کم کرنے کے لیے ریگولیٹری فریم ورک کو سادہ بنانا۔

مزید یہ کہ، پچھلے چھ مہینے پاکستان کی اسپننگ صنعت کے لیے اچھے نہیں رہے، بنیادی طور پر تین وجوہات کی بنا پر:

.1 توانائی کی قیمتیں مسلسل بڑھ رہی ہیں۔

.2 مارک اپ کی شرحیں بھی 22% تک پہنچ گئی ہیں۔

.3 بجٹ میں ای ایف ایس سے ای ایف ایس کی سہولت کو واپس لے لیا گیا، جس کی وجہ سے ٹیکسٹائل مصنوعات کی درآمدات 2-3 گنا بڑھ گئی ہیں اور اس کے علاوہ، ازبکستان، چین اور دیگر ممالک سے درآمد شدہ تیار اشیاء بھی شامل ہیں۔

ان سب کے ساتھ، نئے کسٹمز قوانین کے مطابق، ای ایف ایس کے تحت درآمد کردہ تمام اشیاء کو درآمد کے مرحلے پر سیلز ٹیکس اور انکم ٹیکس ادا کرنے کی ضرورت نہیں ہے، جبکہ مقامی فراہمی پر دونوں ٹیکس کی ادائیگی لازمی ہے۔ اس لیے مجموعی طور پر، اسپننگ صنعت کے لیے زندہ رہنا بہت مشکل ہو گیا ہے۔

ایک اور بہت تشویشناک عنصر یہ ہے کہ حکومت کا بار بار یہ بیان کہ جنوری 25 میں کیپٹو پاور سیکٹر کو گیس کی فراہمی منقطع کر دی جائے گی۔ اب، ہم نہیں جانتے کہ اپنی پاور ہاؤسز کی مرمت اور ترقی پر مزید پیسہ خرچ کرنا ہے یا نہیں۔

ان تمام مایوسیوں کے باوجود، اس رپورٹ کے لکھنے کے وقت، دو دن پہلے، اسٹیٹ بینک نے مارک اپ کی شرح میں 200 بی پی ایس کی کمی کی ہے، جو بہتر وقت کی امید کی علامت ہے۔ مزید یہ کہ، نئے کپاس کے موسم کا آغاز ہو چکا ہے اور کپاس کی قیمتیں پچھلے سال کی نسبت بہتر سطح پر ہیں۔ تیسرا، ہمیں

معاوضہ کمیٹی اور بورڈ آف ڈائریکٹرز کی سفارشات پر مبنی ہوتی ہے۔

ڈائریکٹرز کی تنخواہوں کی تفصیلات مالیاتی بیانات کے نوٹ 30 میں 30 جون 2024 تک شائع کی گئی ہیں۔

انتخاب ڈائریکٹرز:

کمپنی کے ڈائریکٹرز کا انتخاب 12 فروری 2024 کو تین سال کی نئی مدت کے لیے کیا گیا۔ تمام ڈائریکٹرز کو بلا مقابلہ دوبارہ منتخب کیا گیا، جو ہمارے سرمایہ کاروں کے جاری اعتماد اور بھروسے کی عکاسی کرتا ہے۔

آڈیٹرز:

موجودہ خارجی آڈیٹرز، رحمان سرفراز رحیم اقبال رفیق چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2024 کو ختم ہونے والے سال کے لیے سالانہ آڈٹ مکمل کیا۔ آڈیٹرز آئندہ سالانہ عمومی اجلاس کے اختتام پر ریٹائر ہو جائیں گے اور دوبارہ تقرری کے لیے اہل ہونے کی بنا پر اپنے آپ کو دوبارہ تقرری کے لیے پیش کر چکے ہیں۔ آڈٹ کمیٹی کی سفارش کی بنیاد پر، بورڈ نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی تجویز دی ہے۔

حصص کی ہولڈنگ کا پیٹرن:

کمپنی کا حصص کی ہولڈنگ کا پیٹرن 30 جون 2024 کو منسلک ہے۔

مستقبل کی توقعات:

موجودہ چیلنجز کے باوجود، پاکستان کا ٹیکسٹائل سیکٹر، بشمول پریمیئم ٹیکسٹائل ملز لمیٹڈ، اگر اہم مسائل کو مؤثر طریقے سے حل کیا جائے تو نمایاں ترقی کی صلاحیت رکھتا ہے۔ عالمی سپلائی چینز میں تبدیلیوں جیسے چین

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک پر بیان:

آپ کی کمپنی کارپوریٹ حکمرانی کے معیار کے لیے پرعزم ہے اور مسلسل بہتری کی تلاش میں ہے۔ کمپنی درج ذیل طریقے سے اصولوں کو نافذ کرتی ہے:

a) مالی بیانات، جو کمپنی کے ذریعہ تیار کردہ ہیں، اس کی آپریشنز، نقد بہاؤ اور ایکوئٹی میں تبدیلیوں کی حالت کو منصفانہ طور پر پیش کرتے ہیں۔

b) مناسب اکاؤنٹس کی کتابیں برقرار رکھی گئی ہیں۔

c) مناسب اکاؤنٹنگ پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کی تخمینیات معقول اور محتاط فیصلے پر مبنی ہیں، اور کسی بھی انحراف کی مناسب طور پر وضاحت کی گئی ہے۔

d) بین الاقوامی اکاؤنٹنگ معیارات، جو پاکستان میں قابل اطلاق ہیں، کی تیاری میں عمل درآمد کیا گیا ہے۔

e) اندرونی کنٹرول کا نظام اچھے ڈیزائن میں ہے اور مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔ اہم مقاصد میں اثاثوں کی حفاظت، قابل اعتماد مالی رپورٹنگ کو یقینی بنانا، قانونی ضروریات کی تعمیل کو برقرار رکھنا، اور آپریشنل کی تاثیر حاصل کرنا شامل ہے۔

f) کارپوریٹ حکمرانی کے بہترین طریقوں سے کوئی انحراف نہیں ہوا ہے، جیسا کہ لسٹنگ کے قواعد میں ذکر کیا گیا ہے۔

ڈائریکٹرز کی تنخواہ:

ڈائریکٹرز (غیر ایگزیکٹو اور آزاد ڈائریکٹرز سمیت) بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے Rs. 75,000 کی اجلاس کی فیس وصول کرتے ہیں، جیسا کہ بورڈ اور اراکین کی جانب سے منظور کردہ پالیسی کے مطابق ہے۔

ایگزیکٹو ڈائریکٹرز کی تنخواہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری کے تابع ہے، جو انسانی وسائل اور

ہم جامع ماحول کو فروغ دینے کے لیے جامع تربیتی پروگراموں پر عمل درآمد کرتے ہیں، تعصّبات کو دور کرتے ہیں اور ایسی ثقافت کو فروغ دیتے ہیں جہاں تمام ملازمین خود کو قابل قدر اور معاون محسوس کریں۔ ہم ہراسانی اور امتیاز کے خلاف زیرو ٹالرینس پالیسی پر عمل پیرا ہیں، جس میں شکایات کی رپورٹنگ اور حل کرنے کے واضح طریقہ کار ہیں۔ یہ تمام ملازمین کے لیے ایک محفوظ اور باعزت کام کی جگہ کو یقینی بناتا ہے۔

اہم تبدیلیاں اور عزم:

کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی اہم تبدیلیاں اور عزم مالی سال کے اختتام کے بعد اس رپورٹ کی تاریخ تک واقع نہیں ہوئے، سوا اس کے جو مالیاتی بیانات میں یا اس رپورٹ میں ظاہر کیا گیا ہے۔

صحت و حفاظت کی ذمہ داری:

کمپنی ملازمین اور عوام کی صحت کے تحفظ کے لیے محفوظ کام کے حالات کو برقرار رکھتی ہے۔ ہمارا مرکز تمام حفاظتی پہلوؤں کی بہتری پر ہے، خاص طور پر پیداوار، ترسیل، ذخیرہ، اور مواد کے ہینڈلنگ کے حوالے سے۔ ملوں اور رجسٹرڈ ہیڈ آفس میں مختلف مقامات پر حفاظتی آلات، بشمول آگ بجھانے والے آلات، نصب کیے گئے ہیں۔ طبی مشورے اور علاج فراہم کرنے کے لیے ڈاکٹر کی باقاعدہ طبی دورے کا انتظام کیا جاتا ہے۔

دیہی ترقی کا پروگرام:

فیکٹری کا مقام نوری آباد انڈسٹریل اسٹیٹ کے قریب سپر ہائی وے پر ہونے کی وجہ سے ہمیں مقامی رہائشیوں کو روزگار کی پیشکش کرنے کی سہولت ملتی ہے، جیسے کہ پیداوار، لوڈنگ، اتارنے، پیکنگ، اور سیکیورٹی کے شعبوں میں۔ Premium Textile Mills Ltd معاشرتی ذمہ داری کے تحت خیرسگالی، توانائی کی بچت، ماحولیاتی تحفظ، کمیونٹی سروس، صارفین کے تحفظ، معذور افراد کی ملازمت، پیشہ ورانہ صحت اور حفاظت، کاروباری اخلاقیات، بدعنوانی کے خلاف اقدامات، اور قومی خزانے میں شراکت کے ذریعے فعال طور پر شرکت کرتی ہے۔ ہم اپنی ملازمین کے خاندانوں کے کمزور طلباء کو رسمی تعلیمی مواقع فراہم کرنے کے لیے The Citizens Foundation (TCF) کے ساتھ شراکت میں ایک تعلیمی سہولت قائم کرنے کے لیے فنڈز جمع کرنے کے عزم پر قائم ہیں۔

2	محترمہ نائلہ حسن	2
3	محترمہ لبنیٰ آصف بالاگم والا	1

جینڈر ڈائیورسٹی اور بااختیاری:

ہم سمجھتے ہیں کہ ایک متنوع، مساوی اور شامل کام کا ماحول ہماری کامیابی کے لیے ضروری ہے اور ہمارے بنیادی اقدار کی عکاسی کرتا ہے۔ ہماری DE&I پالیسی، جو بورڈ کی سطح پر منظور شدہ ہے، تنوع کو بڑھانے، مساوات کو یقینی بنانے اور تنظیم کے تمام سطحوں پر شمولیت کو فروغ دینے کے عزم کا اظہار کرتی ہے۔ کلیدی اقدامات میں شامل ہیں:

ہم تمام ملازمین کے لیے، صنف سے قطع نظر، مساوی مواقع فراہم کرنے کے لیے پرعزم ہیں۔ ہماری بھرتی، ترقی اور ملازمین کو برقرار رکھنے کی پالیسیاں ہر کردار میں، بشمول قیادت کے عہدوں پر، صنفی مساوات کے حصول کے لیے ڈیزائن کی گئی ہیں۔

ہم خواتین کو قیادت کے کرداروں میں فروغ دینے کے لیے سرگرم ہیں اور تنظیم کے تمام سطحوں پر خواتین کی نمائندگی بڑھانے کے لیے اہداف مقرر کرتے ہیں۔ ہم رہنمائی، قیادت کی تربیت، اور پیشہ ورانہ ترقی کے مواقع فراہم کرتے ہیں جو خاص طور پر خواتین کی پیشہ ورانہ ترقی میں مدد کے لیے تیار کیے گئے ہیں۔

خواتین ملازمین کی مزید حمایت کے لیے، ہم اضافی مراعات فراہم کرتے ہیں جو ان کی مخصوص ضروریات کو پورا کرتی ہیں اور ان کے کام کے مجموعی تجربے کو بہتر بناتی ہیں۔

تنخواہ میں منصفانہ مواقع اور کیریئر کی ترقی:

ہم تربیت، مہارت کی ترقی، اور کیریئر کی ترقی کے مساوی مواقع فراہم کرتے ہیں، تاکہ تمام ملازمین کو، ان کے صنف یا پس منظر سے قطع نظر، اپنے کیریئر میں آگے بڑھنے کا موقع ملے۔

شمولیت کے اقدامات:

جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے 4 اجلاس منعقد ہوئے اور شرکت کا خلاصہ درج ذیل ہے:

نمبر	ڈائریکٹرز کا نام	نوعیت	شرکت
1	جناب محمد اسلم پاریکھ	چیئرمین/ غیر ایگزیکٹو ڈائریکٹر	2
2	جناب عبدالقادر آدم	چیف ایگزیکٹو آفیسر	4
3	جناب محمد یاسین صدیق	ایگزیکٹو ڈائریکٹر	4
4	جناب محمد رزی الدین مونیم	آزاد ڈائریکٹر	4
5	محترمہ نائلہ حسن	آزاد ڈائریکٹر	4
6	محترمہ لبنیٰ آصف بالاگم والا	خاتون کیٹیگری/ غیر ایگزیکٹو ڈائریکٹر	2
7	جناب تنزیل عبدالستار	غیر ایگزیکٹو ڈائریکٹر	2

بورڈ آڈٹ کمیٹی اور انسانی وسائل اور معاوضہ کمیٹی کے اجلاس:

جائزہ سال کے دوران 4 بورڈ آڈٹ کمیٹی (BAC) اور 2 ہیومن ریسورس اور ریمنریشن کمیٹی (HRRC) کے اجلاس منعقد ہوئے اور شرکت کا خلاصہ درج ذیل ہے:

BAC:

نمبر	ڈائریکٹرز کا نام	شرکت کردہ اجلاسوں کی تعداد
1	جناب محمد رزی الدین مونیم	4
2	محترمہ نائلہ حسن	4
3	محترمہ لبنیٰ آصف بالاگم والا	2

HRRC:

نمبر	ڈائریکٹرز کا نام	شرکت کردہ اجلاسوں کی تعداد
1	جناب محمد رزی الدین مونیم	2

ان لین دین کی نوعیت اور قدر مالیاتی بیانات میں شفافیت اور جوابدہی کو یقینی بنانے کے لیے ظاہر کی جاتی ہیں۔

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد 7 ہے جو درج ذیل ہے:

- مرد - 5
- خواتین - 2

بورڈ کی تشکیل درج ذیل ہے:

** آزاد ڈائریکٹرز**:

- جناب محمد رزی الدین موئیم
- محترمہ نائلہ حسن (خاتون)

غیر ایگزیکٹو ڈائریکٹرز:

- جناب محمد اسلم پاریکھ
- محترمہ لبنیٰ آصف بالاگم والا (خاتون کیٹیگری)
- جناب تنزیل عبدالستار

ایگزیکٹو ڈائریکٹرز:

- جناب عبدالقادر آدم
- جناب محمد یاسین صدیق

دوست مصنوعات کی صارفین کی مانگ پوری ہوتی ہے۔

قانونی تعمیل اور تیاری:

ہم پالیسی سازوں اور صنعت کے اسٹیک ہولڈرز کے ساتھ فعال مصروفیت کے ذریعے قانونی تبدیلیوں سے آگے رہتے ہیں۔ باقاعدہ آڈٹ اور تعمیل کی جانچ ہمارے ماحولیاتی، سماجی اور حکومتی ضوابط کی پیروی کو یقینی بناتی ہے، جس سے تعمیل نہ کرنے کی صورت میں جرمانے کے خطرے کو کم کیا جاتا ہے۔

اسٹیک ہولڈر کے ساتھ مشغولیت اور شفافیت:

ہم اپنے اسٹیک ہولڈرز، بشمول سرمایہ کاروں، صارفین اور کمیونٹیز کے ساتھ کھلا رابطہ رکھتے ہیں تاکہ ان کے خدشات اور توقعات کو سمجھ سکیں۔ پائیداری کی کارکردگی پر شفاف رپورٹنگ اعتماد پیدا کرتی ہے اور ہمیں ابھرتے ہوئے خطرات کو جلدی سے شناخت کرنے میں مدد دیتی ہے۔

بحران کے انتظام اور ہنگامی منصوبہ بندی:

ہم نے غیر متوقع واقعات جیسے قدرتی آفات یا سپلائی چین میں خلل کے جواب کے لیے بحران کے انتظام کے پروٹوکول اور ہنگامی منصوبے قائم کیے ہیں۔ ان منصوبوں میں خطرات کا جائزہ، مواصلاتی حکمت عملی، اور آپریشنل اثرات کو کم سے کم کرنے کے لیے بحالی کے اقدامات شامل ہیں۔

3. نگرانی اور رپورٹنگ:

ہم اپنی پائیداری کی کارکردگی کی باقاعدہ نگرانی اور رپورٹ کرتے ہیں، جس میں ہماری پائیداری کے اہداف کے خلاف پیشرفت شامل ہے۔ یہ شفافیت ہمارے خطرے کے انتظام کی حکمت عملیوں میں مسلسل بہتری کو قابل بناتی ہے اور ہمارے اسٹیک ہولڈرز کے ساتھ اعتماد کو فروغ دیتی ہے۔

متعلقہ فریقین کے لین دین:

کمپنی اپنے کاروباری معمول کے دوران متعلقہ فریقین کے ساتھ لین دین کرتی ہے، جو آرمز لینتھ شرائط پر اور قابل اطلاق قوانین وضوابط کی تعمیل میں ہوتے ہیں۔ تمام متعلقہ فریقین کے لین دین کا جائزہ بورڈ آڈٹ کمیٹی کرتی ہے اور پھر بورڈ آف ڈائریکٹرز سے منظوری لی جاتی ہے۔

.2 خطرات سے نمٹنے کی حکمت عملی:

ان خطرات سے نمٹنے کے لیے، ہم نے درج ذیل اقدامات نافذ کیے ہیں:

موسمیاتی خطرات سے نمٹنا:

ہم نے اپنی شمسی توانائی کی صلاحیت کو 5.2 میگاواٹ سے بڑھا کر 12.7 میگاواٹ کیا، جو کہ 7.5 میگاواٹ کے اضافے کے ساتھ 144 فیصد ترقی کی نمائندگی کرتی ہے۔ اس نئے اضافے سے ہماری کاربن فٹ پرنٹ اور غیر قابل تجدید توانائی پر انحصار میں نمایاں کمی ہوگی، جو پائیدار توانائی کے حل کے لیے ہماری وابستگی کے مطابق ہے۔

پانی کے خطرات کا انتظام:

ہمارا افلوئنٹ ٹریٹمنٹ پلانٹ (ETP) روزانہ 750 مکعب میٹر پانی کی صفائی کرتا ہے، اس بات کو یقینی بناتے ہوئے کہ رنگائی کے عمل میں استعمال ہونے والا پانی ماحول کو آلودہ کرنے سے بچایا جائے۔ یہ عمل نہ صرف ماحولیاتی ضوابط کے مطابق ہے بلکہ پانی کے تحفظ کی کوششوں میں بھی معاون ہے۔

پائیدار زراعت اور کمیونٹی ڈویلپمنٹ:

ہم نے WWF پاکستان کے ساتھ مل کر پاکستان کے جنوب مشرقی علاقے پکا چانگ میں 8,000 ایکڑ پر مشتمل 5 سالہ منصوبہ شروع کیا ہے، جو نامیاتی اور ریجنریٹو کپاس کے منصوبے پر مبنی ہے۔ یہ منصوبہ سالانہ 5,800 میٹرک ٹن بیج کپاس اور 2,030 میٹرک ٹن لنٹ کپاس پیدا کرنے کا ہدف رکھتا ہے۔

یہ اقدام پائیدار اور نامیاتی زرعی عمل کو فروغ دیتا ہے، کیمیائی کھادوں اور کیڑے مار ادویات پر انحصار کم کرتا ہے، اور مقامی کمیونٹیز میں مثبت ماحولیاتی اور سماجی تبدیلیاں لاتا ہے۔

مصنوعات کی جدت اور سرکلر اکانومی:

ہم دوبارہ بنائی جانے والی دھاگے اور لونا دھاگے جیسے پائیدار مواد تیار کر رہے ہیں اور ایسی ری سائیکلنگ مشینیں استعمال کر رہے ہیں جو پرانے کپڑے کو دوبارہ کپڑے میں تبدیل کرتی ہیں اور پھر سے دھاگے میں تبدیل کرتی ہیں۔ اس حکمت عملی سے وسائل کے ختم ہونے کے خطرات کم ہو جاتے ہیں اور ماحول

اثر ڈالا ہے۔ مثال کے طور پر، جولائی 2023 میں گیس کے نرخ 1,100 روپے/MMBTU تھے، اور آج تک یہ 3,000 روپے/MMBTU تک بڑھ چکے ہیں جبکہ RLNG شامل کرنے کے بعد ملے جلے گیس کے نرخ تقریباً 3,200 روپے/MMBTU تک پہنچ گئے ہیں۔

بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی سوت اور جرابوں کی تیاری ہے۔

