



mtm

Masood Textile Mills

Embrace Change for a
Sustainable Future

2024
ANNUAL REPORT

Web: www.masoodtextile.com



Table of Content

01 | Company Overview

- Company Information 04
- Our Mission 06
- Our Vision 06

02 | Corporate Governance

- Notice of Annual General Meeting 08
- Chairman's review report (English version) 11
- Chairman's review report (Urdu version) 12
- Director's report (English version) 13
- Director's report (Urdu version) 22
- Statement of compliance with Listed companies (Code of corporate governance) regulations 2019 31
- Independent auditor's review report on Statement of compliance with Listed companies (Code of corporate governance) regulations 2019 34
- Shariah Compliance Certificate of Sukuk 36
- Statement of Compliance with The Sukuk (Privately Placed) Regulations 2017 and Shariah Governance Regulations 2018 37
- Independent Auditor's Assurance Report on Statement of Compliance with The Sukuk (Privately Placed) Regulations 2017 and Shariah Governance Regulations 2018 38

03 | Performance and Position

- Last Six Years Statements of Financial Position 42
- Last Six Years Statements of Profit or Loss 43
- Horizontal Analysis on Statement of Profit or Loss 43
- Vertical Analysis on Statement of Profit or Loss 43
- Last Six Years Statements of Cash Flows 44

04 | Financial Statements

- Independent Auditor's Report to the Members of MTM 46
- Statement of Financial Position 50
- Statement of Profit or Loss 52
- Statement of Comprehensive Income 53
- Statement of Changes in Equity 54
- Statement of Cash Flows 55
- Notes to the Financial Statements 56

05 | Shareholder's Information

- Pattern of Shareholding 105
- Form of Proxy (English Version) 110
- Form of Proxy (Urdu Version) 111

01

Company Overview

mtm

Masood Textile Mills

corporate information

Board of Directors

Mr. Naseer Ahmad Shah

Chairman / Non Executive Director

Mr. Shahid Nazir Ahmad

Chief Executive Officer / Executive Director

Mr. Shabir Ahmad Abid

Independent Director

Mr. Shahid Iqbal

Independent Director

Mr. Shoaib Ahmad Khan

NIT-Nominee

Ms. Chen Yan

Nominee-Shanghai Challenge
Textile Co. Ltd.

Mr. Shibin Yang

Nominee-Shanghai Challenge
Textile Co. Ltd.

Executive Director Finance

Mr. Muhammad Shahid Naveed

Chief Financial Officer

Mr. Tanveer Ahmad Siddiqui

Company Secretary

Mr. Nisar Ahmad Alvi

Audit Committee

Mr. Shabir Ahmad Abid

Chairman

Mr. Naseer Ahmad Shah

Member

Mr. Shahid Iqbal

Member

HR & Remuneration Committee

Mr. Shahid Iqbal

Chairman

Mr. Shahid Nazir Ahmad

Member

Mr. Shabir Ahmad Abid

Member

Risk Management Committee

Mr. Shahid Nazir Ahmad

Chairman

Mr. Naseer Ahmad Shah

Member

Mr. Shahid Iqbal

Member

Nomination Committee

Mr. Naseer Ahmad Shah

Chairman

Mr. Shabir Ahmad Abid

Member

Mr. Shahid Iqbal

Member

Sustainability Committee

Mr. Shahid Iqbal

Chairman

Mr. Shahid Nazir Ahmad

Member

Mr. Shabir Ahmad Abid

Member

Auditors

Riaz Ahmad & Company
Chartered Accountants

Share Registrar

CorpTec Associates (Private) Limited
503-E, Johar Town, Lahore
Phone: 042-35170336-7
Fax: 042-35170338
Web: www.corptec.com.pk

Registered Office

Universal House, 17/1, New Civil Lines
Bilal Road, Faisalabad
Phone: 041-2600176-276
Fax: 041-2600976
Web: www.masoodtextile.com

Mills

Masood Textile Mills Limited
32-KM, Sheikhpura Road Faisalabad

our mission



Our mission is to be a dynamic, profitable and growth oriented company by providing good return on investment to its shareholders and investors, quality products to its customers, a secured and friendly environment place of work to its employees and to project Pakistan's image in the international market.

our vision



- A leading producer of textile products by providing the highest quality of products and service to its customers.
- To strive excellence through commitment, integrity, honesty and team work.
- Highly ethical company and be respected corporate citizen to continue playing due role in the social and environmental sectors of the company.
- To develop and extremely motivated and professional trained work force. Which would drive growth through innovation and renovation.
- Sustained growth in earning in real terms.