بنیادی خطرات:

کمپنی کے کاروبار پر اثر انداز ہونے والے بنیادی خطرات درج ذیل ہیں:

-افراط زر میں اضافے کی وجہ سے پیداوار کی لاگت میں اضافہ۔
-پاکستانی روپے کی قدر میں کمی کے باعث غیر ملکی کرنسی کے ایکسچینج ریٹس میں اضافہ/کمی۔
-اسٹاک کے نقصانات کا امکان، جس سے منافع میں کمی ہوسکتی ہے۔
-درآمد شدہ اشیاء پر اضافی ٹیکسز اور بجلی و گیس کی قیمتوں پر مزید ٹیکسز کا نفاذ۔
-KIBOR کی شرح میں اضافے کے باعث مالی اخراجات میں اضافہ۔

پائیداری سے متعلق خطرات کا انتظام:

پریمیم ٹیکسٹائل ملز میں، ہم فعال طور پر پائیداری سے متعلق خطرات کی شناخت، جائزہ اور انتظام کرتے ہیں جو ہماری کارروائیوں اور طویل مدتی ترقی پر اثر انداز ہو سکتے ہیں۔ ہمارا جامع خطرہ انتظامی فریم ورک درج ذیل حکمت عملیوں پر مشتمل ہے:

1. خطرات کی شناخت اور جائزہ:

ہم مسلسل ماحولیات، سماجی اور حکومتی شعبوں میں پائیداری سے متعلق ممکنہ خطرات کی نگرانی اور شناخت کرتے ہیں۔ اس میں موسمیاتی تبدیلی، وسائل کی کمی، قوانین میں تبدیلیاں اور پائیدار مصنوعات کے لیے صارفین کی توقعات جیسے خطرات کا جائزہ شامل ہے۔

سپننگ کے شعبے کو کئی سنگین چیلنجز کا سامنا کرنا پڑا جس کی وجہ سے مجموعی مالی کارکردگی پر نمایاں اثر پڑا۔

بیرونی ماحول کو توانائی کی قیمتوں میں تیزی سے اضافے، خاص طور پر قدرتی گیس، اور ملک میں مسلسل بلند شرح سود سے متاثر کیا گیا۔ ان عوامل نے ایک نا قابل برداشت کاروباری ماحول پیدا کیا جس نے آپریشنل لاگتوں میں اضافہ کیا اور منافع کو کم کر دیا۔ نتیجتاً، کمپنی نے اس عرصے کے دوران نقصان ظاہر کیا۔

چیلنجز کے باوجود، پریمیئم ٹیکسٹائل ملز لمیٹڈ نے اپنی طویل مدتی ترقی کی حکمت عملی پر عمل پیرا رہنے کا عزم برقرار رکھا۔ کمپنی نے 4.376 ارب روپے کی سرمایہ کاری کی جس میں شمسی توانائی کے پلانٹ کی تنصیب اور مشینری میں سرمایہ کاری شامل تھی۔ ان حکمت عملیوں سے توقع کی جاتی ہے کہ آپریشنل کارکردگی میں بہتری آئے گی اور کمپنی کی مستقبل کی ترقی میں مثبت کردار ادا ہوگا۔

مالی سال 2024 میں، کمپنی کا آپریٹنگ منافع 2.736 ارب روپے تک کم ہو گیا جو 2023 میں 3.113 ارب روپے تھا۔ اگرچہ کمپنی نے خاطر خواہ آمدنی برقرار رکھی، لیکن مالی اور دیگر اخراجات میں نمایاں اضافہ ہوا، جو 81.67 فیصد بڑھ کر 1.615 ارب روپے سے 2.934 ارب روپے تک پہنچ گیا، جس نے مجموعی منافع پر اثر ڈالا۔

نتیجتاً، محصولات اور ٹیکس سے پہلے کا نقصان/منافع 199.135 ملین روپے رہا، جو پچھلے سال 1.497.672 ملین روپے تھا۔

سال کے لیے ٹیکس سمیت لیویز 242.160 ملین روپے تھیں، جس سے 441.295 ملین روپے کا خالص نقصان ہوا، جو کہ 2023 میں 1,043 ملین روپے کے خالص منافع سے ایک بڑی گراوٹ تھی۔ اس کا نتیجہ فی حصص نقصان 71.60 روپے تھا، جبکہ پچھلے سال فی حصص آمدنی 169.18 روپے تھی۔

گروس مارجن میں کمی واقع ہوئی جو 17.26 فیصد سے کم ہو کر 13.81 فیصد پر پہنچ گیا، جبکہ آپریٹنگ مارجن 13.64 فیصد سے کم ہو کر 10.10 فیصد پر پہنچ گیا۔ مالی اخراجات میں بڑے اضافے اور خاص طور پر توانائی کے نرخوں میں اضافہ، جنہوں نے آپریشنل چیلنجز کو بڑھا دیا، نے کمپنی کی منافعیت پر نمایاں

ڈائریکٹرز رپورٹ

شیئر ہولڈرز کے لیے

پیارے شیئر ہولڈرز،

ڈائریکٹرز کو آپ کے جائزے اور منظوری کے لیے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ اکاؤنٹس کے ساتھ 37 ویں سالانہ رپورٹ آپ کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔

کاروباری کارکردگی کی جھلکیاں

مالیاتی جھلکیاں

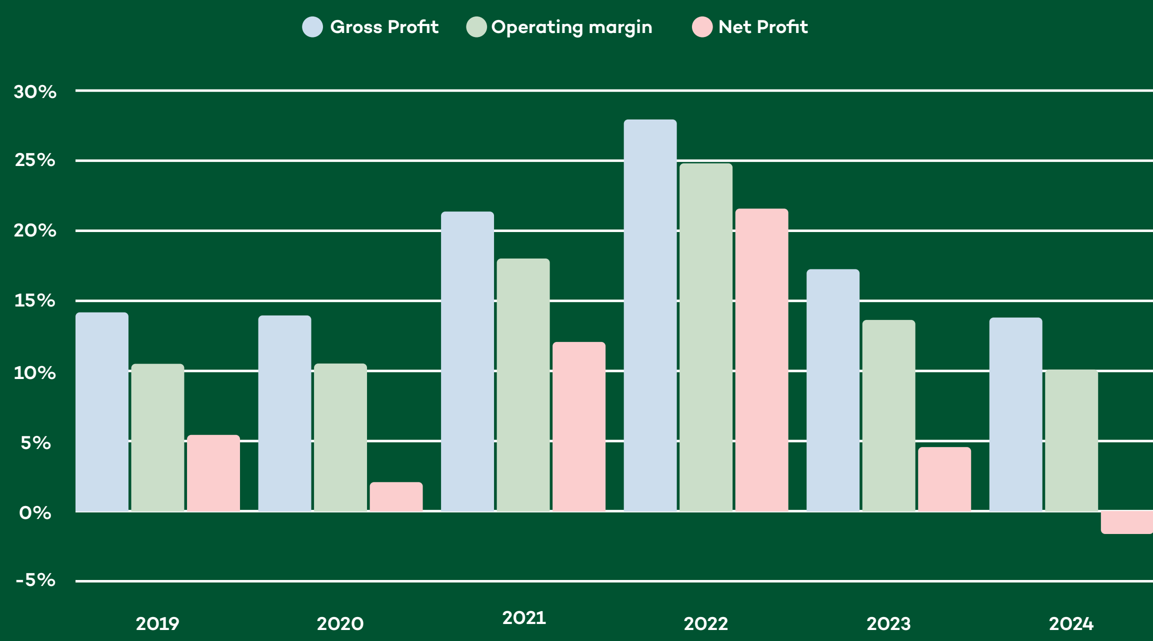
مالیاتی	2023	2024
آپریٹنگ منافع	3,113,048,051	2,735,640,195
مالیاتی و دیگر	(1,615,375,328)	(2,934,775,166)
محصولات و ٹیکس سے پہلے نقصان	1,497,672,723	(199,134,971)
محصولات و ٹیکس	(455,029,383)	(242,159,719)
ٹیکس کے بعد منافع/نقصان	1,042,643,340	(441,294,690)
منافع/نقصان فی شیئر	169.18	(71.60)
مجموعی مارجن %	17.26%	13.81%
آپریٹنگ منافع %	13.64%	10.10%

سالانہ کارکردگی کا جائزہ:

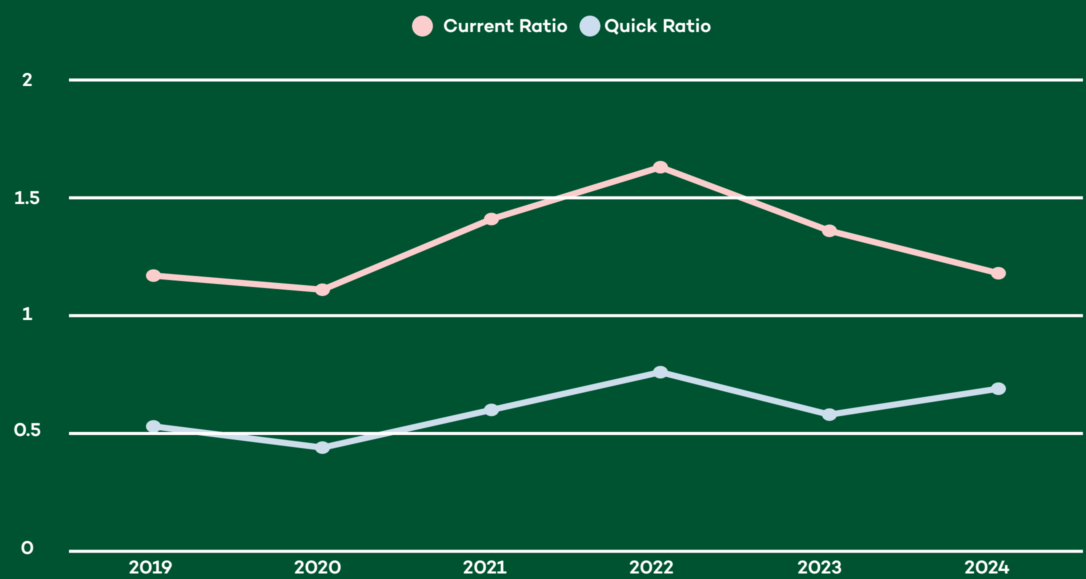
پریمیئم ٹیکسٹائل ملز لمیٹڈ دو اہم شعبوں میں کام کرتی ہے: سپننگ اور موزے۔ مالی سال کے دوران، موزوں کے شعبے نے اچھی کارکردگی کا مظاہرہ کیا اور کمپنی کی منافعیت میں مثبت کردار ادا کیا۔ تاہم،