02

Corporate Governance

mtm

Masood Textile Mills

notice of annual general meeting

Notice is hereby given that 40th Annual General Meeting of the members, holding Ordinary Shares of Masood Textile Mills Limited, will be held at its Registered Office, Universal House, 17/1 New Civil Lines, Bilal Road, Faisalabad on Monday, 28th October, 2024 at 11.00 A.M. to transact the following business:

1. To confirm the minutes of the last Annual General Meeting held on 28th October, 2023.
2. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Financial Statements of the Company for the year ended 30th June, 2024.

In accordance with section 223 of the Companies Act, 2017 and pursuant to SRO 389 (I)/2023 dated 21 March, 2023, the Annual Report of the Company for the year ended June 30, 2024, including the annual audited financial statements have been uploaded on the website of the company which can be accessed through the following weblink and QR enabled code:

Weblink	QR Enabled code
https://masoodtextile.com/wp-content/uploads/2024/10/mtml-annual-Report-2024.pdf	

3. To appoint Auditors and to fix their remuneration for the financial year ending 30th June, 2025. M/s Riaz Ahmad & Company, Chartered Accountants, retire and being eligible offer themselves for their re-appointment.
4. To consider any other business that may be placed before the meeting with the permission of the chair.

FOR AND ON BEHALF OF THE BOARD



(Nisar Ahmad Alvi ACA)
Company Secretary

Faisalabad
05th October, 2024

NOTES:

1. Share Transfer Books for Ordinary Shares of the Company will remain closed from 21st to 28th October, 2024 (both days inclusive). Physical transfers / CDS Transactions IDs, received in order at Registered Office of the Company or our Share Registrar, by the close of business on 20th October, 2024 will be treated in time.
2. Share Transfer Books for Preference Shares of the Company will remain closed from 21st to 28th October, 2024 (both days inclusive) for determining the entitlement of Preferred Dividend calculated at average six months KIBOR+200 bps p.a. Rs. 2.42 per share. Physical transfers / CDS Transactions IDs, received in order at Registered Office of the Company or our Share Registrar, by the close of business on 20th October, 2024 will be treated in time.
3. A shareholder entitled to attend and vote at this meeting may appoint another shareholder as his / her proxy to attend and vote on his/her behalf. The instrument appointing a Proxy and Power of Attorney or other authority under which it is signed or notarially certified copy of the Power of Attorney must be received at the Registered Office of the Company, duly stamped, signed and witnessed not later than 48 hours before the meeting. An instrument of Proxy applicable for meeting is attached herewith. However, Preference Shareholders are not entitled to attend the meeting, since Preference Shares carry no voting rights.
4. The AGM can be attended by shareholders using smart phones/tablets/computers. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at wagqasahmad@mtmho.com by October 25, 2024.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

5. The members who are registered after the necessary verification shall be provided with a video link by the Company at the same email address that they emailed the Company with. The Login facility will remain open from the start of the meeting till its proceedings are concluded.
6. Shareholders whose shares are deposited with Central Depository System (CDS) are requested to bring their Computerized National Identity Card (CNIC) along with their Account Number in CDS for verification. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signatures of the nominee shall be produced (unless provided earlier) at the time of the meeting.
7. Pursuant to Finance Act, 2024, the Company is liable to withhold Income Tax @ 15 % from the Filers and 30 % from the Non-Filers under the provisions of Section 150 of the Income Tax Ordinance, 2001. Kindly

ensure your status from Active Tax Payer's List, available at FBR's website, before disbursement of Dividend by the Company. Individuals without CNIC(s) will be treated Non-Filers, since their status cannot be verified from FBR.

8. The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980. Moreover, the shareholders who have not yet submitted their Computerized National Identity Cards to the Company are requested once again to send attested copies thereof at their earliest. Otherwise, their Dividend will be withheld for lack of complete information.
9. The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.
10. Shareholders who have not collected their Dividend / Physical shares so far are advised to contact our Share Registrar to collect / enquire about their Unclaimed Dividend or Share, if any.
11. As per Section 72 of The Companies Act, 2017 every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by The SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares in the book entry form. For this purpose, the shareholders may open CDC Sub-account with any of the brokers or investors account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares at any time they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited.
12. Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least (7) days prior to the date of the meeting on the Standard Form available on the Company's website: www.masoodtextile.com
13. Pursuant to the provision of Section 223(6) of the Companies Act, 2017, the Companies are permitted to circulate their annual financial statements, along with the Auditor's report, director review report etc. ("Annual Report") and the notice of Annual General Meeting ("Notice") to its shareholders by email. Shareholders of the Company who wish to receive the Company's Annual Report and Notice of Annual General Meeting by E-mail are requested to provide the complete Electronic Communication Consent Form (available at the Company's Website) to the Company's Share Registrar.

chairman's review report

Dear Shareholders

I am honored to share with you the "Chairman Review Report" for the year ended 30 June 2024, on behalf of the Board of Directors. This report is a mandatory requirement as per section 192(4) of the Companies Act, 2017, and it assesses the overall performance and effectiveness of the board in accomplishing the company's objectives.

Our directors have been meticulously overseeing the business performance to ensure efficient management in achieving our goals. Our primary focus has been on enhancing productivity and efficiency, streamlining costs and processes for sustainable growth, and protecting the interests of our shareholders and the integrity of our organization. After experiencing a downturn in the financial year 2023 due to global economic challenges such as high inflation and business costs, the economy of Pakistan entered a phase of stabilization. Thanks to the government's timely and effective policy measures, we witnessed moderate growth and a reduction in external pressures, despite facing fiscal consolidation, monetary tightening, and geopolitical tensions.

Our Board actively engaged in the strategic planning process and fulfilled its duties and responsibilities diligently, contributing significantly to guiding the company in strategic and governance matters.

The directors also played a pivotal role in monitoring management performance and evaluating major risk areas. Their steadfast commitment to the company's values has helped create a positive work environment to preserve and enhance stakeholders' value.

I want to express my heartfelt gratitude to all the staff members, customers, suppliers, bankers, shareholders, and the Board of Directors for their unwavering commitment and hard work.

FAISALABAD
05th October, 2024



CHAIRMAN

چیرمین کا جائزہ

محترم حصص یافتگان:-

مجھے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2024 کو ختم ہونے والے سال کے لئے چیرمین جائزہ رپورٹ آپ کے ساتھ شیئر کرنے کا اعزاز حاصل ہے۔ کمپنیز ایکٹ 2017 کے سیکشن (4) 192 کے مطابق یہ رپورٹ ایک لازمی ضرورت ہے۔ اور یہ کمپنی کے مقاصد کو پورا کرنے میں بورڈ کی مجموعی کارکردگی اور تاثیر کا جائزہ لیتی ہے۔ ہمارے اہداف کو حاصل کرنے کے لئے موثر انتظام کو یقینی بنانے کے لئے ہمارے ڈائریکٹرز کا روبرو باری کارکردگی کی باریک بینی سے نگرانی کر رہے ہیں۔ ہماری بنیادی توجہ پیداواریت اور کارکردگی کو بڑھانے، پائیدار ترقی کے لئے لاگت اور عمل کو ہموار کرنے، اور اپنے حصص یافتگان کے مفادات اور ہماری تنظیم کی سالمیت کی حفاظت پر مرکوز ہے۔ مالی سال 2023 میں عالمی اقتصادی چیلنجوں جیسے کہ بلند افراط زر اور کاروباری لاگت کی وجہ سے مندی کا سامنا کرنے کے بعد پاکستان کی معیشت استحکام کے مرحلے میں داخل ہوگی ہے۔ حکومت نے بروقت اور موثر پالیسی اقدامات کی بدولت ہم نے مالیاتی استحکام، مالیاتی سختی اور جغرافیائی سیاسی تناؤ کا سامنا کرنے کے باوجود، معتدل ترقی اور بیرونی دباؤ میں کمی دیکھی، ہمارے بورڈ نے سٹریٹیجک اور گورننس کے معاملات میں رہنمائی کرنے میں اہم کردار ادا کیا۔ خطرے والے علاقوں کا جائزہ لینے میں بھی اہم کردار کیا۔ کمپنی کی اقدار کے ساتھ ان کی ثابت قدمی نے اسٹیک ہولڈرز کی قدر کو برقرار رکھنے اور بڑھانے کے لئے ایک کام کا ماحول بنانے میں حصص یافتگان، اور بورڈ آف ڈائریکٹرز کا ان کے غیر متزلزل عزم اور محنت کے لئے تہہ دل سے شکر یہ ادا کرنا چاہتا ہوں۔

چیرمین
فیصل آباد

05 اکتوبر 2024

director's report to the members

The directors are pleased to present the Annual Report containing the Audited Financial Statements for the year ended 30 June 2024 along with other required information prescribed under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Companies Act, 2017.