Premium
In Graphs

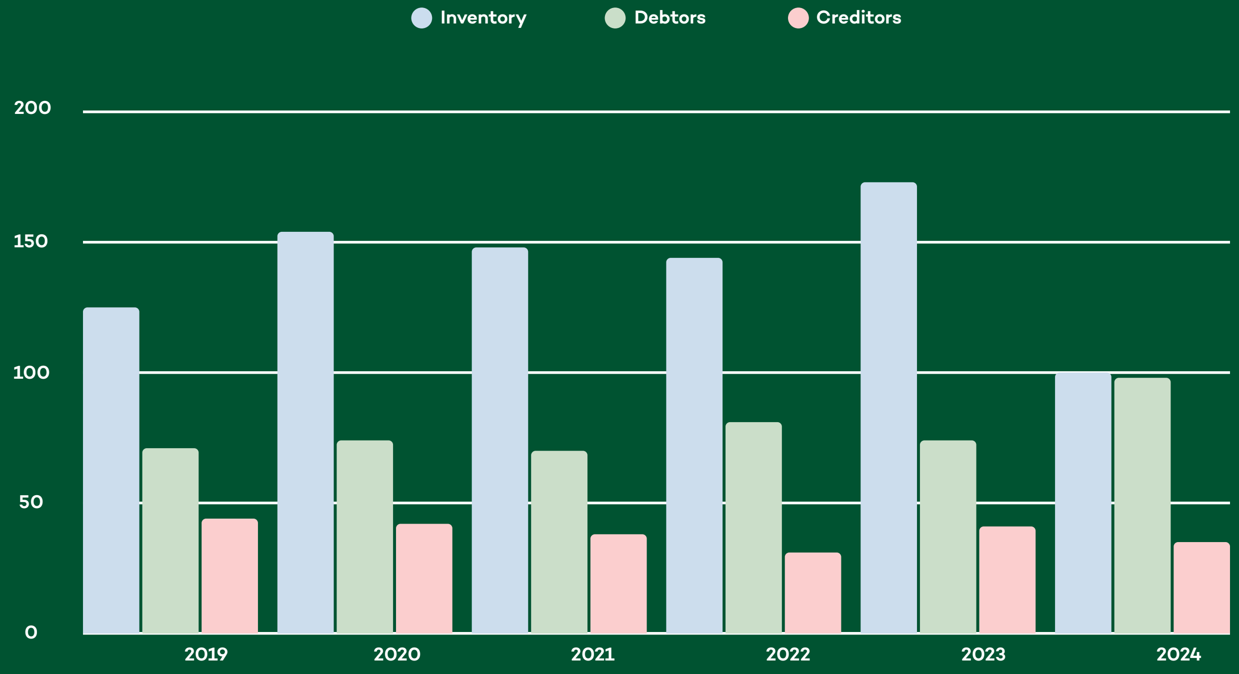
Profitability Ratios



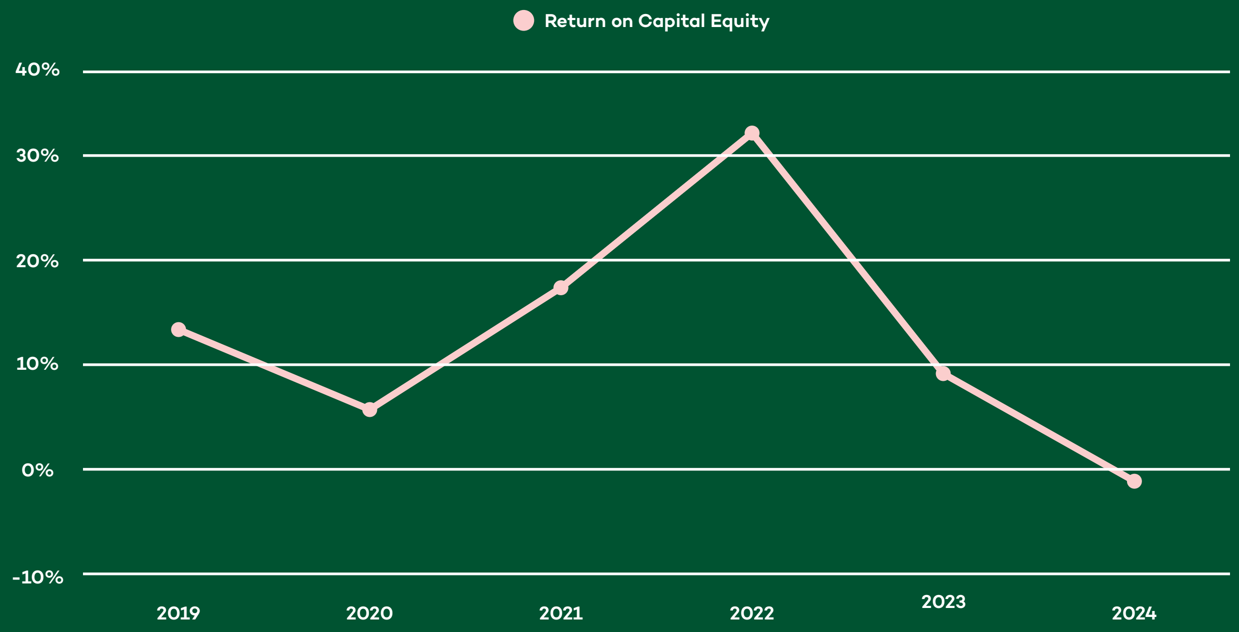
Liquidity Ratio



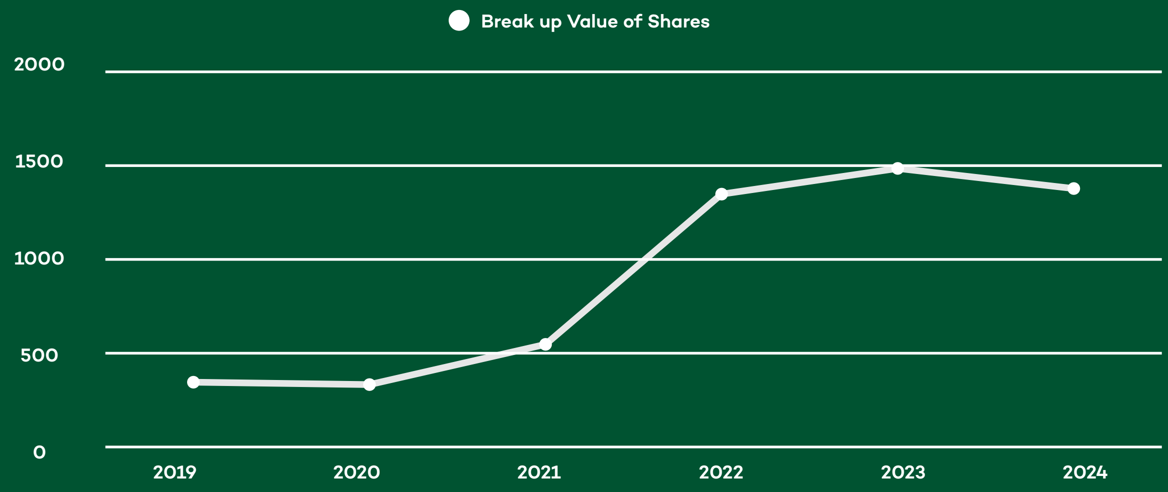
Turnover



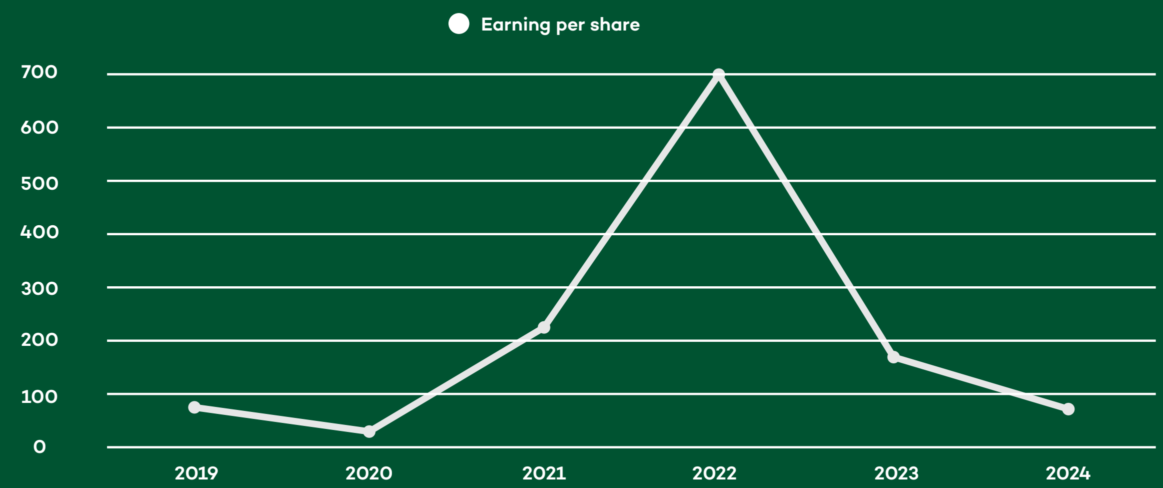
Return on Capital Employed



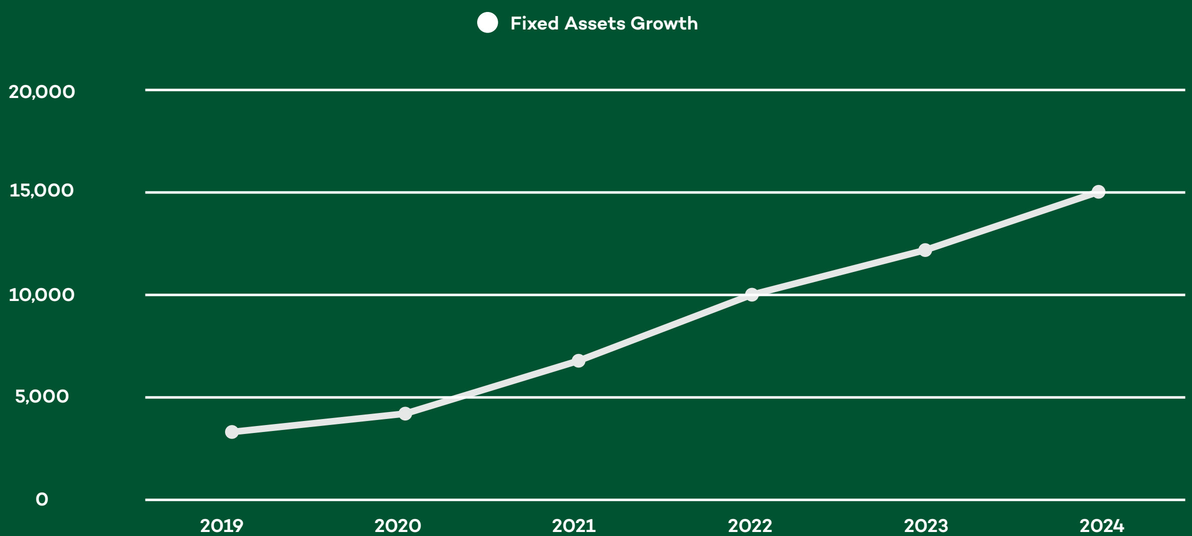
Break up Value of Shares



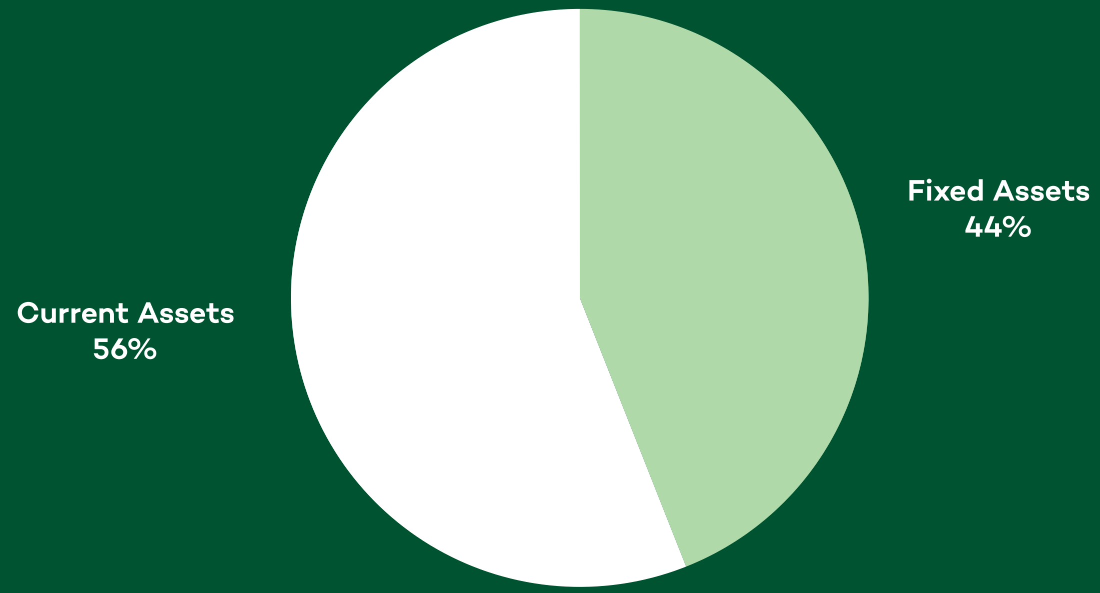
Investor's Ratio



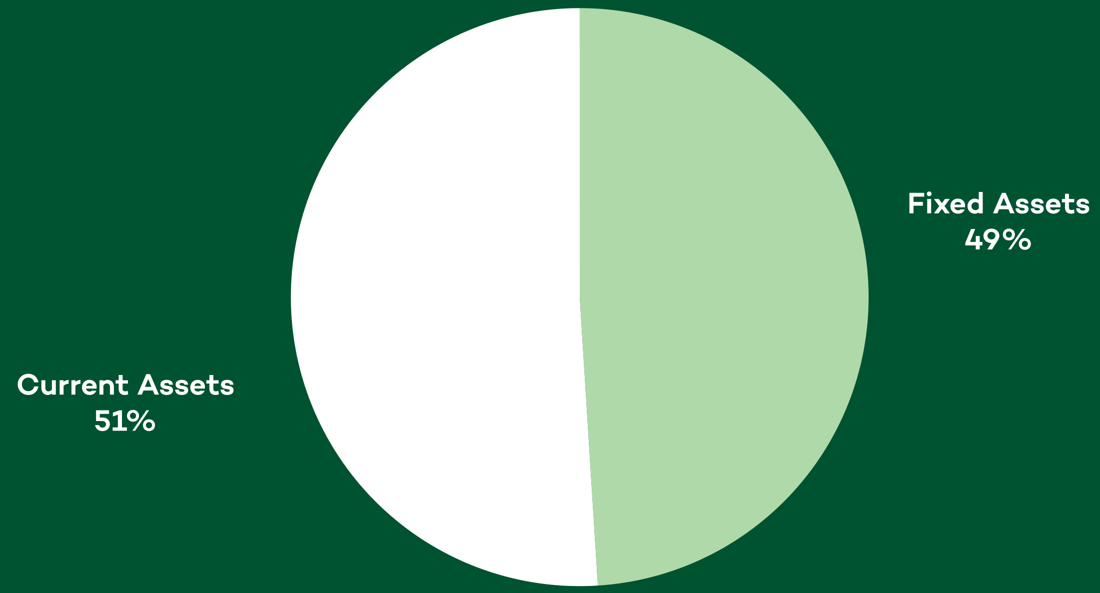
Fixed Assets' Growth



Assets



2023



2024

Key Financial Data

Six Year Overview

	2024	2023	2022	2021	2020	2019
OPERATING DATA						
Sales (net)	27,075,690,885	22,828,702,999	19,976,813,131	11,484,466,704	8,771,413,766	8,492,199,066
Cost of Goods sold	23,336,143,317	18,889,278,788	14,394,726,682	9,030,179,730	7,546,976,748	7,288,305,043
Gross profit	3,739,547,568	3,939,424,211	5,582,086,449	2,454,286,974	1,224,437,018	1,203,894,023
Operating profit	2,735,640,195	3,113,048,051	4,956,172,338	2,069,720,237	923,344,117	892,994,355
Financial charges and others	2,934,775,166	1,615,375,328	346,662,750	565,788,183	653,176,821	361,655,155
Profit/(Loss) before Taxation	(199,134,971)	1,497,672,723	4,609,509,588	1,503,932,054	270,167,296	531,339,200
Profit/(Loss) After Taxation	(441,294,690)	1,042,643,340	4,310,377,380	1,386,258,794	181,451,855	461,655,474
FINANCIAL DATA						
Shareholders equity	8,491,731,125	9,152,667,700	8,308,047,637	3,372,572,329	2,050,330,119	2,128,901,862
Long Term Liabilities	7,286,238,600	5,903,407,449	4,743,782,747	4,309,884,273	2,366,168,168	1,586,434,250
Deferred liabilities	1,667,913,207	1,320,656,892	1,074,679,814	976,906,148	311,423,425	261,720,432
Current Liabilities	13,093,874,219	11,672,170,767	6,815,944,038	4,596,957,050	4,827,264,420	3,888,638,541
	30,539,757,151	**28,048,902,808**	**20,942,454,236**	**13,256,319,800**	**9,555,186,132**	**7,865,695,085**
Fixed Assets	15,031,159,104	12,188,427,705	10,011,202,510	6,788,402,075	4,207,779,137	3,312,870,055
Long term Deposit	4,247,719	31,937,719	19,323,290	2,768,255	2,149,100	1,999,100
Current assets	15,504,350,328	15,828,537,384	10,911,928,436	6,465,149,470	5,345,257,895	4,550,825,930
	30,539,757,151	**28,048,902,808**	**20,942,454,236**	**13,256,319,800**	**9,555,186,132**	**7,865,695,085**
KEY RATIOS						
Gross Profit	13.81%	17.26%	27.94%	21.37%	13.96%	14.18%
Operating margin	10.10	13.64%	24.81%	18.02%	10.53%	10.51%
Net Profit / (Loss)	(1.63)	4.57%	21.58%	12.07%	2.07%	5.44%
Current Ratio	1.18	1.36	1.63	1.41	1.11	1.17
Earnings / (Loss) per share (Rupees)	(71.60)	169.18	699.40	224.93	29.44	74.91
Break up value of shares (Rupees)	1,377.85	1,485.10	1,348.05	547.23	332.68	345.43
Cash dividend %	0	250%	1000%	500%	80%	225.00%
STATISTICS						
Spindles Installed	93,471	91,455	91,782	85,538	81,660	75,540
Spindles worked	84,851	79,440	87,742	81,348	69,778	68,814
Production capacity 20/s in kgs	36,060,227	34,590,153	42,257,781	33,349,596	33,620,034	28,966,403
Actual Production Conversion 20/s kgs	33,565,980	30,537,955	39,968,903	31,432,443	28,728,098	25,457,634
No. of Knitting Machines installed	264	208	-	-	-	-
No of Kniiting Machines operated	264	208	-	-	-	-
Installed capacity of socks in Dozen	2,302,560	2,160,000	-	-	-	-
Actual production of socks in Dozen	1,863,088	719,221	-	-	-	-

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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of M/s. Premium Textile Mills Limited

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

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

Rahman

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi.

Date: **September 30, 2024**
UDIN: **CR202410213Fcjlzx63L**

Statement of Compliance

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

FOR THE YEAR ENDED JUNE 30, 2024

M/s. **Premium textile Mills Limited** ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations) in the following manner:

1. The total number of directors are 7 as per the following:

Male	5
Female	2

2. The Composition of the Board is as follows:

Independent Directors	Mr. Muhammad Raziuddin Monem Ms. Naila Hasan
Non-Executive Directors	Mr. Muhammad Aslam Parekh Mr. Tanzeel Abdul Sattar Ms. Lubna Asif Balagamwala
Executive Directors	Mr. Abdul Kadir Adam Mr. Muhammad Yasin Siddik

The Board comprised of minimum number of members which is seven (7) hence it fulfills the requirement of minimum two (2) independent directors and the fraction (0.33) for independent directors has not been rounded up as one. Further presently we have two independent directors, they have the requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently per laws and regulations currently in place. Therefore, the appointment of the third independent director is not warranted.

3. The Directors have confirmed that none of them is serving as a director on more than seven (7) 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 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 Companies Act, 2017 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 the Companies Act, 2017 and Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations;

9. Up to the date of reporting period (i.e. June 30, 2024), all the Directors have attained Directors training program or they meet the criteria of exemption from Directors Training Program except Mr. Tanzeel Abdul Sattar, he will obtain certification under the Director's Training Program in due course of time as encouraged under the Regulations.

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 comprising of members given below;

Audit Committee	
Ms. Naila Hasan	Chairperson
Ms. Lubna Asif Balagamwala	Member
Mr. Mohammad Raziuddin Monem	Member

Human Resource and Remuneration Committee	
Mr. Mohammad Raziuddin Monem	Chairman
Ms. Lubna Asif Balagamwala	Member
Ms. Naila Hassn	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as per following:

i. Audit Committee	**Quarterly**
ii. Human Resource and Remuneration Committee	**Semi-annually**

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the 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 their partners of the firm involved in the audit are not close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or a 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 Companies Act 2017, 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 other requirements of the regulations 3, 6, 7, 7A, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for requirements, other than regulations 3, 6, 7, 7A, 8, 27, 32, 33 and 36 are below:

Committee	Reg No	Explanation
Nomination Committee:		
The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29 (1)	The Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Code. It regularly monitors and assesses the requirements with respect to any changes needed on Board's committees including chairmanship of those committees. The Board also actively monitors requirements regarding its structure, size and composition and timely reviews and adapts any necessary changes in that regard.
Risk Management Committee:		
The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30 (1)	The Board through its Audit Committee reviews several risks to ensure that a sound system of risk identification, risk management and related systemic and internal controls is being maintained. All material controls (financial, operational, compliance) are monitored and reviewed. The Board ensures that risk mitigation measures are robust.
Sustainability Committee:		
In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.	10A (5)	The Board has assigned these responsibilities to the Human Resource and Remuneration Committee. This committee, which includes a female director, oversees sustainability risks, ensures DE&I practices, and monitors compliance with relevant laws and related matters.

On behalf of the Board of Directors

Mr. Muhammad Aslam Parekh
Chairman

Mr. Muhammad Yasin Siddik
Executive Director

Karachi: September 27, 2024

Financial statements

For the year ended June 30, 2024


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Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A. S.M.C.H.S.
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INDEPENDENT AUDITORS' REPORT

To the members of M/s. Premium Textile Mills Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Premium Textile Mills Limited ("the Company"), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information ('the financial statements'), 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and, respectively, give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss, total 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 the 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 Matter(s)

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

Cont'd... P/2

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Following is the Key Audit Matter:

Key audit matter	How the matter was addressed in our audit
Expenditures incurred on capital projects As disclosed in note 4.2 to the financial statements, the Company has made substantial investment in various capital projects. The aggregate cost incurred during the year on such projects was Rs. 3,707.1 million which was partly financed through long-term facilities obtained from commercial banks amounting to Rs. 2,569.69 million (refer the statement of cash flows). We considered this matter to be of most significance keeping in view the materiality of the amounts involved as well as the fact that its recognition, measurement, presentation and disclosure in the financial statements required the application of significant management judgment which, in turn, required us to apply significant auditor judgment and, accordingly, devote sufficient time and resources, including the involvement of senior engagement team members, in order to obtain sufficient appropriate audit evidence.	Our audit procedures to address the matter included, but were not limited to, the following: • Inspect necessary documentation to confirm the validity and accuracy of expenditures related to capital projects, as well as the corresponding loan proceeds received from commercial banks, while considering the relevant recognition and measurement criteria outlined in the applicable financial reporting standards; • Evaluating the management's conclusion as to why the capital projects were not regarded as a 'qualifying assets' under the applicable financial reporting standard and, accordingly, no borrowing costs should be included in the cost of the projects; • Assessing the reasonableness of various factors and assumptions used by management in determining the useful life of the capital assets as well as inspecting the necessary documentary evidences to establish the date from which the capital assets were considered as 'available for use' and, hence, should be depreciated; • Evaluating the management's basis for conclusion explaining why the financing received from the bank was considered to contain an element of government grant which, as per the applicable financial reporting standard, should initially be set up as deferred income (in the statement of financial position) and subsequently credited to profit or loss of the periods in which the related costs are to be recognized; and • Recalculate the carrying amounts of capital assets, related loan liabilities, and deferred grants recognized in the statement of financial position, along with their corresponding impacts reflected in the statement of profit or loss. Additionally, assess the adequacy of their presentation and disclosure.

Cont'd... P/3

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

Management is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements of the Company and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism 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.

Cont'd... P/4

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance; and

The engagement partner on the audit resulting in this independent auditor's report is **Mr. Muhammad Waseem.**

Rahman

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi.

Date: September 30, 2024
UDIN: AR202410213RPv03Fd7r

Premium Textile Mills Limited

Statement of Financial Position
As at June 30, 2024

	Note	2024	2023
		———Rupees———	
ASSETS			
Non- current assets			
Property, plant and equipment	4	**15,031,159,104**	12,170,206,485
Intangible assets		-	18,221,220
Long term advances and deposits	5	**4,247,719**	31,937,719
		15,035,406,823	12,220,365,424
Current assets			
Stores and spares	6	**726,402,673**	569,409,130
Stock in trade	7	**6,419,117,631**	8,973,797,538
Trade debts - net	8	**7,275,865,808**	4,606,616,224
Tax refunds due from Government	9	**363,458,252**	81,050,422
Advances, deposits and other receivables	10	**255,917,079**	885,466,213
Cash and bank balances	11	**463,588,885**	712,197,857
		15,504,350,328	15,828,537,384
Total assets		**30,539,757,151**	28,048,902,808
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
7,000,000 (June 30, 2023: 7,000,000) ordinary shares of Rs. 10/- each		**70,000,000**	70,000,000
Issued, subscribed and paid-up capital	12	**61,630,000**	61,630,000
Capital reserve			
Surplus on revaluation of plant and electrical instruments	13	**1,145,294,299**	1,295,655,749
Revenue reserve			
Unappropriated profits		**7,284,806,826**	7,795,381,951
Total equity		**8,491,731,125**	9,152,667,700
LIABILITIES			
Non-current liabilities			
Long term financing - secured	14	**7,286,238,600**	5,903,407,449
Deferred liabilities	15	**1,667,913,207**	1,320,656,892
		8,954,151,807	7,224,064,341
Current liabilities			
Trade and other payables	16	**2,259,553,858**	2,133,599,183
Unclaimed dividend		**10,448,093**	9,770,976
Accrued markup	17	**512,826,194**	505,719,136
Short term borrowings - secured	18	**9,079,025,121**	8,136,883,241
Current maturity of government grant		**192,068,879**	149,417,152
Current maturity of Gas Infrastructure Development Cess		**101,122,978**	-
Current maturity of long term financing	14	**938,829,096**	736,781,079
		13,093,874,219	11,672,170,767
Contingencies and commitments	19		
Total equity and liabilities		**30,539,757,151**	28,048,902,808

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Premium Textile Mills Limited

Statement of Profit or Loss

For the year ended June 30, 2024

	Note	2024 Rupees	(Restated) 2023 Rupees
Sales - net	20	**27,075,690,885**	22,828,702,999
Cost of sales	21	**(23,336,143,317)**	(18,889,278,788)
Gross profit		**3,739,547,568**	3,939,424,211
Administrative expenses	22	**(573,458,130)**	(528,978,889)
Distribution costs	23	**(430,449,243)**	(297,397,271)
		(1,003,907,373)	(826,376,160)
Operating profit		**2,735,640,195**	3,113,048,051
Finance costs	24	**(3,071,059,168)**	(2,238,214,139)
Other income / (expenses) - net	25	**136,284,002**	622,838,811
		(2,934,775,166)	(1,615,375,328)
(Loss) / profit before levies and taxation		**(199,134,971)**	1,497,672,723
Levies	26	**(313,095,801)**	(455,100,677)
(Loss) / profit before taxation		**(512,230,772)**	1,042,572,046
Taxation	27	**70,936,082**	71,294
(Loss) / profit after taxation		**(441,294,690)**	1,042,643,340
(Loss) / earnings per share - basic and diluted	28	**(71.60)**	169.18

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive Officer **Director** **Chief Financial Officer**

Premium Textile Mills Limited

Statement of Comprehensive Income
For the year ended June 30, 2024

	2024	2023
	Rupees	
(Loss) / Profit after taxation	**(441,294,690)**	1,042,643,340
Other Comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss		
Actuarial loss on defined benefit obligation	**(65,566,885)**	(72,130,435)
Revaluation increase during the year	**-**	182,257,158
Total comprehensive (loss) / income for the year	**(506,861,575)**	1,152,770,063

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Premium Textile Mills Limited

Statement of Changes in Equity

For the year ended June 30, 2024

	Issued, subscribed and paid up capital	Revenue reserve Unappropriated profits	Capital reserve Surplus on revaluation of plant and electrical instruments	Total
	Rupees			
Balance as at June 30, 2022	61,630,000	7,000,291,403	1,246,126,234	8,308,047,637
Total comprehensive income for the year ended June 30,2023				
- Profit after taxation	-	1,042,643,340	-	1,042,643,340
- Other comprehensive (loss) / income	-	(72,130,435)	182,257,158	110,126,723
	-	970,512,905	182,257,158	1,152,770,063
Transfer to unappropriated profit on account of incremental depreciation	-	123,721,046	(123,721,046)	-
Revaluation surplus realized on disposal of fixed assets	-	9,006,597	(9,006,597)	-
Transactions with owners				
Final cash dividend paid @ 500% for the year ended June 30, 2022 (2021: 500%)	-	(308,150,000)	-	(308,150,000)
	-	(308,150,000)	-	(308,150,000)
Balance as at June 30, 2023	61,630,000	7,795,381,951	1,295,655,749	9,152,667,700
Total comprehensive loss for the year ended June 30,2024				
- Loss after taxation	**-**	**(441,294,690)**	**-**	**(441,294,690)**
- Other comprehensive loss	**-**	**(65,566,885)**	**-**	**(65,566,885)**
	-	**(506,861,575)**	**-**	**(506,861,575)**
Transfer to unappropriated profit on account of incremental depreciation	**-**	**127,254,922**	**(127,254,922)**	**-**
Revaluation surplus realized on disposal of fixed assets	**-**	**23,106,528**	**(23,106,528)**	**-**
Transactions with owners				
Final cash dividend paid @ 250% for the year ended June 30, 2023 (2022: 500%)	**-**	**(154,075,000)**	**-**	**(154,075,000)**
	-	**(154,075,000)**	**-**	**(154,075,000)**
Balance as at June 30, 2024	**61,630,000**	**7,284,806,826**	**1,145,294,299**	**8,491,731,125**

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive Officer	Director	Chief Financial Officer

Premium Textile Mills Limited

Statement of Cash Flows

For the year ended June 30, 2024

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		Rupees	
(Loss) / profit before levies and taxation		**(199,134,971)**	1,497,672,723
Adjustments for non cash and other items:			
- Depreciation	4.1	**1,373,217,924**	1,008,708,151
- (Gain) / loss on disposal of property, plant and equipment	25	**(7,387,327)**	2,699,799
- Provision for staff retirement benefits		**259,814,287**	137,696,818
- Amortization of intangible assets		**-**	861,734
- Amortization of deferred government grant	25	**(169,327,286)**	(147,464,398)
- Provision for expected credit loss		**2,857,237**	19,613,873
- Provision for slow moving items	6	**5,000,000**	-
- Unrealized exchange losses/ (gains)	25	**34,605,517**	(114,664,418)
- Finance costs	24	**3,071,059,168**	2,238,214,139
		4,569,839,520	3,145,665,698
Cash generated from operating activities before working capital changes		**4,370,704,549**	4,643,338,421
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
- Stores and spares		**(161,993,543)**	(360,588,049)
- Stock in trade		**2,554,679,907**	(3,284,197,950)
- Trade debts		**(2,673,978,120)**	(156,978,082)
- Advances, deposits and other receivables		**629,549,134**	(747,063,317)
- Sales tax refundable / payable		**(299,863,968)**	40,850,208
Increase / (decrease) in current liabilities			
- Trade and other payables		**83,414,215**	1,125,494,583
		131,807,625	(3,382,482,607)
Cash generated from operations		**4,502,512,174**	1,260,855,814
- Taxes paid		**(230,614,509)**	(322,483,690)
- Staff retirement benefits		**(56,946,071)**	(26,518,698)
- Payment of Workers' Welfare Fund		**(39,299,439)**	(94,071,624)
- Payment of Workers' Profit Participation Fund		**(74,440,542)**	(248,000,000)
- Finance cost paid		**(2,845,584,156)**	(1,638,176,861)
- Long term advances and deposits - net		**(310,000)**	(12,137,269)
Net cash generated from / (used in) operating activities		**1,255,317,457**	(1,080,532,328)
CASH FLOWS FROM INVESTING ACTIVITIES			
- Acquisition of property, plant and equipment		**(4,153,410,755)**	(3,022,930,860)
- Acquisition of intangible assets		**-**	(11,370,664)
- Proceeds from disposal of property, plant and equipment		**74,263,983**	27,063,803
Net cash used in investing activities		**(4,079,146,772)**	(3,007,237,721)
CASH FLOWS FROM FINANCING ACTIVITIES			
- Repayment of Long term financing (principal portion)		**(750,475,995)**	(605,331,797)
- Long term financing obtained		**2,569,686,559**	1,923,132,579
- Short term borrowings - net		**2,922,743,245**	1,520,100,795
- Dividend paid		**(153,397,883)**	(308,175,000)
Net cash generated from financing activities		**4,588,555,926**	2,529,726,577
Net increase / (decrease) in cash and cash equivalents		**1,764,726,611**	(1,558,043,472)
Cash and cash equivalents at the beginning of the year		**(5,094,373,138)**	(3,648,705,003)
Effect of movements in exchange rates on cash held		**(32,734,218)**	112,375,337
Cash and cash equivalents at the end of the period	29	**(3,362,380,745)**	(5,094,373,138)

The annexed notes from 1 to 38 form an integral part of these financial statements.

Chief Executive Officer | **Director** | **Chief Financial Officer**

Notes to the Financial Statements
For the year ended June 30, 2024

1. STATUS AND NATURE OF BUSINESS

1.1 Premium Textile Mills Limited ('the Company') was incorporated in Pakistan on March 03, 1987 as a public limited company under the Companies Ordinance, 1984 (now repealed with the enactment of Companies Act, 2017 on may 30,2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of socks, cotton and polyester yarn.

1.2 The geographical location of Company's offices are as follows:

- The Registered office of the Company is located at 1st Floor , Haji Adam Chambers, Altaf Hussain Road, New Challi, Karachi.

- The Company's manufacturing unit is located at plot 58,60,61,76,77 & 78 Main Super Highway , Nooriabad , District Dadu (Sindh), Pakistan.

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 as applicable in Pakistan comprise of:

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

- Provisions of, and directives issued under, the Companies Act, 2017.

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

2.2 Basis of measurement

In these financial statements, all items have been measured at their historical cost, except for plant and machinery and electrical instruments and installations which are carried at revalued amounts less accumulated depreciation and impairment losses thereon if any.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

2.4 Judgments and sources of estimation uncertainty

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

(a) *Judgements*

Judgements made in applying accounting policies that have the most significant effects on the amounts recognized in these financial statements are as follows:

		Note
-	*Useful lives, residual values and depreciation method of property, plant and equipment*	3.1
-	*Provision for expected credit losses*	3.6.3
-	*Obligation of defined benefit obligation*	3.10

(b) *Assumptions and other major sources of estimation uncertainty*

Assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included are as follows:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Property, plant and equipment	Estimation of useful lives and residual values of the operating fixed assets
Inventories	Estimation of the net realizable value of stores and spares inventory and recognition of the provision for slow-moving items

2.5 Changes in Accounting Standards, Interpretations and Amendments to Published Approved Accounting Standards

2.5.1 *Amendments to existing standards that became effective during the year*

The following new or amended standards and interpretations became effective during the period which are considered to be relevant to the Company's financial statements :

- Classification of liabilities as current or non-current (Amendments to IAS 1)

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

- Definition of Accounting Estimates (Amendments to IAS 8) and

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The above amendments / interpretations do not likely have an effect on the financial statements of the Company except noted below:

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

2.5.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective.

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2024:

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a Company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial instruments. The amendments:

  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.

  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI) and

  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).

  - Annual Improvements - Volume Eleven:

    - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.

    - Gain or Loss on Derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.

    - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.

    - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

    - Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7) - Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

    - Transaction Price (Amendments to IFRS 9) - Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term "transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.

    - Determination of a 'De Facto Agent' (Amendments to IFRS 10) - Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendment is intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents.

    - Cost Method (Amendments to IAS 7) - Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method".

The above standards, amendments to approved accounting standards and interpretations have not been early adopted by the Company and are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, The IASB has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the SECP as at June 30, 2024:

- IFRS 1 (First-time Adoption of International Financial Reporting Standards)
- IFRS 18 (Presentation and Disclosure in Financial Statements) and
- IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any, except for plant and machinery and electrical instruments and installations which are stated at revalued amounts less accumulated depreciation and impairment loss, if any.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized on retirement from active use. All other repairs and maintenance are charged to the statement of profit or loss during the year in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. in each of derecognition of the revalued propoerty, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to the unappropriated profit. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year in which the asset is derecognized.in case of derecognition of the revalued property, the attributable surplus remaining in the surplus on revaluation is transferred directly to the unappropriated profit.

Depreciation on all property, plant and equipment is charged using reducing balance method in accordance with the rates specified in note 4.1 to these financial statements. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. The Company's estimate of residual value of property, plant and equipment as at June 30, 2024 did not require any adjustment. Depreciation on additions is charged from the date when the assets become available for use till the date of disposal.

Any revaluation increase arising on the revaluation of plant and machinery and electrical instruments and installations is recognized in other comprehensive income and presented as a separate component of equity as “Surplus on revaluation of plant and equipment”, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company’s shareholders. The surplus on revaluation to the extent of incremental depreciation charged is transferred to unappropriated profit.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of property, plant and equipment are provided in Note 4.

Gains / losses on disposal of property, plant and equipment are charged to the statement of profit or loss.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Capital work - in - progress

Capital work - in - progress is stated at cost less accumulated impairment losses, if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work - in - progress. These are transferred to operating assets as and when the assets are available for use.

3.2 Stores and spares

These are valued under the moving average cost method (less impairment loss, if any) other than stores and spares in transit which are valued at cost comprising invoice value plus other charges paid thereon less impairment loss if any.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding their future usability.

3.3 Stock-in-trade

Basis of valuation

All items of stock-in-trade are valued at the lower of cost and their net realizable value as of the reporting date.

Determination of cost

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of **purchase** of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts and other similar items are deducted in determining the costs of purchase.

The **costs of conversion** of inventories include costs directly related to the quantity of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal operating capacity of the production facilities (ounce per spindle method).

The cost of the items consumed or sold and those held in stock at the reporting date is determined as follows:

Item of stock in trade	Method of valuation
Raw materials-In hand	Weighted average cost
Raw materials-In transit	At directly attributable cost
Packing material	Weighted average cost
Waste material	At net realizable value
Work-in-process and finsihed goods	At average cost comprising direct cost of raw material, labour and other manufacturing overheads.

Determination of net realizable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs of completion or the estimated costs to be incurred to make the sale have increased.

Raw materials and other supplies held for use in the production of inventories are not written down below cost if the finished product in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished product exceeds net realisable value, the materials are written down to net realisable value. In such circumstances, the replacement cost of the materials is used as the measure of their net realisable value.

3.4 Trade debts

These are carried at their transaction price less any allowance for lifetime expected credit losses. A receivable is recognized when the goods are delivered to customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, bank balances and short term borrowings from banks which are repayable on demand and form an integral part of the Company's cash management.

3.6 Financial assets

3.6.1 *Initial recognition, classification and measurement*

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost;
(b) fair value through other comprehensive income (FVOCI); and
(c) fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment

Such financial assets are initially measured at fair value.

3.6.2 *Subsequent measurement*

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in profit or loss.

(b) *Financial assets at FVOCI*

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognized in profit or loss.

(c) *Financial assets at FVTPL*

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognized in other comprehensive income is not reclassified from equity to profit or loss.

3.6.3 ***Impairment***

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortized cost.

For trade receivables, the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The company consider that there been significant increase in credit risk of contractual payment due more than 30 days.

The Company measures expected credit losses on financial assets trade receivables in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.6.4 ***De-recognition***

Financial assets are derecognized 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.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

3.7 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.8 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as 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 recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the cash flows relating to the financial liability have been substantially modified.

3.9 Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

The benefit of a commercial loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants are included in deferred liabilities and credited in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

3.10 Employee benefits

Staff retirement benefits

The Company operates an unfunded gratuity scheme for its employees which is classified as a defined benefit plan.

Defined benefit plans provide an amount of pension or gratuity that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period. The defined benefit obligations are calculated annually by independent actuary using the projected unit credit method.

The present values of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds or the market rates on government bond. These are denominated in the currency in which the benefits will be paid.

In determining the liability for long-service payments management must make an estimate of salary increases over the following years, the discount rate for the next years to use in the present value calculation, and the number of employees expected to leave before they receive the benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Compensated absences

Provision for accumulating compensated absences, whether vesting or non-vesting, is recognized as the employees render services that increase their entitlement to future paid absences . Such provision is measured as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

3.11 Translation of foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

At the end of each reporting period, non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. However, non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.12 Provisions and contingent liabilities

Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

As the actual outflows can differ from estimates made for provisions. the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.13 Revenue

Revenue from local sales

Revenue from sale of goods is recognized when the customer obtains control of the goods, being when the goods are delivered to the customer, the customer has full discretion over the selling price of the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been dispatched from the company premise, the risk of loss has been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from export sales

Revenue from sale of goods to foreign customers is recognized when those customers obtain control of the exported goods.

The Company does not expect to have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

3.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

3.15 Levies and Taxation

Levies

A levy is an outflow of resources embodying economic benefits imposed by the government that does not meet the definition of income tax provided in the International Accounting Standard (IAS) 12 'Income Taxes' because it is not based on taxable profit.

In these financial statements, levy includes minimum tax under section 113 or other sections of Income tax ordinance, Income tax under final tax regime and workers' welfare fund expense. The corresponding effect of levy other than worker's welfare fund expense and workers' profit participation, advance tax paid has been netted off and the net position is shown in the statement of financial position.

Current tax

In these financial statements , minimum tax on local sales revenue is recognized as levy under section 113 of the Income Tax Ordinance and other sections of the said ordinance. Any excess charged under the normal tax regime is recognized as current tax.

In these financial statements , Income tax under final tax regime is recognized as levy and the excess amount charged is recognized as current tax.

Deferred tax

Although temporary differences arises but no deferred tax is recorded in these financial statements. The entity is expected to be in non-tax/ levy regime for foreseeable future as, in such a case, the effective tax rate would be zero.

3.16 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

For management purposes, the Company is organised into business units based on its products and has two reportable segments, namely Spinning and Socks. No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Transfer prices between operating segment are based on agreed prices approved by the board of directors.

3.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are approved by the Company's shareholders.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2024	2023
		Rupees	
Operating fixed assets	*4.1*	**14,140,304,364**	11,204,624,718
Capital work in progress	*4.2*	**771,218,296**	965,581,767
Equipment in transit		**119,636,444**	-
		15,031,159,104	12,170,206,485

4.1 Operating fixed assets

	Freehold land	Building and godown on free hold land	Plant and machinery	Office, tools, fire fighting and laboratory equipment	Furniture and fixtures	Computer and allied equipment	Vehicles	Electrical instruments and installations	Arms and ammunition	Total
	Rupees									
As at June 30, 2022										
Gross carrying amount	29,668,476	1,383,136,047	8,161,825,235	24,364,912	31,852,701	20,100,966	360,250,019	1,284,226,559	37,150	11,295,462,065
Accumulated depreciation	-	(587,088,303)	(2,181,168,040)	(11,568,395)	(12,787,465)	(6,532,945)	(106,202,456)	(404,659,847)	(35,644)	(3,310,043,095)
Net carrying amount	29,668,476	796,047,744	5,980,657,195	12,796,517	19,065,236	13,568,021	254,047,563	879,566,712	1,506	7,985,418,970
Movement during the year ended June 30, 2023										
Opening net book value	29,668,476	796,047,744	5,980,657,195	12,796,517	19,065,236	13,568,021	254,047,563	879,566,712	1,506	7,985,418,970
Additions	1,251,700	41,922,217	522,091	19,230,100	20,259,496	10,530,434	77,539,830	939,990	-	172,195,858
Transfer from CWIP (note 4.2)	-	755,731,389	2,536,452,795	-	-	-	-	611,040,301	-	3,903,224,485
Revaluation surplus recognized	-	-	156,361,948	-	-	-	-	25,895,210	-	182,257,158
Disposals:										
- Gross carrying amount	-	-	(66,014,200)	-	-	-	(14,207,155)	(1,301,291)	-	(81,522,646)
- Accumulated depreciation	-	-	44,525,039	-	-	-	6,227,378	1,006,627	-	51,759,044
	-	-	(21,489,161)	-	-	-	(7,979,777)	(294,664)	-	(29,763,602)
Depreciation for the year	-	(102,484,462)	(709,732,256)	(1,623,707)	(2,889,078)	(4,743,582)	(56,168,629)	(131,066,286)	(151)	(1,008,708,151)
Closing net book value	30,920,176	1,491,216,888	7,942,772,612	30,402,910	36,435,654	19,354,873	267,438,987	1,386,081,263	1,355	11,204,624,718
As at June 30, 2023										
Gross carrying amount	30,920,176	2,180,789,653	10,789,147,869	43,595,012	52,112,197	30,631,400	423,582,694	1,920,800,769	37,150	15,471,616,920
Accumulated depreciation	-	(689,572,765)	(2,846,375,257)	(13,192,102)	(15,676,543)	(11,276,527)	(156,143,707)	(534,719,506)	(35,795)	(4,266,992,202)
Net carrying amount	30,920,176	1,491,216,888	7,942,772,612	30,402,910	36,435,654	19,354,873	267,438,987	1,386,081,263	1,355	11,204,624,718
Movement during the year ended June 30, 2024										
Opening net book value	**30,920,176**	**1,491,216,888**	**7,942,772,612**	**30,402,910**	**36,435,654**	**19,354,873**	**267,438,987**	**1,386,081,263**	**1,355**	**11,204,624,718**
Additions	**142,564**	**2,800,000**	**392,480,176**	**16,002,325**	**6,437,296**	**8,304,127**	**48,147,440**	**-**	**-**	**474,313,928**
Transfer from CWIP (note 4.2)	**-**	**449,438,691**	**2,775,614,322**	**31,376,934**	**8,291,109**	**886,528**	**56,520,703**	**579,332,011**	**-**	**3,901,460,298**
Disposals:										
-Gross carrying amount	**-**	**-**	**(182,560,075)**	**-**	**-**	**-**	**(7,345,879)**	**-**	**-**	**(189,905,954)**
- Accumulated depreciation	**-**	**-**	**118,849,001**	**-**	**-**	**-**	**4,180,297**	**-**	**-**	**123,029,298**
	-	**-**	**(63,711,074)**	**-**	**-**	**-**	**(3,165,582)**	**-**	**-**	**(66,876,656)**
Depreciation for the year	**-**	**(176,820,994)**	**(962,154,714)**	**(6,024,997)**	**(4,491,480)**	**(7,556,644)**	**(61,260,304)**	**(154,908,656)**	**(135)**	**(1,373,217,924)**
Closing net book value	**31,062,740**	**1,766,634,585**	**10,085,001,322**	**71,757,172**	**46,672,579**	**20,988,884**	**307,681,244**	**1,810,504,618**	**1,220**	**14,140,304,364**
As at June 30, 2024										
Gross carrying amount	**31,062,740**	**2,633,028,344**	**13,774,682,292**	**90,974,271**	**66,840,602**	**39,822,055**	**520,904,958**	**2,500,132,780**	**37,150**	**19,657,485,192**
Accumulated depreciation	**-**	**(866,393,759)**	**(3,689,680,970)**	**(19,217,099)**	**(20,168,023)**	**(18,833,171)**	**(213,223,714)**	**(689,628,162)**	**(35,930)**	**(5,517,180,828)**
Net carrying amount	**31,062,740**	**1,766,634,585**	**10,085,001,322**	**71,757,172**	**46,672,579**	**20,988,884**	**307,681,244**	**1,810,504,618**	**1,220**	**14,140,304,364**
Annual rates of depreciation	**-**	**10%**	**10%**	**10%**	**10%**	**30%**	**20%**	**10%**	**10%**	

		Note	2024	2023
			Rupees	
4.1.1	Depreciation for the year has been allocated as under :			
	Cost of sales	*21.4*	**1,310,147,232**	961,144,373
	Administrative expenses	*22*	**63,070,692**	47,563,778
			1,373,217,924	1,008,708,151

4.1.2 The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the period.

Paricular Of Assets	Division	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	Gain/(Loss) on Disposal	Particulars Of Purchaser	Relation with Buyer	Mode Of Disposal
		Rupees							
1 KIA Sportage	Socks	5,392,510	(2,886,862)	2,505,648	6,000,000	3,494,352	Seahawks Asia Global (Private) Limited	None	Negotiation
1 Carding machine	Spinning	2,403,375	(1,743,768)	659,607	350,000	(309,607)	Hasan & Co	None	Negotiation
2 Carding machine	Spinning	5,077,538	(3,620,907)	1,456,631	700,000	(756,631)	Hasan & Co	None	Negotiation
5 Carding machine	Spinning	12,910,099	(9,859,419)	3,050,680	1,750,000	(1,300,680)	Hasan & Co	None	Negotiation
2 Cone Winder	Spinning	54,662,607	(22,946,296)	31,716,311	34,000,000	2,283,689	Nadeem Textile Mills Limited	None	Negotiation
2 Cone Winder	Spinning	14,671,138	(10,983,690)	3,687,448	3,800,000	112,552	A.W Trading	None	Negotiation
1 Crosrol Carding machine	Spinning	2,393,518	(1,761,395)	632,123	350,000	(282,123)	Hasan & Co	None	Negotiation
1 Crosrol Carding machine	Spinning	5,820,601	(4,437,259)	1,383,342	350,000	(1,033,342)	Hasan & Co	None	Negotiation
2 Crosrol Carding machine	Spinning	4,847,465	(3,748,121)	1,099,344	700,000	(399,344)	Hasan & Co	None	Negotiation
2 Crosrol Carding machine	Spinning	5,570,853	(4,288,285)	1,282,568	700,000	(582,568)	Hasan & Co	None	Negotiation
5 Crosrol Card machine	Spinning	12,324,622	(9,512,133)	2,812,489	1,750,000	(1,062,489)	Hasan & Co	None	Negotiation
2 Crosrol Carding machine	Spinning	4,823,295	(3,704,229)	1,119,066	1,320,000	200,934	Uni Dyeing (Private) Ltd.	None	Negotiation
2 Crosrol Carding machine	Spinning	5,368,485	(4,088,198)	1,280,287	1,320,000	39,713	Uni Dyeing (Private) Ltd.	None	Negotiation
1 Honda City	Spinning	1,821,769	(1,212,330)	609,439	2,700,000	2,090,561	Mr. Safir Ahmed	None	Negotiation
2 Ring spinning frame	Spinning	4,458,545	(2,505,878)	1,952,667	1,540,000	(412,667)	H.A Haq Spinning Mills (Private) Limited	None	Negotiation
3 Ring spinning frame	Spinning	6,598,945	(4,936,568)	1,662,377	2,300,000	637,623	Faisal Naveed Mills (Private) limited	None	Negotiation
1 Ring spinning frame	Spinning	5,911,862	(4,424,567)	1,487,295	700,000	(787,295)	Mr. Saad Abdullah Traders	None	Negotiation
30-Jun-24		**155,057,227**	**(96,659,905)**	**58,397,322**	**60,330,000**	**1,932,678**			
30-Jun-23		77,665,930	(49,079,380)	28,586,550	23,638,805	(4,947,745)			

4.1.3 Freehold land represents 226,624 square meters of land situated at Nooriabad , District Dadu (Sindh) on which factory and non factory buildings are constructed. The property is utilized as manufacturing facility for the production of yarn and socks.

4.1.4 The Company measures its plant and machinery and electrical instruments and installations using revaluation model. The latest revaluation of plant and machinery and electrical instruments and installations was carried out by an independent valuer M/s K.G.Traders (Pvt) Ltd on June 27, 2023. As per the aforesaid valuation, the forced sale value of the plant and machinery and electrical instruments and installation amounted to Rs. 6,528 million.

4.1.5 Had there been no revaluation, the net book value of specific classes of property, plant and equipment would have been as follows:

	2024	2023
	Rupees	
Plant and machinery	**9,085,666,018**	6,809,293,524
Electrical instruments and installations	**1,664,545,623**	1,223,904,602
	10,750,211,641	8,033,198,126

4.2 Capital work in progress

	2024	2023
Opening balance as at the beginning of the year	**965,581,767**	2,025,783,540
Additions:		
- Machinery	**2,732,378,205**	2,173,399,468
- Civil works	**238,567,814**	658,423,949
- ERP Software under development	**-**	5,579,290
- Solar Renewable Energy	**736,150,808**	13,332,295
	3,707,096,827	2,850,735,002
Transferred to operating fixed assets	**(3,901,460,298)**	(3,903,224,485)
Transferred to intangible assets	**-**	(7,712,290)
Closing balance at the end of the year	**771,218,296**	965,581,767

			2024	2023
5.	**LONG TERM ADVANCES AND DEPOSITS**	*Note*	Rupees	
	Advances - unsecured			
	- Against vehicles		-	28,000,000
	Deposits			
	- Utilities	*38.3*	**3,001,119**	3,001,119
	- Others	*38.3*	**1,246,600**	936,600
			4,247,719	3,937,719
			4,247,719	31,937,719
6.	**STORES AND SPARES**			
	In hand		**689,997,389**	328,195,519
	In transit		**41,405,284**	241,213,611
			731,402,673	569,409,130
	Provision for slow moving items		**(5,000,000)**	-
			726,402,673	569,409,130
7.	**STOCK IN TRADE**			
	Raw material			
	- In hand		**3,799,041,219**	7,093,123,489
	- In transit		**1,217,119,247**	278,513,200
			5,016,160,466	7,371,636,689
	Work in process		**220,482,559**	124,088,920
	Finished goods		**1,060,421,825**	1,378,620,339
	Waste material		**4,879,521**	10,260,822
			1,065,301,346	1,388,881,161
	Packing materials		**117,173,260**	89,190,768
			6,419,117,631	8,973,797,538
8.	**TRADE DEBTS - net**			
	Local debtors - unsecured		**6,387,885,994**	4,196,985,592
	Foreign debtors - secured		**919,148,089**	437,941,670
			7,307,034,083	4,634,927,262
	Less: Provision for expected credit losses		**(31,168,275)**	(28,311,038)
			7,275,865,808	4,606,616,224
8.1	**Movement in provision for expected credit losses**			
	Opening balance		**28,311,038**	8,697,165
	Add: Charge for the year		**2,857,237**	19,613,873
			31,168,275	28,311,038
9.	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Income tax refundable	*9.1*	**23,535,792**	40,991,930
	Input sales tax credit carried forward	*38.3*	**339,922,460**	40,058,492
			363,458,252	81,050,422
9.1	**Income tax (payable) / refundable**			
	Opening balance		**40,991,930**	70,269,499
	Add: Tax paid during the year		-	12,574,973
	Add: Taxes deducted at source during the year		**230,614,509**	309,908,717
			271,606,439	392,753,189
	Less: Provision for levies		**(276,451,804)**	(351,761,259)
	Add: Reversal of prior tax		**28,381,157**	-
			(248,070,647)	(351,761,259)
	Closing balance		**23,535,792**	40,991,930

10. ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Note	2024 Rupees	2023 Rupees
Advances - unsecured			
- Staff		**9,705,505**	50,573,592
- Suppliers		**113,842,467**	823,718,447
		123,547,972	874,292,039
Deposits			
- Security deposits	*38.3*	**-**	2,107,539
Prepayments against			
- Insurance		**42,522,495**	2,840,570
- Organic cotton project		**42,880,936**	-
- Software license fee		**32,242,526**	-
		117,645,957	2,840,570
Other receivables - unsecured			
- Duty drawback receivable		**200,308**	200,308
- Claims receivable	*10.1 & 38.3*	**3,516,080**	4,866,328
- Others		**11,006,762**	1,159,429
		14,723,150	6,226,065
		255,917,079	885,466,213

10.1 These represent claim receivable from suppliers in respect of weight shortage and quality problems.

11. CASH AND BANK BALANCES

	2024 Rupees	2023 Rupees
Cash in hand	**2,975,544**	951,522
Cash with banks - current accounts	**460,613,341**	711,246,335
	463,588,885	712,197,857

12. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024 (Number of shares)	2023 (Number of shares)		2024 Rupees	2023 Rupees
6,163,000	6,163,000	Ordinary shares of Rs.10/- each fully paid in cash	**61,630,000**	61,630,000

12.1 There are no agreements among shareholders for voting rights, board selection, rights of first refusal and block voting.

13. SURPLUS ON REVALUATION OF PLANT AND ELECTRICAL INSTRUMENTS

	2024 Rupees	2023 Rupees
Opening balance	**1,295,655,749**	1,246,126,234
Revaluation increase during the year	**-**	182,257,158
Realized on disposal of assets	**(23,106,528)**	(9,006,597)
Incremental depreciation charged during the year	**(127,254,922)**	(123,721,046)
	1,145,294,299	1,295,655,749

14.	LONG TERM FINANCING - secured	Note	2024	2023
			Rupees	
	Bank Al-Habib Limited			
	- Long Term Finance Facility (LTFF)	*14.1*	**1,317,803,070**	1,517,777,818
	- Temporary Economic Refinance Facility (TERF)	*14.2*	**1,437,155,500**	1,592,198,789
	- Financing Scheme for Renewable Energy	*14.3*	**295,141,190**	152,166,846
	- Long Term Finance Facility (TF)	*14.4*	**2,369,032,558**	929,519,327
	Bank Al-Habib -Islamic			
	- Financing Scheme for Renewable Energy	*14.5*	**58,264,221**	-
	Bank Al-Falah Limited			
	- Long Term Finance Facility (LTFF)	*14.6*	**467,686,048**	575,703,047
	- Temporary Economic Refinance Facility (TERF)	*14.7*	**282,182,101**	252,955,077
	Habib Bank Limited			
	- Long Term Finance Facility (LTFF)	*14.8*	**360,689,016**	422,584,462
	Meezan Bank Limited			
	- Long Term Finance Facility (LTFF)	*14.9*	**354,529,601**	413,175,361
	- Islamic Temporary Economic Refinance Facility (ITERF)	*14.10*	**188,302,831**	175,599,449
	- Financing Scheme for Renewable Energy	*14.11*	**83,041,511**	-
	Habib Metropolitan Bank Limited			
	- Long Term Finance Facility (LTFF)	*14.12*	**227,695,080**	229,356,000
	- Term Finance	*14.13*	**579,474,700**	107,059,500
	Askari Bank Limited			
	- Term Finance	*14.14*	**195,670,269**	263,692,852
	- Long Term Finance Facility (LTFF)	*14.15*	**8,400,000**	8,400,000
			8,225,067,696	6,640,188,528
	Current maturity shown under current liabilities		**938,829,096**	736,781,079
	Non-current maturity shown under non-current liabilities		**7,286,238,600**	5,903,407,449
			8,225,067,696	6,640,188,528

14.1 This represents long term finance facility (LTFF), under LTFF scheme of the State Bank of Pakistan, for import of machineries, to be repaid within 10 years, starting subsequent to the 2 year moratorium, and expiring in March 31, 2027. The loan is secured against registered hypothecation charge over all present and future Plant and Machinery for Rs.556 Million (2023: 556 million) , 1st Equitable Mortgage charge over fixed assets (including land, building and machinery) amounting to Rs. 3,542 million (2023: 3,542 million) over property located at Plot # 60, 61, 76 and 77 spread over 16 acres at Nooriabad, Sindh.

14.2	Financing under Temporary Economic Refinance Facility (TERF)	2024	2023
		Rupees	
	Opening carrying amount - net of deferred grant	**1,592,198,789**	1,518,659,437
	Interest recognized on unwinding of the liability	**120,624,660**	177,080,042
	Loan installments paid during the year	**(275,667,949)**	(103,540,690)
	Closing carrying amount - net of deferred grant	**1,437,155,500**	1,592,198,789
	Current maturity shown under current liabilities	**279,932,452**	271,598,515
	Non-current maturity shown under non-current liabilities	**1,157,223,048**	1,320,600,274
		1,437,155,500	1,592,198,789

14.2.1 The Company has obtained a long-term financing facility from M/s. Bank Al Habib Limited (BAHL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 2,010 million (2023: 2,010 million) and the drawn down amount is Rs. 2,010 million (2023: Rs. 2,099 million).

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 2% per annum (2023: 2%) ;

(b) The tenor of the each tranche of the facility is 10 years (including 2-year moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 32 equal quarterly instalments.

(d) The facility is secured against registered hypothecation charge over all present and future Plant and Machinery for Rs.556 Million (2023: 556 million) , 1st Equitable Mortgage charge over fixed assets (including land, building and machinery) amounting to Rs. 3,542 million (2023: Rs. 3,542 million) over property located at Plot # 60, 61, 76 and 77 spread over 16 acres at Nooriabad, Sindh.

Since the facility carries the markup rate of 2% which is well below the market interest rate prevailing as on the date of disbursement of funds, therefore, in accordance with technical opinion issued by the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 *'Accounting for Government Grants and Disclosure of Government Assistance'.* Accordingly, at initial recognition, the Company measures the loan liability at its fair value (determined on a present value basis) and recognizes the difference between the disbursement proceeds received from the bank and the said fair value, as deferred government grant in the statement of financial position. Subsequently, a portion of this deferred grant is recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

		2024	2023
14.3	**Financing Scheme for Renewable Energy - secured**	Rupees	
	Opening carrying amount - net of deferred grant	**152,166,846**	136,987,189
	Funds borrowed during the year:		
	Loan proceeds received from the bank	**349,162,000**	22,827,000
	Less: Element of government grant recognized as deferred income	**(218,267,251)**	(11,797,342)
		130,894,749	11,029,658
	Interest recognized on unwinding of the liability	**17,887,183**	9,377,159
	Loan installments paid during the year	**(5,807,588)**	(5,227,160)
	Closing carrying amount - net of deferred grant	**295,141,190**	152,166,846
	Current maturity shown under current liabilities	**39,484,817**	14,452,463
	Non-current maturity shown under non-current liabilities	**255,656,373**	137,714,383
		295,141,190	152,166,846

14.3.1 During the year ended June 30, 2024 , the Company has obtained a long term financing facility amounting to Rs. 349.16 million from M/s. Bank Al Habib Limited under the State Bank of Pakistan's (SBP) Financing Scheme for Renewable Energy (REFF) notified vide IH & SMEFD Circular No. 10 of 2019 dated July 26, 2019. As at the reporting date, the facility available to the Company under the scheme amounted to Rs. 681.505 million (2023:Rs. 232 million) and the drawn down amount is Rs. 592 million (2023: Rs. 231 million).

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 4% per annum (2023:2%) ;

(b) The tenor of the facility is 10 to 12 years (including 2 years moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 39 equal quarterly instalments.

(d) The facility is secured against First Equitable charge over fixed assets of the company for Rs.3,542 million (2023:Rs. 3,542 million) , registered hypothecation charge over the procured machinery imported / to be imported under this facility.

Since the facility carries an interest rate which is well below the market interest rate prevailing as on the date of disbursement of funds, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, the Company measures the loan liability at its fair value (determined on a present value basis) and recognizes at initial recognition, the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. Subsequently, this deferred income is recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

14.4 This term finance facility has been sanctioned by Bank Al-Habib Limited amounting to Rs. 3,300 million specifically for retirement of LCs opened for enhancement in the production capacity through the additions in Property, Plants and Equipment. The Company has utilized Rs. 2,369 million against sanctioned limit of the facility. The tenor of the loan is ten years inclusive of 2 years grace period and are repayable in equal quarterly installments commencing from the date of first disbursement. The loan is secured against registered hypothecation charge over all present and future Plant and Machinery for Rs.556 Million (2023: 556 million) , 1st Equitable Mortgage charge over fixed assets (including land, building and machinery) amounting to Rs. 3,542 million (2023: 3,542 million) over property located at Plot # 60, 61, 76 and 77 spread over 16 acres at Nooriabad, Sindh.

	2024	2023
14.5 Financing Scheme for Renewable Energy - secured	Rupees	
Funds borrowed during the year:		
Loan proceeds received from the bank	**148,600,648**	-
Less: Element of government grant recognized as deferred income	**(91,196,337)**	-
	57,404,311	-
Interest recognized on unwinding of the liability	**1,206,826**	-
Loan installments paid during the year	**(346,916)**	-
Closing carrying amount - net of deferred grant	**58,264,221**	-
Current maturity shown under current liabilities	**5,282,838**	-
Non-current maturity shown under non-current liabilities	**52,981,383**	-
	58,264,221	-

14.5.1 During the year ended June 30, 2024 , the Company has obtained a long term financing facility amounting to Rs. 148 million from M/s. Bank Al Habib Limited under the State Bank of Pakistan's (SBP) Financing Scheme for Renewable Energy (REFF) notified vide IH & SMEFD Circular No. 10 of 2019 dated July 26, 2019. As at the reporting date, the facility available to the Company under the scheme amounted to Rs.200 million (2023: nil) and the drawn down amount is Rs. 148 million (2023: nil).

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 4% per annum

(b) The tenor of the facility is 10 to 12 years (including 2 years moratorium period, commencing from the date of disbursement of the funds); and

(c) Tranche of the loan is to be repaid in 42-44 equal quarterly instalments.

(d) The facility is secured against First Equitable mortgage charge of Rs.500 million over factory property measuring 16 acres (including land, building and machinery) over property at plot # 60, 61, 76 and 77 spread over 16 acre, registered hypothecation charge over the procured machinery imported / to be imported under this facility .

Since the facility carries an interest rate which is well below the market interest rate prevailing as on the date of disbursement of funds, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, the Company measures the loan liability at its fair value (determined on a present value basis) and recognizes at initial recognition, the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. Subsequently, this deferred income is recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

14.6 This represents long term finance facility (LTFF), under LTFF scheme of State Bank of Pakistan, for the import of machineries and financing for a period of 10 years against the purpose of retiring the import LC's of machinery. The loan amount is to be repaid in 10 years expiring in March 2029 to October 2029 that is secured against first exclusive charge amounting to Rs. 962.247 million (2023: 228.9 million) over plant and machinery of the Company, including 25% margin (1st parri passu charge).The loan is also secured against hypothecation first pari passu charge amounting to Rs. 933.34 million (2023: Rs. 933.34 million). The rate of mark-up is SBP refinance rate plus 0.75% to 1% per annum.

14.7 Financing under Temporary Economic Refinance Facility (TERF)	**2024**	2023
	Rupees	
Opening carrying amount - net of deferred grant	**252,955,077**	45,217,971
Funds borrowed during the year:		
Loan proceeds received from the bank	-	365,755,900
Less: Element of government grant recognized as deferred income	-	(184,693,390)
	-	181,062,510
Interest recognized on unwinding of the liability	**42,464,644**	33,949,619
Loan installments paid during the year	**(13,237,620)**	(7,275,023)
Closing carrying amount - net of deferred grant	**282,182,101**	252,955,077
Current maturity shown under current liabilities	**53,394,698**	12,830,502
Non-current maturity shown under non-current liabilities	**228,787,403**	240,124,575
	282,182,101	252,955,077

14.7.1 The Company has obtained a long-term financing facility amounting to Rs. 449.88 million (2023:Rs. 365.7 million) from M/s. Bank Al Falah Limited (BAFL) under the SBP's scheme of Temporary Economic Refinance Facility (TERF) notified vide IH & SMEFD Circular No. 01 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 450 million (2023:Rs. 450 million).

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 2% per annum (2023:2%) ;

(b) The tenor of the each tranche of the facility is 10 years (including 2-year moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 32 equal quarterly instalments.

(d) The facility is secured against specific charge over the assets imported utilizing the facility amounting Rs. 450 million, including 25% margin.

Since the facility carries the markup rate of 2% which is well below the market interest rate prevailing as on the date of disbursement of funds, therefore, in accordance with technical opinion issued by the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 *'Accounting for Government Grants and Disclosure of Government Assistance'.* Accordingly, at initial recognition, the Company measures the loan liability at its fair value (determined on a present value basis) and recognizes the difference between the disbursement proceeds received from the bank and the said fair value, as deferred government grant in the statement of financial position. Subsequently, a portion of this deferred grant is recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

14.8 This represents long term finance facility (LTFF), under LTFF scheme of State Bank of Pakistan, for the import of machineries and financing for a period of 10 years against the purpose of retiring the import LC's of machinery. The loan amount is to be repaid in 10 years expiring in March 2029, that is secured against hypothecation charge amounting to Rs. 555.6 million (2023: Rs. 555.6 million) over plant and machinery to be imported through HBL including 10% margin. The rate of mark-up is SBP refinance rate plus 0.6% (2023:SBP refinance rate plus 0.6%) per annum.

14.9 This represents long term finance facility (LTFF), under LTFF scheme of State Bank of Pakistan, for the import of machineries and financing for a period of 10 years against the purpose of retiring the import LC's of machinery. The loan amount is to be repaid in 10 years expiring in December 2030, that is secured against hypothecation charge amounting to Rs. 671 million (2023: Rs. 671 million) over plant and machinery to be imported through MBL including margin of 25%. The rate of mark-up is SBP LTFF base rate plus 1.75% (2023: SBP LTFF base rate plus 1.75%) per annum.

14.10 Financing under Islamic Temporary Economic Refinance Facility (ITERF)	**2024**	2023
	Rupees	
Opening carrying amount - net of deferred grant	**175,599,449**	155,465,078
Interest recognized on unwinding of the liability	**40,448,291**	20,134,371
Loan installments paid during the year	**(27,744,909)**	-
Closing carrying amount - net of deferred grant	**188,302,831**	175,599,449
Current maturity shown under current liabilities	**40,187,842**	13,831,816
Non-current maturity shown under non-current liabilities	**148,114,989**	161,767,633
	188,302,831	175,599,449

14.10.1 The Company has obtained a long-term financing facility from M/s. Meezan Bank Limited (MBL) under the SBP's scheme of Islamic Temporary Economic Refinance Facility (ITERF) notified vide IH & SMEFD Circular No. 02 of 2020 dated March 17, 2020. As at the reporting date, the facility available to the Company under the Scheme amounted to Rs. 300 million (2023:Rs. 300 million) and the drawn down amount is Rs. 300 million (2023: Rs. 300 million).

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 2% per annum (2023: 2%) ;

(b) The tenor of the each tranche of the facility is 10 years (including 2-year moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 32 equal quarterly instalments.

(d) The facility is secured against exclusive charge over the assets imported utilizing the facility.

Since the facility carries the markup rate of 2% which is well below the market interest rate prevailing as on the date of disbursement of funds, therefore, in accordance with technical opinion issued by the Accounting Standards Board of the Institute of Chartered Accountants of Pakistan (ICAP) in November 2020, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, at initial recognition, the Company measures the loan liability at its fair value (determined on a present value basis) and recognizes the difference between the disbursement proceeds received from the bank and the said fair value, as deferred government grant in the statement of financial position. Subsequently, a portion of this deferred grant is recognized as income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

	2024	2023
14.11 Financing Scheme for Renewable Energy - secured	Rupees	
Funds borrowed during the year:		
Loan proceeds received from the bank	**159,995,480**	-
Less: Element of government grant recognized as deferred income	**(78,889,171)**	-
	81,106,309	-
Interest recognized on unwinding of the liability	**2,671,640**	-
Loan installments paid during the year	**(736,438)**	-
Closing carrying amount - net of deferred grant	**83,041,511**	-
Current maturity shown under current liabilities	**14,217,484**	-
Non-current maturity shown under non-current liabilities	**68,824,027**	-
	83,041,511	-

14.11.1 During the year ended June 30, 2024 , the Company has obtained a long term financing facility amounting to Rs. 159.9 million from M/s. Meezan bank limited under the State Bank of Pakistan's (SBP) Financing Scheme for Renewable Energy (REFF) notified vide IH & SMEFD Circular No. 10 of 2019 dated July 26, 2019. As at the reporting date, the facility available to the Company under the scheme amounted to Rs.160 million (2023: nil) and the drawn down amount is Rs. 159.9 million (2023: nil).

The principal terms and conditions of the facility are as follows:

(a) The applicable markup rate is 5% per annum

(b) The tenor of the facility is 10.5 years (including 6 months moratorium period, commencing from the date of disbursement of the funds); and

(c) Each tranche of the loan is to be repaid in 38 equal quarterly instalments.

(d) The facility is secured against First exclusive charge over solar power project of 4.02 megawatt with 25 % margin, to be imported under this facility .

Since the facility carries an interest rate which is well below the market interest rate prevailing as on the date of disbursement of funds, the financing is considered to contain an element of government grant as per the IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Accordingly, the Company measures the loan liability at its fair value (determined on a present value basis) and recognizes at initial recognition, the difference between the disbursement proceeds received from the bank and the said fair value as deferred income in the statement of financial position. Subsequently, this deferred income is recognized as other income in profit or loss in proportion to the recognition of interest cost on the outstanding loan balance (based on the effective interest rate method).

14.12 This represents long term finance facility (LTFF), under LTFF scheme of the State Bank of Pakistan, for import of machineries, to be repaid within 10 years, starting subsequent to the 2 year moratorium, and expiring in January 2032. The loan is secured against 1st exclusive charge over specific imported machinery of Rs. 1,334 million (2023:1,334 million) with 25% margin . The rate of mark-up is SBP refinance rate plus 1% (2023: SBR refinance rate plus 1%) per annum.

14.13 This term finance facility has been sanctioned by Habib Metropolitan Bank Limited amounting to Rs. 580 million specifically for retirement of LCs opened for enhancement in the production capacity through the additions in Property, Plants and Equipment. The Company has utilized Rs. 579 million against sanctioned limit of the facility. The tenor of the loan is ten years inclusive of 2 years grace period and are repayable in equal quarterly installments commencing from the date of first disbursement. This term loan is secured by way of first exclusive charge over specific imported machinery of Rs. 1,334 million with 25% margin. The rate of markup is equal to 3M KIBOR plus 1% (2023: 3M KIBOR plus 1%). The facility is expiring in May 2033.

14.14 This term finance facility has been sanctioned by Askari Bank Limited amounting to Rs. 273 million specifically for retirement of LCs opened for enhancement in the production capacity through the additions in Property, Plants and Equipment. The Company has utilized Rs. 195.67 million (2023: Rs. 263.69 million) against sanctioned limit of the facility. The tenor of the loan is ten years inclusive of 2 years grace period and are repayable in equal quarterly installments commencing from the date of first disbursement. This term loan is secured by way of first pari passu charge over present and future fixed assets the Company with 25% margin. The rate of markup is equal to 1M KIBOR plus 1% (2023: 1M KIBOR plus 1%). The facility is expiring in May 2033.

14.15 This represents long term finance facility (LTFF), under LTFF scheme of State Bank of Pakistan, for the import of machineries and financing for a period of 10 years against the purpose of retiring the import LC's of machinery. The loan amount is to be repaid in 10 years including 2 years grace period expiring in January 2032, the loan is secured against first parri passu charge over present and future fixed assets of the company along with 25% margin. Markup rate is SBP refinance rate with spread of 1% per annum.

15. DEFERRED LIABILITIES

	Note	**2024**	2023
		Rupees	
Deferred taxation-net		**-**	42,554,925
Staff retirement benefits-defined benefits plan (gratuity)	*15.1*	**573,912,028**	305,476,927
Provision Gas Infrastructure Development Cess	*15.2*	**222,032,266**	277,029,873
Deferred income - Government grant	*15.3*	**871,968,913**	695,595,167
		1,667,913,207	1,320,656,892

15.1 Staff retirement benefits-defined benefits plan (gratuity)

The Company operates an unfunded gratuity scheme for its staff employees. The latest actuarial valuation has been carried out as at June 30, 2024, using the Projected Unit Credit Method.

15.1.1 Movement in defined benefit obligation

	2024	2023
	Rupees	
Opening defined benefit obligation	**305,476,927**	122,168,372
Current service cost	**214,801,155**	71,344,164
Past Service Cost	**-**	51,922,208
Interest cost	**45,013,132**	14,430,446
Benefits paid	**(56,946,071)**	(26,518,698)
Remeasurement	**65,566,885**	72,130,435
Closing defined benefit obligation	**573,912,028**	305,476,927

15.1.2 Expense recognized in the statement of profit or loss

	2024	2023
Current service cost	**214,801,155**	71,344,164
Interest cost on defined benefit obligation	**45,013,132**	14,430,446
Past Service Cost	**-**	51,922,208
	259,814,287	137,696,818

15.1.3 Remeasurement losses / (gains) recognized in other comprehensive income

	2024	2023
Actuarial losses / (gains) on defined benefit obligation due to:		
- Changes in demographic assumptions	**(7,524,868)**	-
- Changes in financial assumptions	**25,545,963**	1,990,184
- Experience adjustments	**47,545,790**	70,140,251
	65,566,885	72,130,435

15.1.4 Year end sensitivity analysis on defined benefit obligation

	2024	2023
Discount Rate + 100 bps	**565,031,071**	299,087,770
Discount Rate - 100 bps	**583,151,743**	312,191,813
Salary increment rate + 100 bps	**584,155,914**	312,802,196
Salary increment rate -100 bps	**563,892,337**	298,388,521

15.1.5 As of the reporting date, the weighted-average duration of the defined benefit obligation was 1.58 years (2023: 2.14 years) .

15.1.6 Principal actuarial assumptions used

	2024	2023
Discount rate used for interest cost in profit and loss	**14.75%**	13.25%
Discount rate used for year end obligation	**16.75%**	16.25%
Expected rate of increase in salary level (per annum)	**16.75%**	16.25%
Mortality rates	**SLIC 2001-05**	SLIC 2001-05

15.2 Provision for Gas Infrastructure Development Cess

	Note	2024	2023
		Rupees	
Opening balance		**277,029,873**	237,488,178
Effect of unwinding of the provision recognized during the year	*24*	**46,125,371**	39,541,695
Closing balance		**323,155,244**	277,029,873
Current maturity shown under current liabilities		**101,122,978**	-
Non-current maturity shown under non-current liabilities		**222,032,266**	277,029,873
		323,155,244	277,029,873

15.2.1 In December 2011, the federal government, for the first time, imposed the levy of GIDC (the cess) through the promulgation of gas infrastructure development cess Act, 2011 (GIDC Act, 2011), which subsequently, was widely challenged on several legal grounds. In June 2013, the high court of Peshawar, passed judgement whereby it struck down the GIDC Act , 2011 declaring the said law as unconstitutional. Subsequent to the decision , the GIDC Ordinance 2014 was promulgated which expired in May 2015. In the same month, the Supreme Court of Pakistan upheld the said judgement. Following the judgement of Apex court, the GIDC ordinance ,2014 received presidential assent after having been passed by both the houses of parliament as GIDC Act, 2015. The GIDC Act,2015, provided for retrospective levy of cess for the period from January 2011 to May 2015.(as imposed under the struck down GIDC Act, 2011 and GIDC Ordinance, 2014) with different cess rates prescribed for each sector.

The Company along with several other petitioners filed review petitions before the Supreme Court of Pakistan challenging the applicability of the GIDC on the Company including the amount to be recovered including its retrospective application from the year 2011. The Supreme Court was pleased to clarify that the question as to the retrospective applicability of GIDC from 2011 to 2015 would remain open to be decided by the High Courts.

During the year ended June 30, 2021, the Supreme Court (SC) passed two judgements; one dated August 13, 2020, thereby upholding the levy of GIDC imposed vide GIDC Act, 2015, and stopping further levy with effect from August 13, 2020. The other judgement dated November 2, 2020 directed payment of amount levied till that date in 48 instalments instead of 24 instalments allowed in order dated August 13, 2020.In July 2020, Sui Southern Gas Company vide its gas bill charged an amount of Rs. 736.8 million against GIDC. the Company has recognized a provision based on the units consumed at applicable rates amounting to Rs. 441 million (2023:441 million) and remaining amount of Rs. 295.6 million (2023:295.6 million) has not been acknowledged as debt.(refer note 19.1.2).

15.3	**Deferred income - Government grant**	*Note*	**2024**	2023
			Rupees	
	Opening balance		**845,012,319**	795,985,987
	Add: Grant recognized in respect of loan proceeds received during the year		**388,352,759**	196,490,730
	Less: Amortization for the year	*25*	**(169,327,286)**	(147,464,398)
			1,064,037,792	845,012,319
	Less: Current maturity shown under current liabilities		**192,068,879**	149,417,152
	Closing balance		**871,968,913**	695,595,167

16. TRADE AND OTHER PAYABLES

		Note	2024	2023
	Creditors		**1,197,677,404**	1,240,032,623
	Accrued liabilities		**546,959,987**	341,904,477
	Sales tax payable	*38.3*	**126,864,539**	29,674,295
	Retention money payable		**10,852,997**	6,891,267
	Workers' Profits Participation Fund	*16.1*	**-**	74,440,542
	Workers Welfare Fund	*16.2*	**47,553,419**	50,208,861
	Provision for gas rate difference	*16.3.1*	**199,807,186**	249,230,298
	Provision for Sindh Infrastructure Development Cess	*16.4*	**79,000,000**	79,000,000
	Advance from customers		**29,474,546**	29,142,988
	Withholding tax payable		**10,860,066**	22,131,099
	Other payable		**10,503,714**	10,942,733
			2,259,553,858	2,133,599,183

16.1	**Workers' Profit Participation Fund**		
	Opening balance	**74,440,542**	247,556,906
	Add:		
	- Charge for the year	**-**	74,883,636
	- Interest accrued	**9,232,229**	101,735,715
		9,232,229	176,619,351
	Less: Payment made during the year	**(83,672,771)**	(349,735,715)
		-	74,440,542

			2024	2023
16.2	**Workers' Welfare Fund**	*Note*	—— Rupees ——	
	Opening balance		**50,208,861**	115,824,703
	Add: Contribution for the year		**36,643,997**	28,455,782
	Less: Payment made during the year		**(39,299,439)**	(94,071,624)
			47,553,419	50,208,861
16.3	**Provision for gas rate difference**			
	Provision under Suit 129 of 2017	*16.3.1*	**174,887,584**	174,887,584
	Provision under Suit 1790 of 2020 & 1798 of 2020	*16.3.2*	**24,919,602**	74,342,714
			199,807,186	249,230,298

16.3.1 On December 30, 2016, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. (1)/2016 whereby, with effect from December 15, 2016, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Company vide Suit No. 129 of 2017) before the Honourable High Court of Sindh ('the Court'). In its interim order dated January 18, 2017, the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 488.23 per MMBTU and the differential amount of Rs. 111.77 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, until September 2018, the Company continued to pay its monthly gas bills at the rate of Rs. 488.23 per MMBTU and recognized a provision for the differential liability which, as at June 30, 2024, amounted to Rs. 174.887 million (2023: Rs. 174.887 million).

On September 06, 2024, the Sindh High Court passed judgment whereby the said impugned notification is declared as *void ab anitio* and the said decision becomes favorable for the Company. However the reversal of provision is not made as the said judgement is suspended for the period of thirty days, as mentioned in the said order and it is probable that the defendants may file appeal against the said judgement.

16.3.2 In addition, on October 23, 2020, the OGRA issued S.R.O. No. 1107(I)/2020 whereby, with effect from September 01, 2020, the sale price of natural gas for the aforesaid class of gas consumers was increased to Rs. 819 per MMBTU (as against the previously applicable tariff of Rs. 786 per MMBTU). The said notification was also widely challenged by companies operating in the textile industry (including the Company vide Suit No. 1790 of 2020 & Suit No. 1798 of 2020) before the Court. In its interim order dated May 25, 2021 the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 786 per MMBTU and the differential amount of Rs. 33 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, the Company has recognized a provision for the differential rate of Rs. 33 per MMBTU which, as at June 30, 2024, amounted to Rs. 8.66 million (2023: Rs. 8.66 million).

On February 18, 2023, the Court announced its final verdict in Suit No. 1790 of 2020 and Suit No. 1798 of 2020 (and several other connected suits on similar matters) upholding the validity of the aforesaid notification (i.e. S.R.O. 1107(I)/2020 dated October 23, 2020 issued by the OGRA). The said decision also discussed, at length, the issue of incremental tariff chargeable to gas consumers falling under the category 'Captive Power' and made it explicit that that the Company would fall into such category of gas consumers and, thus, would be subjected to the incremental tariff of Rs. 852 per MMBTU as specified in the S.R.O. 1107(I)/2020. In view of this development, the Company has recognized a further provision of Rs. 66.17 million, which represents the difference between the tariff chargeable at the aforesaid rate of Rs. 852 per MMBTU and the rate of Rs. 819 per MMBTU chargeable to 'Industrial' gas consumers.

During the year ended June 30, 2024, the Company paid an amount of Rs. 49.423 million to Sui Southern Gas Company (along with monthly gas bills) in respect of the said provision.

16.4 This represents provision for Sindh Infrastructure Development Cess, introduced through an Act passed by the Sindh provincial assembly in 2017, upto June 2019. The Company has submitted bank guarantees in respect of unpaid cess, based on SC's order dated September 19, 2021 (refer note 19.1.1 & 19.2).

		2024	2023
17.	**ACCRUED MARKUP**	—— Rupees ——	
	Markup accrued on:		
	- Long term financing	**203,482,043**	89,267,115
	- Short term borrowings	**309,344,151**	416,452,021
		512,826,194	505,719,136

	Note	2024	2023
		Rupees	
18. SHORT TERM BORROWINGS - secured			
Bank Al-Habib Limited			
- Running finance	*18.1*	**3,408,613,582**	5,459,952,918
- Istisna finance (Hypo)	*18.2*	**2,561,886,829**	136,000,000
- Export refinance facility	*18.3*	**919,692,662**	2,788,000
		6,890,193,073	5,598,740,918
Meezan Bank Limited			
- Running finance		**-**	129,985,125
- Istisna finance (Hypo)	*18.4*	**230,499,585**	399,556,986
- Istisna finance (Pledge)	*18.5*	**698,621,868**	299,718,225
- Export refinance facility	*18.6*	**88,791,364**	59,124,054
		1,017,912,817	888,384,390
MCB Islamic Bank Limited			
- Financing Musharka	*18.7*	**100,000,000**	100,000,000
- Financing Murabaha	*18.8*	**139,846,590**	-
		239,846,590	100,000,000
Bank Al-Falah Limited			
- Running finance	*18.9*	**293,320,979**	93,334,656
- Finance Against Imported Merchandise		**-**	735,396,981
- Export refinance facility		**-**	100,000,000
		293,320,979	928,731,637
Habib Bank Limited			
- Running finance	*18.10*	**124,035,069**	123,298,296
Habib Metro Bank Limited			
- Finance Against Imported Merchandise	*18.11*	**513,716,593**	497,728,000
	18.12	**9,079,025,121**	8,136,883,241

18.1 This represents short term running finance facility amounting to Rs. 5,700 million (2023: Rs. 5,700 million) obtained from M/s. Bank Al-Habib Limited to meet working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR plus 0.25% (2023: 1 month KIBOR plus 0.5%) per annum and is secured by registered hypothecation charge over stock and book debts of the company amounting to Rs. 11,894 million (2023: Rs. 9,670 million). Facility is further secured by the personal guarantees of directors amounting to Rs.6,000 million (2023:Rs. 6,000 million) .

18.2 This represents short term Istisna finance facility of Rs. 2,850 million (2023: 1,000 million) obtained from M/s. Bank Al Habib Limited Islamic to facilitate the manufacturing of different types of yarn. The facility carries mark up at the rate of 3 months KIBOR plus 0.25% (2023: 6 months KIBOR plus 0.75%) per annum and is secured by Registered ranking hypothecation charge over book debts and moveables of the company amounting to Rs. 3,000 million (2023: Rs.3,000 million).

18.3 This represents short term finance facility amounting to Rs. 1,000 million (2023: Rs. 200 million) obtained from M/s. Bank Al Habib Limited for processing of export orders and to finance Usance period of export bills sent on Collection under the EFS scheme of the State Bank of Pakistan announced vide SBP IH&SMEFD Circular No. 03 of 2022 dated February 16,2022. The facility carries mark up at the rate of SBP Refinance Rate Plus 1 % per annum and is secured by Lien over Export Documents under LC Sight /Usance /DP /DA / including documents prior to acceptance.

18.4 This represents short term Istisna finance (hypo) facility amounting to Rs. 500 million (2023: Rs. 500 million) obtained from M/s. Meezan Bank Limited to meet working capital requirements of the Company. The facility carries markup at the rate of 6 months KIBOR plus 0.5% (2023: 6 months KIBOR plus 0.5%) per annum and is secured by Parri passu charge over current assets (stock and receivables) with 25% Margin.

18.5 This represents Istisna finance (pledge) facility amounting to Rs. 700 million (2023: Rs. 700 million) obtained from M/s. Meezan Bank Limited for manufacturing of goods of the Company. The facility carries markup at the rate of 6 months KIBOR plus 0.5% (2023: 6 months KIBOR Plus 0.5%) per annum and is secured by pledge of Local raw Cotton under effective control of Mucaddam and charge with approved margin duly registered with SECP with 10% margin at factory of the company situated at Plot # 58, 60 , 61 and 76, 77, 78 main super highway Nooriabad.

18.6 This represents short term finance facility amounting to Rs. 500 million (2023: Rs. 300 million) obtained from M/s. Meezan bank limited for working capital requirements of the company under the EFS scheme of the State Bank of Pakistan announced vide SBP IH&SMEFD Circular No. 03 of 2022 dated February 16,2022. The facility carries mark up at the rate of SBP Refinance Rate Plus 0.5 % per annum and is secured by Lien over export documents and pari passu charge on current assets (stock and book debt) of the company with 25% margin.

18.7 This represents Running Finance Musharika facility amounting to Rs. 100 million (2023: Rs.100 million) obtained from M/s. MCB Islamic bank limited to finance the working capital requirements of the Company. The facility carries markup at the rate of 3 month KIBOR plus 0.75% (2023: 3 month KIBOR plus 0.25%) and is secured by first pari passu hypothecation charge over stocks and book debts with 25% margin, amounting to Rs. 133.33 million (2023: first pari passu hypothecation charge over stocks and book debts with 25% margin, amounting to Rs. 133.33 million) .

18.8 This represents Running Finance Murabaha facility amounting to Rs. 300 million obtained from M/s. MCB Islamic bank limited to finance the working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR plus 0.25% and is secured by first pari passu hypothecation charge over stocks and book debts with 25% margin, amounting to Rs. 333.33 million along with joint pari passu charge over fixed assets of the Company to the extent of Rs. 400 million.

18.9 This represents short term running finance facility amounting to Rs. 300 million (2023: Rs. 200 million) obtained from M/s. Bank Al-Falah Limited to finance the working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR plus 0.25% (2023: 1 month KIBOR plus 1%) and is secured by first pari passu charge over stocks and receivables with 25% margin, amounting to Rs. 533.34 million (2023:Rs. 533.34 million).

18.10 This represents short term running finance facility amounting to Rs. 125 million (2023: Rs. 800 million) obtained from M/s. Habib Bank Limited to finance the working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR plus 0.25% (2023: 1 month KIBOR plus 0.50%) and is secured by first pari passu hypothecation charge over stocks and book debts of the company with 25% margin, amounting to Rs. 166.67 million (2023: Rs. 166.67 million).

18.11 This represents short term finance facility amounting to Rs. 513 million (2023: Rs. 1,000 million) obtained from M/s. Habib Metropolitan Bank for Retirement of Raw material LCs of the Company. The facility carries markup at the rate of 3 month KIBOR plus 0.25% (2023: 3 month KIBOR plus 0.5%) and is secured by pledge charge over imported/ Local raw materials amounting to Rs. 1,112 million with 10% margin (2023: Rs. 1,112 million).

18.12 As at June 30, 2024, the Company had unavailed short term financing facilities amounting to Rs. 5,646 million (2023: Rs. 2,888 million).

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 In April 2017, the Provincial Assembly of Sindh passed the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 ('the Act') whereby, with effect from July 01, 1994, a cess was levied on the goods entering or leaving the Province of Sindh from or outside the country by air or sea, at the rate determined on the basis of their value, net weight and distance in accordance with the Schedule annexed to the Act.

The constitutionality of the Act was challenged by the Company, along with several other petitioners, before the Honorable Sindh High Court ('SHC'). In the instant petitions, SHC passed interim orders whereby the concerned authority was restrained from taking any coercive action against the petitioners.

On June 4, 2021, SHC passed an order whereby it declared the Act as a valid law within the competence of the Provincial Legislature under the Constitution which is applicable retrospectively, and disposed off all listed petitions, and allotted 90 day period for encashment of bank guarantees deposited by the plaintiffs (including the Company).

However, the Company filed an appeal against SHC’s decision in the Supreme Court (SC), which, vide its order announced in

September 19, 2021, granted interim relief, based on its opinion that the law, prima facie, suffers from constitutional and legal defects including competence of provincial legislature to legislate on the subject, and directed that till further orders, operation of the impugned judgement of SHC dated June 04, 2021 and recovery of impugned levy shall remain suspended. Further, the petitioners shall keep the bank guarantees already submitted by them pursuant to the orders of SHC valid, operative and enforceable, and shall furnish fresh bank guarantees equivalent to the amount of levy claimed by the respondents, against release of future consignments of imported goods.

In view of the Supreme Court's above order, since July 2019 no provision for the infrastructure cess payable, amounting to Rs. 406 million (2023: Rs.325 million) has been recognized in these financial statements.

19.1.2 The Company has not recognized the additional amount of cess in respect of GIDC amounting to Rs. 295.6 million (being the difference of Rs. 441 million recognized in books as mentioned in note 15.2.1, and Rs. 736.8 million as notified to the Company through monthly gas bills upto July 2020).

19.1.3 The Company has not recorded the provision of Super tax under section 4C of Income Tax Ordinance, 2001 for the tax year 2024 amounting to Rs. 89 million in accordance with the opinion of its legal counsel which states that the super tax under Section 4C does not apply to the income of the Company which is subject to the Full and Final Taxation Regime. According to the opinion, the imposition of super tax on income that is not recognized under normal tax principles would contravene the provisions of the Ordinance. Moreover, the matter is currently pending with Islamabad High Court for a final judgement and ultimate outcome is expected to be in favor of the Company.

			2024	2023
19.2	**Commitments**	*Note*	Rupees	
	Commitments in respect of capital expenditure		**61,344,392**	1,725,828,700
	Commitments in respect of Organic cotton project		**157,449,670**	195,330,606
	Letter of credit to Sui Southern Gas Company Limited		**358,519,000**	130,160,700
	Letters of guarantee against:			
	- Sindh Infrastructure Development Cess		**485,000,000**	404,000,000
	- Electric connection		**15,942,340**	15,942,340
	- Employees' fuel card		**2,200,000**	-
	- Super tax in respect of tax year 2022		**29,358,995**	18,862,461
	Letters of credit issued in respect of purchase of raw and packing materials		**885,062,246**	717,025,300

20.	**SALES - net**			
	Local sales	*20.1*	**1,194,708,704**	731,373,179
	Export sales - indirect	*20.2*	**20,660,311,409**	18,000,466,785
	Export sales - direct	*20.3*	**5,395,717,106**	4,316,488,932
	Wastage sales	*20.4*	**26,541,790**	21,573,880
	Raw material sales	*20.5*	**15,396,111**	48,280,939
			27,292,675,120	23,118,183,715
	Commission and brokerage		**(216,550,451)**	(268,672,660)
	Discount and claims		**(433,784)**	(20,808,056)
			(216,984,235)	(289,480,716)
			27,075,690,885	22,828,702,999

20.1	**Local Sales**		
	Gross Sales		
	- Yarn	**1,395,763,047**	855,834,406
	- Socks	**12,252,789**	2,019,015
		1,408,015,836	857,853,421
	Less: sales tax	**(213,307,132)**	(126,480,242)
		1,194,708,704	731,373,179

		Note	2024	2023
			Rupees	
20.2	**Export sales - indirect**			
	Gross sales (*Yarn*)		**23,094,392,421**	21,023,100,674
	Less: sales tax		**(2,434,081,012)**	(3,022,633,889)
			20,660,311,409	18,000,466,785
20.3	**Export sales - direct**			
	- Yarn		**3,269,852,741**	3,858,757,989
	- Socks		**2,125,864,365**	457,730,943
			5,395,717,106	4,316,488,932
20.4	**Wastage sales**			
	Gross sales		**31,444,384**	24,873,628
	Less: sales tax		**(4,902,594)**	(3,299,748)
			26,541,790	21,573,880
20.5	**Raw material sales**			
	Gross sales		**16,524,911**	56,454,679
	Less: Sales tax		**(1,128,800)**	(8,173,740)
			15,396,111	48,280,939
21.	**COST OF SALES**			
	Raw materials consumed	*21.1*	**16,300,180,747**	15,494,589,375
	Stores and spares consumed	*21.2*	**928,254,553**	621,385,241
	Packing materials consumed	*21.3*	**570,391,180**	364,721,830
	Conversion costs	*21.4*	**5,955,813,629**	3,505,507,453
			23,754,640,109	19,986,203,899
	Work in process:			
	- Opening stock		**124,088,920**	140,141,739
	- Closing stock	*7*	**(220,482,559)**	(124,088,920)
			(96,393,639)	16,052,819
	Cost of goods manufactured		**23,658,246,470**	20,002,256,718
	Cost of goods purchased for sale		**4,250,748**	54,066,861
	Opening stock of finished goods and waste material		**1,388,881,161**	221,836,370
	Cost of goods available for sale		**25,051,378,379**	20,278,159,949
	Closing stock of finished goods and waste material	*7*	**(1,065,301,346)**	(1,388,881,161)
	Intercompany transfers		**(649,933,716)**	-
	Cost of goods sold		**23,336,143,317**	18,889,278,788
21.1	**Raw materials consumed**			
	Opening stock - in hand		**7,093,123,489**	4,473,661,596
	Purchases			
	from external parties		**12,390,620,974**	18,168,118,129
	Intercompany transfers		**649,933,716**	-
			13,040,554,690	18,168,118,129
	Sale of raw materials		**(4,250,748)**	(54,066,861)
	Issued for sampling purposes		**(30,205,465)**	-
	Closing stock - in hand	*7*	**(3,799,041,219)**	(7,093,123,489)
			16,300,180,747	15,494,589,375
21.2	**Stores and spares consumed**			
	Opening stock - in hand		**328,195,519**	175,480,762
	Purchases		**1,290,056,423**	774,099,998
			1,618,251,942	949,580,760
	Closing stock - in hand		**(689,997,389)**	(328,195,519)
			928,254,553	621,385,241

21.3	**Packing materials consumed**	*Note*	**2024**	2023
			——— Rupees ———	
	Opening stock		89,190,768	35,066,539
	Purchases		600,441,728	418,846,059
			689,632,496	453,912,598
	Issued for sampling purposes		(2,068,056)	-
	Closing stock	*7*	(117,173,260)	(89,190,768)
			570,391,180	364,721,830

21.4	**Conversion costs**			
	Salaries, wages and other benefits	*21.4.1*	**1,810,491,325**	1,335,674,907
	Fuel and power	*21.4.2*	**2,517,207,631**	1,016,844,083
	Depreciation	*4.1.1*	**1,310,147,232**	961,144,373
	Amortisation		**-**	734,956
	Insurance		**83,394,118**	62,198,062
	Vehicle running and maintenance		**53,440,153**	45,458,093
	Repairs and maintenance		**50,685,183**	25,154,452
	Water charges		**45,410,389**	26,576,486
	Provision for slow moving items	*6*	**5,000,000**	-
	Other manufacturing expenses		**80,037,598**	31,722,041
			5,955,813,629	3,505,507,453

21.4.1 This includes an amount of Rs. 211.85 million (2023: Rs. 121.6 million) in respect of staff retirement benefits.

21.4.2	**Fuel and power**	*Note*	**2024**	2023
			——— Rupees ———	
	Sui Gas		**2,069,144,147**	791,230,329
	Electricity		**445,115,984**	216,272,064
	Others		**2,947,500**	9,341,690
			2,517,207,631	1,016,844,083

22.	**ADMINISTRATIVE EXPENSES**			
	Salaries, allowances and other benefits	*22.1*	**285,226,602**	247,508,135
	Directors' remuneration		**31,600,000**	25,300,000
	Depreciation	*4.1.1*	**63,070,692**	47,563,778
	Travelling and conveyance		**35,171,560**	22,364,140
	Fees and Subscription		**39,809,159**	23,323,399
	Software subscription fee		**34,422,741**	-
	Vehicle running and maintenance		**19,531,428**	13,511,682
	Insurance		**14,062,769**	11,889,095
	Entertainment expense		**9,828,220**	5,166,408
	Utilities		**7,322,078**	4,674,775
	Repairs and maintenance		**4,857,146**	6,694,329
	Legal and professional		**4,162,849**	4,972,126
	Postage and telephone		**3,680,845**	2,866,300
	Printing and stationery		**3,599,066**	3,448,093
	Charity and donations	*22.2*	**3,000,563**	58,750,000
	Auditors' remuneration	*22.3*	**3,330,000**	3,332,000
	Meeting fees		**2,775,000**	2,319,000
	Amortisation		**-**	126,778
	Rent expense		**1,226,592**	1,163,180
	Advertisement		**963,904**	495,260
	Newspaper and periodicals		**98,990**	90,030
	Provision for doubtful debt		**2,857,237**	19,613,873
	Others		**2,860,689**	23,806,508
			573,458,130	528,978,889

22.1 This includes an amount of Rs. 47.9 million (2023: Rs. 16.08 million) in respect of staff retirement benefits.

22.2 None of the directors or their spouse had any interest in the donees. Further, the particulars of the parties to whom donation paid exceeds Rs. 1 million or 10% of the total donation, whichever is higher, are as follows:

	Note	**2024**	2023
		Rupees	
Patient Behbud Society of AKUH		**2,500,000**	-
Bantva Memon Hospital		**-**	21,500,000
The Hunar Foundation		**-**	10,000,000
Saylani Welfare International		**-**	8,500,000

22.3 Auditors' remuneration

Audit fee		**2,614,000**	2,614,000
Half yearly review fee		**600,000**	600,000
Out of pocket expenses		**116,000**	118,000
		3,330,000	3,332,000

23. DISTRIBUTION COSTS

Freight and handling charges:			
- Local		**165,821,737**	124,754,116
- Export		**141,066,097**	114,059,198
		306,887,834	238,813,314
Salaries, allowances and other benefits		**73,307,667**	45,793,760
Sampling Expense	*21.1*	**44,410,433**	5,843,603
Marketing Expense		**2,222,404**	4,722,502
Other Expenses		**3,620,905**	2,224,092
		430,449,243	297,397,271

24. FINANCE COSTS

Markup and interest charges on:			
- Long term finances		**1,008,970,424**	467,777,723
- Short term borrowings		**1,753,474,391**	1,406,234,484
- Workers' Profit Participation Fund		**9,232,229**	101,735,715
Unwinding of Gas Infrastructure Cess Provision		**46,125,371**	39,541,695
Mark up on letter of credits	*38.3*	**199,453,711**	165,797,499
Bank charges on export receipts		**8,094,815**	24,895,072
Bank charges		**45,708,227**	32,231,951
		3,071,059,168	2,238,214,139

25. OTHER INCOME / (EXPENSES) - net

Exchange (loss) / gain on export receivables:			
- Realized		**(18,003,697)**	191,557,218
- Unrealized		**(1,871,299)**	2,289,081
		(19,874,996)	193,846,299
Unrealized exchange (loss) / gain on bank balance		**(32,734,218)**	112,375,337
Realized exchange gain on import of fixed assets and raw material		**777,444**	167,327,625
Amortization of deferred government grant		**169,327,286**	147,464,398
Gain / (loss) on disposal of operating fixed assets		**7,387,327**	(2,699,799)
Others		**11,401,159**	4,524,951
		136,284,002	622,838,811

			2024	(Restated) 2023
26.	**LEVIES**	*Note*	Rupees	
	Income tax under final tax regime		**260,993,721**	343,662,385
	Minimum tax on local sales revenue		**15,458,083**	8,098,874
			276,451,804	351,761,259
	Workers' Welfare Fund	*38.3*	**36,643,997**	28,455,782
	Workers' Profit Participation Fund	*38.3*	**-**	74,883,636
			36,643,997	103,339,418
			313,095,801	455,100,677

27. TAXATION

Prior	**(28,381,157)**	-
Deferred	**(42,554,925)**	(71,294)
	(70,936,082)	(71,294)

27.1 The income tax assessments of the Company have been finalised up to and including the tax year 2023. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for the purpose of issuing an amended assessment order.

28. (LOSS)/ EARNINGS PER SHARE - BASIC AND DILUTED

28.1 Basic (loss)/ earnings per share

	2024	2023
	Rupees	
(Loss) / profit after taxation	**(441,294,690)**	1,042,643,340
	Number	
Weighted average number of ordinary shares outstanding	**6,163,000**	6,163,000
(Loss) / earnings per share - basic and diluted	**(71.60)**	169.18

28.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company, since there were no potential outstanding convertible instruments in issue as at June 30, 2024 and June 30, 2023.

29. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	Note	2024	2023
		Rupees	
Cash and bank balances	*11*	**463,588,885**	712,197,857
Short term borrowings - running finance		**(3,825,969,630)**	(5,806,570,995)
		(3,362,380,745)	(5,094,373,138)

30. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		EXECUTIVE DIRECTOR		EXECUTIVES		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Managerial remuneration	**11,733,333**	9,373,333	**9,333,331**	7,493,333	**132,561,277**	92,118,436	**153,627,941**	108,985,102
House rent	**4,689,733**	3,745,734	**3,729,733**	2,993,734	**52,965,553**	36,847,374	**61,385,019**	43,586,842
Conveyance allowance	**3,600**	3,600	**3,600**	3,600	**194,400**	115,200	**201,600**	122,400
Utilities	**1,173,334**	937,333	**933,336**	749,333	**13,256,128**	9,211,844	**15,362,798**	10,898,510
Fuel allowance	-	-	-	-	**18,490,020**	12,942,029	**18,490,020**	12,942,029
Other benefits	-	-	-	-	**597,900**	432,500	**597,900**	432,500
	17,600,000	14,060,000	**14,000,000**	11,240,000	**218,065,278**	151,667,383	**249,665,278**	176,967,383
Number of persons	**1**	1	**1**	1	**54**	32		

30.1 The Chief Executive, Director and total *45* executives have also been provided with free use of the Company maintained cars.

31. PLANT CAPACITY AND ACTUAL PRODUCTION

31.1 Spinning Division

	2024	2023
	Number	
Number of spindles / rotors installed	**93,471**	91,455
Number of spindles / rotors operated	**84,851**	79,440
Installed capacity in Kgs. after conversion into 20 single count	**36,060,227**	34,590,153
Actual production of yarn in Kgs. after conversion into 20 single count	**33,565,980**	30,537,955

31.2 Sock Division

	2024	2023
Number of Knitting Machines installed	**264**	208
Number of Knitting Machines operated	**264**	208
Installed capacity of socks in Dozen	**2,302,560**	2,160,000
Actual production of socks in Dozen	**1,863,088**	719,221

31.3 Actual production is less than the installed capacity due to planned maintenance shut down and gap between market demand and supply.

32. FINANCIAL INSTRUMENTS

32.1 Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

32.1.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

A financial asset is regarded as credit impaired as and when it falls under the definition of a 'defaulted' financial asset. For the Company’s internal credit management purposes, a financial asset is considered as defaulted when it is past due for 90 days or more.

The Company writes off a defaulted financial asset when there remains no reasonable probability of recovering the carrying amount of the asset through available means.

Maximum exposure to credit risk

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

	Note	June 30, 2024 Carrying amount	June 30, 2024 Maximum exposure	June 30, 2023 Carrying amount	June 30, 2023 Maximum exposure
		(Rupees)			
Long term deposits		4,247,719	4,247,719	3,937,719	3,937,719
Trade debts	(a)	7,275,865,808	7,275,865,808	4,606,616,224	4,606,616,224
Deposit and other receivables		14,522,842	14,522,842	8,133,296	8,133,296
Bank balances	(b)	460,613,341	460,613,341	711,246,335	711,246,335
		7,755,249,710	7,755,249,710	5,329,933,574	5,329,933,574

Note (a) - Credit risk exposure on trade debts

To reduce the exposure, the Company closely evaluates the credit risk of customers and follows up for over due payments. Management continuously monitors the credit exposure towards them and makes provisions against those balances considered doubtful of recovery.

As of the reporting date, the ageing analysis of trade debts was as follows:

	2024 Gross carrying amount	2024 Life time expected credit losses	2023 Gross carrying amount	2023 Life time expected credit losses
Not past due	5,043,280,425	-	451,344,800	-
Past due 1 to 30 days	1,774,271,484	-	1,646,389,706	-
Past due 31 to 60 days	322,671,418	12,611,928	1,593,967,019	13,631,372
Past due 61 to 90 days	121,812,804	7,542,338	567,555,839	7,188,944
Past due 91 to 150 days	28,202,365	3,050,612	276,336,330	294,958
Past due 151 to 365 days	16,795,587	7,963,397	99,333,568	7,195,764
	7,307,034,083	31,168,275	4,634,927,262	28,311,038

Note (b) - Credit risk exposure on bank balances

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

Banks / other institutions	Short term rating	Credit rating agency	2024	2023
			Rupees	
Meezan Bank Limited	A-1+	JCR-VIS	199,174,570	7,229,380
Habib Metropolitan Bank Limited	A-1+	PACRA	37,511,956	20,982,067
Bank Al-Habib Limited	A-1+	PACRA	217,803,873	677,956,529
National Bank of Pakistan	A-1+	JCR-VIS	738,233	858,325
MCB Bank Limited	A-1+	PACRA	278,849	27,374
Bank of Khyber	A-1	JCR-VIS	4,035,350	-
Askari Bank Limited	A-1+	PACRA	1,065,510	4,187,660
Central Depository Company	-	-	5,000	5,000
			460,613,341	711,246,335

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

32.1.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash balances and the availability of adequate funds through committed credit facilities. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

The following are the contractual maturities of financial liabilities, including estimated interest payments (in case of long term loan):

	2024			
	Carrying amount	**Contractual cash flows**	**Twelve months or less**	**More than One years**
	Rupees			
Non-derivative financial liabilities				
Long term financing (including markup)	**8,428,549,739**	**9,747,354,962**	**964,183,848**	**8,783,171,114**
Trade and other payables	**1,922,333,187**	**1,922,333,187**	**1,922,333,187**	-
Accrued markup on short term borrowings	**309,344,151**	**309,344,151**	**309,344,151**	-
Short term borrowings	**9,079,025,121**	**9,079,025,121**	**9,079,025,121**	-
	19,739,252,198	**21,058,057,421**	**12,274,886,307**	**8,783,171,114**

	2023			
	Carrying amount	Contractual cash flows	Twelve months or less	More than One years
Non-derivative financial liabilities	Rupees			
Long term financing (including markup)	6,729,455,643	7,834,097,277	840,104,614	6,993,992,663
Trade and other payables	1,658,588,383	1,628,914,088	1,628,914,088	-
Accrued markup on short term borrowings	416,452,021	416,452,021	416,452,021	-
Short term borrowings	8,136,883,241	8,136,883,241	8,136,883,241	-
	16,941,379,288	18,016,346,627	11,022,353,964	6,993,992,663

32.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(a) Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transaction in foreign currency. The Company's exposure to foreign currency risk is as follows:

Exposure to foreign currency risk

The Company, as at reporting date, is exposed to foreign currency risk on trade debts and bank balances that are denominated in a currency other than the respective functional currency of the Company. Those transactions are denominated in US Dollars and Euros.

	June 30, 2024			June 30, 2023		
	Rupees	EURO	US Dollars	Rupees	EURO	US Dollars
Trade debts	919,148,089	-	3,302,724	437,941,670	1,772	1,526,119
Bank balance	112,493,622	428	403,759	679,988,729	8,026	2,363,820

The following significant exchange rates applied during the year:

	2024		2023	
	Average rate	Reporting date rate	Average rate	Reporting date rate
	Rupees			
US Dollar	283.20	278.30	252.58	286.60
EURO	306.77	297.88	266.64	313.72

Sensitivity analysis

As of the reporting date, 5% strengthening / (weakening) of the Pak Rupee against the US Dollars and Euros would have decreased / (increased) the profit before tax of the Company by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect on profit before tax
	—— Rupees ——
As at June 30, 2024	51,582,086
As at June 30, 2023	55,896,520

(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 changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks. At the reporting date, the interest rate profile of the Company's interest-bearing variable rate financial instruments was as follows:

	2024	2023	2024	2023
	Effective interest rate (%)		Carrying amount (Rs.)	
Financial liabilities				
Short term borrowings	21.1% to 23.64%	15.32% to 21.98%	9,079,025,121	8,136,883,241
Long term borrowings	21.18% to 24.22%	15.32% to 21.98%	3,144,177,527	1,300,271,679

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit before tax by Rs. 122.232 million (2023: Rs. 94.37 million). This analysis assumes that all other variables remain constant.

(c) Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. As of the reporting date, the Company was not exposed to any price risk.

33. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Presently, the only item in the financial statements that are carried at fair value are plant and machinery and electrical installations. The Company engages an independent external valuer to carry out a fresh revaluation of these operating fixed assets to ensure that their carrying amounts in the financial statements do not differ materially from that which would be determined using fair value at the end of the reporting period. Such valuation usually involves the use of observable and unobservable inputs; however, the weightage of observable inputs used is considered as significant. Accordingly, the Company classifies the aforesaid classes of operating fixed assets within Level 2 of the fair value hierarchy.

33.1 Financial instruments by categories

	2024	2023
	Rupees	
FINANCIAL ASSETS - at amortized cost		
Long term deposits	**4,247,719**	3,937,719
Trade debts	**7,275,865,808**	4,606,616,224
Deposits and other receivables	**14,522,842**	8,133,296
Cash and bank balances	**460,613,341**	711,246,335
	7,755,249,710	5,329,933,574
FINANCIAL LIABILITIES- at amortized cost		
Long term financing (including markup)	**8,428,549,739**	6,729,455,643
Trade and other payables	**1,922,333,187**	1,658,588,383
Accrued markup on short term borrowings	**309,344,151**	416,452,021
Short term borrowings	**9,079,025,121**	8,136,883,241
	19,739,252,198	16,941,379,288

34. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Following is the quantitative analysis of what the Company manages as capital:

	2024	2023
Borrowings:	Rupees	
Long term financing	**8,225,067,696**	6,640,188,528
Short term borrowings	**9,079,025,121**	8,136,883,241
	17,304,092,817	14,777,071,769
Shareholders' equity:		
- Issued, subscribed and paid up capital	**61,630,000**	61,630,000
- Unappropriated profit	**7,284,806,826**	7,795,381,951
	7,346,436,826	7,857,011,951
Total capital managed by the Company	**24,650,529,643**	22,634,083,720

35. RELATED PARTY TRANSACTIONS AND BALANCES

Related party comprise of associated company, key management personnel of the Company (including directors) and their close family members. Remuneration of the Chief Executive and Director is disclosed in note 30 to these financial statements. Transactions entered into and balances held, with related party during the year, is as follows:

Name of the related party	Shareholding & Relationship	Transactions during the year and year end balances	2024	2023
			Rupees	
Pinnacle Fiber (Pvt) Ltd.	0% Shareholding -Common Directorship of Mr. Abdul Kadir Adam and Mr. Muhammad Aslam Parekh	Transaction during the year Purchase of goods	**703,057,187**	382,909,603
		Balance at the year end Trade payable	**12,269,791**	50,754,403

36. OPERATING SEGMENT RESULTS

	Spinning		Socks		Premium Textile mills limited	
	For the year ended		For the year ended		For the year ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Exports						
United States Of America	**2,998,315,022**	2,378,019,260	**1,668,314,225**	253,227,115	**4,666,629,247**	2,631,246,375
Portugal	**190,354,869**	54,994,211	-	-	**190,354,869**	54,994,211
Italy	-	-	**172,151,280**	11,077,729	**172,151,280**	11,077,729
United Kingdom	-	-	**85,060,019**	57,752,986	**85,060,019**	57,752,986
Canada	-	-	**60,157,948**	6,168,231	**60,157,948**	6,168,231
Netherland	-	-	**51,952,095**	87,084,144	**51,952,095**	87,084,144
Spain	-	-	**48,478,568**	8,610,179	**48,478,568**	8,610,179
Turkey	**38,360,515**	127,267,333	-	-	**38,360,515**	127,267,333
Germany	-	-	**32,221,297**	33,810,559	**32,221,297**	33,810,559
New Zealand	**22,403,611**	54,525,593	-	-	**22,403,611**	54,525,593
Bangladesh	**20,418,724**	525,585,833	-	-	**20,418,724**	525,585,833
Belgium	-	-	**7,528,933**	-	**7,528,933**	-
Lebanon	-	5,240,038	-	-	-	5,240,038
Honduras	-	696,432,440	-	-	-	696,432,440
Brazil	-	16,693,281	-	-	-	16,693,281
	3,269,852,741	3,858,757,989	**2,125,864,365**	457,730,943	**5,395,717,106**	4,316,488,932
Local	**24,533,425,355**	21,962,282,402	**16,952,197**	-	**24,550,377,552**	21,962,282,402
	27,803,278,096	**25,821,040,391**	**2,142,816,562**	**457,730,943**	**29,946,094,658**	**26,278,771,334**
Commission and brokerage	**(209,557,541)**	(267,494,773)	**(6,992,910)**	(1,177,887)	**(216,550,451)**	(268,672,660)
Discount and claims	**(433,784)**	(20,808,056)	-	-	**(433,784)**	(20,808,056)
Sales tax	**(2,653,105,498)**	(3,160,587,619)	**(314,040)**	-	**(2,653,419,538)**	(3,160,587,619)
	(2,863,096,823)	(3,448,890,448)	**(7,306,950)**	(1,177,887)	**(2,870,403,773)**	(3,450,068,335)
Sales - net	**24,940,181,273**	22,372,149,943	**2,135,509,612**	456,553,056	**27,075,690,885**	22,828,702,999
Cost of sales	**(21,737,252,147)**	(18,478,787,243)	**(1,598,891,170)**	(410,491,545)	**(23,336,143,317)**	(18,889,278,788)
Gross profit	**3,202,929,126**	3,893,362,700	**536,618,442**	46,061,511	**3,739,547,568**	3,939,424,211
Administrative expenses	**(414,712,579)**	(68,930,114)	**(158,745,551)**	(126,844,888)	**(573,458,130)**	(528,978,889)
Distribution costs	**(315,407,194)**	(95,023,781)	**(115,042,049)**	(31,122,332)	**(430,449,243)**	(297,397,271)
Operating Resuls	**2,472,809,353**	3,729,408,805	**262,830,842**	(111,905,709)	**2,735,640,195**	3,113,048,051

	Spinning		Sock		Premium Textile mills limited	
	As at		As at		As at	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Segment Assets	**26,110,643,626**	25,257,050,356	**4,429,113,525**	2,791,852,452	**30,539,757,151**	28,048,902,808
Unallocated Assets	-	-	-	-	-	-
Segment Liabilites	**17,545,811,158**	18,630,730,202	**4,502,214,868**	265,504,906	**22,048,026,026**	18,896,235,108
Unallocated Liabilities	-	-	-	-	-	-

36.1 Inter unit current account balances of respective businesses have been eliminated from the total.

36.2 Depreciation and amortisation:

Spinning		Socks		Premium textile mills limited	
For the year ended		For the year ended		For the year ended	
June, 30 2024	June, 30 2023	**June, 30 2024**	June, 30 2023	**June, 30 2024**	June, 30 2023
1,129,055,589	895,690,310	**244,162,335**	113,879,575	**1,373,217,924**	1,009,569,885

36.3 Other information:

(a) Revenue earned from one major customer, of more than 10% of total sales amounted to Rs. 4,086 million (2023: Rs. 2,553 million).

(b) As at June 30, 2024 and June 30, 2023 , all non-current assets of the Company were located in Pakistan.

37. CHANGE IN ACCOUNTING POLICY

In May 2024 '*IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes*' (the guide) was issued by the Institute of Chartered Accountants of Pakistan (ICAP).In view of the said guide, it has been established that minimum tax and final taxes not calculated on taxable income do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

As a result, the Company has designated the amount calculated under Section 113 of the Income Tax Ordinance and other sections of the said ordinance as levy falling under the scope of IFRIC 21/IAS 37. Any excess over the amount designated as a levy falling under the scope of IFRIC 21/IAS 37, is then recognised as an income tax within the scope of IAS 12 ‘Income Taxes’.

The aforesaid change in accounting policy has been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and all the corresponding figures affected thereby have been restated. However, had the said change in policy not been made, the following expenses reported in the statement of profit or loss would have been (higher) / lower and the profits and earnings per share would have been (lower) / higher by the amounts presented below:

	2024	2023
(Loss) / profit before levies and taxation	**(36,643,997)**	(103,339,418)
Levies	**313,095,801**	455,100,677
Profit before taxation	**276,451,804**	351,761,259
Taxation	**(276,451,804)**	(351,761,259)
(Loss) / profit after taxation	**-**	-
(Loss) / earnings per share - basic and diluted	**-**	-

The retrospective effects on the corresponding figures presented in these financial statements are as follows:

Effects on the statement of profit or loss

	For the year ended June 30, 2023		
	As previously reported	As restated	Change
	------------------ (Rupees) ------------------		
Operating profit	3,113,048,051	3,113,048,051	-
Finance costs	(2,238,214,139)	(2,238,214,139)	-
Other operating expenses	(103,339,418)	-	103,339,418
Other income/ (expenses) - net	622,838,811	622,838,811	-
	(1,718,714,746)	(1,615,375,328)	103,339,418
profit before levies and taxation	1,394,333,305	1,497,672,723	103,339,418
Levies	-	(455,100,677)	(455,100,677)
profit before taxation	**1,394,333,305**	**1,042,572,046**	(351,761,259)
Taxation	(351,689,965)	71,294	351,761,259
profit after levies and taxation	**1,042,643,340**	**1,042,643,340**	-

38. GENERAL

38.1 Non - adjusting event after balance sheet date

The Board of Directors in their meeting held on **27th September, 2024** has proposed a final cash dividend of Rs. Nil per share (2023: Rs. 25 per share) for approval of the members at the Annual General Meeting to be held on **25th October, 2024** . The financial statements do not reflect this appropriation.

38.2 Number of employees

	2024	2023
	Number	
Total employees of the Company at the year end	**1,446**	1,197
Average employees of the Company during the year	**1,322**	1,147

38.3 Reclassification of corresponding figures

In these financial statements, the following corresponding figures have been rearranged and reclassified, for the purposes of comparison and better presentation.

Reclassified from component	Reclassified to component	*Note*	Rupees
Finance costs (Mark up on short term borrowings)	Finance costs (Mark up on letter of credits)	*24*	165,797,499
Input sales tax credit carried forward (Tax refunds due from government)	Sales tax payable (Trade and other payables)	*9 & 16*	29,674,295
Workers' welfare fund expense (Other operating expenses)	Workers' welfare fund expense (Levies)		28,455,782
Workers' profit participation fund expense (Other operating expenses)	Workers' profit participation fund expense (Levies)		74,883,636

38.4 Date of authorization for issue of the financial statements

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on **27th September, 2024**.

38.5 Level of rounding

Figures in these financial statements have been rounded off to the nearest rupee.

Chief Executive Officer	Director	Chief Financial Officer

Pattern of Shareholding

As At June 30, 2024

Number of Share Holders	Share Holding From	Share Holding To	Total Shares Held
535	1	100	38,227
109	101	500	33,005
42	501	1000	35,677
55	1001	5000	133,373
18	5001	10000	137,258
5	10001	15000	60,220
3	15001	20000	57,586
2	20001	25000	48,400
1	35001	40000	35,400
1	40001	45000	41,800
1	45001	50000	50,000
1	50001	55000	51,800
1	70001	75000	74,010
1	95001	100000	100,000
1	100001	105000	104,550
5	110001	115000	553,500
1	120001	125000	121,858
1	130001	135000	134,600
1	240001	245000	240,523
1	285001	290000	285,075
1	400001	405000	404,250
1	615001	620000	615,623
1	2805001	2810000	2,806,265
788			**6,163,000**

Classification Of Shares By Categories

As At June 30, 2024

	NAME	HOLDING	%
BANKS/DFIs, NBFIS	NATIONAL BANK OF PAKISTAN	455	
	Sub-total	455	0.01%
Directors/Chief Executive officer,	ABDUL KADIR ADAM	19,386	
Their Spouses,	FARHEEN	110,700	
Minor Children and Relatives	GHAZALA MONEM	104,550	
	LUBNA ASIF BALAGAMWALA	110,700	
	MOHAMMAD RAZIUDDIN MONEM	100	
	MUHAMMAD ASLAM PAREKH	12,700	
	MUHAMMAD YASIN SIDDIK	297,075	
	MUNIZA IRFAN	110,700	
	NABILA YASIN SIDDIK	121,858	
	NAILA HASSAN	1,000	
	NEELAM ASLAM PAREKH	110,700	
	RAZIA ALTAF ADAM	110,700	
	SAADIA YASIN SADIK	10,000	
	SAIRA ADAM	100,000	
	ZAID SIDDIK	17,400	
	Sub-total	1,237,569	20.08%
NIT and ICP	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	615,623	
	INVESTMENT CORP. OF PAKISTAN	500	
	Sub-total	616,123	10.00%
others	AL HAYY TRADING (PRIVATE) LIMITED	25,000	
	AL-RAHIM TRADING COMPANY (PRIVATE) LIMITED	550	
	CDC - TRUSTEE AKD OPPORTUNITY FUND	10,000	
	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	23,400	
	FIKREES (PRIVATE) LIMITED	381	
	FREEDOM ENTERPRISES (PVT) LTD	1,000	
	M/S ABDUL KADIR ADAM BENEFICIARY TRUST	5,000	
	MANNOO CAPITAL (PRIVATE) LIMITED	5,728	
	MAPLE LEAF CAPITAL LIMITED	1	
	MERIN (PRIVATE) LIMITED	300	
	MRA SECURITIES LIMITED - MF	8	
	MUHAMMAD AHMAD NADEEM SEC(SMC-PVT)LTD (ISB)	500	
	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	215	
	PAKISTAN MEMON EDUCATIONAL & WELFARE SOC	2,000	
	PREMIER FASHIONS (PVT) LTD	11,900	
	RAHMAT INVESTMENT COMPANY (PVT) LTD	404,250	
	SIZA (PRIVATE) LIMITED	4,150	
	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	2,597	
	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	74,010	
	TRUSTEES OF ABDUL KADIR ADAM BENEFICIARY TRUST	2,806,265	
	TRUSTEES OF NABILA AND ABDUL KADIR ADAM BENEFICIARY TRUST	240,523	
	YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD	35,400	
	Sub-total	3,653,178	59.28%
Individual			
	Local - Individuals	3,500	
	Sub-total	655,675	10.64%
Grand Total		**6,163,000**	**100%**

M/s.Premium Textile Mills Ltd,
1st floor, Haji Adam Chamber,
Altaf Hussain Road, New Challi,
Karachi.

Bank Mandate Form

I Mr. / Ms./Mrs.________________________ S/o, D/o, w/o, ____________________________ hereby authorize Premium Textile Mills Ltd to send /directly credit cash dividends declared by it, in my bank account as detailed below:

(i) Shareholder's details	
Name of the Shareholder	
Participant & Account # CDC Investor #	
CNIC NO. / NTN	
Passport No. (in case of foreign shareholder)	
Landline / Cell Number of the Shareholder	

(ii) Shareholder's Bank detail	
Bank's Name	
Branch Name and Address	
Branch Code Number.	
Title of Bank Account	
Account Number	
IBAN	
Shareholder's details	

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company/ Share Registrar informed in case of any changes in the said particulars in future.

Signature of the shareholder

Note: Bank mandate details must be verified by the concerned Bank Branch to avoid any error.

Mr./ Mrs. / M/s

Dear Shareholder,

ELECTRONIC PAYMENT OF CASH DIVIDENDS INSTEAD OF PHYSICAL DIVIDEND WARRANTS

Pursuant to Section 242 of the Companies Act-2017 and notification by the Security Exchange Commission of Pakistan (SECP) that all listed companies must pay future cash dividends electronically mode into the bank accounts of the shareholders instead of issuing physical dividend warrants.

We have reviewed and found that you have not yet provided a bank mandate. In this regard, you are required to provide bank mandate details with IBANs otherwise future dividends could be withheld according to the section 242 and directives of SECP.

CDC shareholders may submit their bank mandate details to their investor account services or their brokers where shares are placed electronically.

For any query/ problem/information, the investors may contact the company, and / or the Share Registrar at the following phone Numbers, email address:

F.D.Registrar Services (SMC-Pvt) Ltd. 17th Floor, Saima Trade Tower-A, I.I.Churdrigar Road, Karachi. Ph-0213-2271905-6	Premium Textile Mills Pvt Ltd. 1 st Floor, Haji Adam Chamber Altaf Hussain Road, New Challi, Karachi.74000. Tel: 32400405-8, 32416380 Fax: 32417908 e-mail: premhead@premiumtextile.com

Annual General Meeting

The Company Secretary
Premium Textile Mills Limited
1st Floor, Haji Adam Chamber,
Altaf Hussain Road, New Challi,
Karachi

I/We__________________________ of _____________________ being member(s) of Premium Textile Mills Limited holding _______________ Ordinary shares as per Register Folio No/CDC /A/c No. ____________________hereby appoint _____________________________ of _________________________ or failing him _________________________ of _______________________ of as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Extra Ordinary General Meeting of the Company to be held on October 25, 2024 and / or any adjournment thereof.

As witness my / our hand / seal this ____ day of __________ 2024 signed by _______________________ in the presence of (name & address)

Witness:

1. Name: ____________________
   Address: ____________________
   CNIC or: ____________________
   Passport No: ____________________
   Signature: ____________________

Witness:

2. Name: ____________________
   Address: ____________________
   CNIC or: ____________________
   Passport No: ____________________
   Signature: ____________________

Signature on Rs. 5/-
Revenue Stamp

The Signature should agree with the specimen registered with the Company

Important Note:

A member of the Premium Textile Mills Limited ("Company") entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her.

The proxy form, duly completed and signed, must be received at the registered office of the company situated at 1st Floor, Haji Adam Chamber, Altaf Hussain Road, New Challi, Karachi not less than 48 hours before the time of holding the meeting.

No person shall act as proxy unless he / she himself is a member of the Company, except that a corporation may appoint a person who is not a member.

If a member appoints more than one proxy and / or more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

The Form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, address and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the Passport of the beneficial owner and the proxy. In case of a corporate entity, the Board of Directors' Resolution / Power of Attorney along with the specimen signature shall be submitted (unless it has been provided earlier along with the proxy form to the Company).

Pertaining to the Cover:

"The cover of our annual financial report illustrates our 'Path to Net Zero' vision at Premium Textiles. We are dedicated to sustainability through solar power, urban forestation, and minimizing textile waste. Discover our drive to lead in innovation and environmental responsibility".

1st Floor, Haji Adam Chambers, Altaf Hussain Road , New Challi, Karachi, Pakistan.
Tel: 92 21 32400405-8
Fax: 92 21 32417908
www.premiumtextile.com

Reach us out at:
ask@premiumtextile.com