Market Overview

economic outlook

The economic and political environment of the country has remained extremely challenging for most of the businesses with high energy costs, high inflation and increased production costs coupled with the high interest rates, leading to slowdown in demand. To keep the inflation under control, the central bank was pushed to keep the interest rate very high. These factors negatively impacted the performance of the company, consumer sentiments and their purchasing power.

The growth of the textile sector depends largely on export performance. The changes in taxation of exporters brought through Federal Budget 2024-2025, continued increase in prices of inputs like yarn, cotton, minimum wages and utility prices have negatively impacted the textile exports. For the tax year 2025 and onwards, exporters will be subject to normal income taxation instead of 1% income tax on the value of exports as final tax. These factors coupled with higher interest rates will reduce the competitiveness of exports.

company's performance

The Company's revenue decreased from Rs. 60,105.873 million to Rs. 58,676.926 million for the year ended 30 June 2024. Gross profit for the year is increased to Rs. 9,525.538 million from Rs. 8,088.095 million last year. Due to decrease in revenue and increase in financial cost, profit before taxation for the year ended 30 June 2024 reduced to Rs. 458.017 million as compared to profit of Rs. 3,490.648 million for the last financial year. Company recorded loss after tax Rs.(470.030)million as compared to profit after tax of Rs. 2,651.189 million during last financial year. Loss per share of the Company for the year ended 30 June 2024 is Rs. (7.95) as compared earning per share of Rs. 38.54 from the last year.

The comparative financial results of the Company are reproduced hereunder:

financial highlights

Description	2024 (Rupees in Thousand)	2023
Revenue	58,676,926	60,105,873
Cost of sales	(49,151,388)	(52,017,778)
Gross profit	9,525,538	8,088,095
Distribution cost	(3,020,812)	(3,815,010)
Administrative expenses	(1,162,792)	(1,234,004)
Other expenses	(160,908)	(191,037)
Other income	276,492	3,841,425
Finance cost	(4,999,501)	(3,198,821)
Profit before levy and taxation	458,017	3,490,648
Levy	(852,699)	(793,604)
(Loss) / profit before taxation	(394,682)	2,697,044
Taxation	(75,348)	(45,855)
(Loss) / profit after taxation	(470,030)	2,651,189
(Loss) / earnings per share – basic (rupees)	(7.95)	38.54
(Loss) / earnings per share – diluted (rupees)	(7.30)	34.72

future outlook

Throughout the fiscal year ending on 30 June 2024, Pakistan encountered significant economic and operational challenges, which greatly affected the broader knitwear export sector. The sector faced high finance costs, ongoing financial limitations, increasing inflation, and rising energy expenses within a volatile global economic environment. Moreover, major supply chain disruptions, worsened by global geopolitical tensions and logistical constraints, further impacted operational efficiency.

Despite these challenges, positive developments in Pakistan's economic framework provided a boost to our industry. The initiation of a \$7 billion Extended Fund Facility (EFF) by the International Monetary Fund (IMF) played a crucial role in stabilizing the national economy. This agreement effectively reduced inflation to single digits, alleviated cost pressures, and lowered finance costs. Additionally, improvements in macroeconomic indicators, such as a stable exchange rate and better fiscal accounts, began to positively influence the business climate.

Looking ahead, our company is strategically positioned to take advantage of the improving economic conditions both domestically and internationally. Reduced inflation rates in key export markets, such as the USA and Europe, are expected to stimulate consumer spending and increase demand for knitwear products. In anticipation of this projected rise in demand, our company is actively planning to issue right shares. This initiative aims to strengthen our capacity to meet the expected surge in demand, thereby expanding our market share and reinforcing our financial stability.

This approach aligns with our ongoing commitment to operational excellence and strategic market expansion, ensuring our adaptability and prosperity within the evolving global knitwear landscape. As we move into the upcoming fiscal year, our focus will intensify on leveraging these favorable economic conditions, enhancing our operational efficiencies, and strategically expanding our market presence to ensure sustained growth and stakeholder value creation.

dividend preference and ordinary

The Company had issued 60,000 million Preference Shares of the value of Rupees 600,000 million, redemption of these preference shares after the expiry of their maturity is at the option of the Company. Preference dividend is payable on the basis of the average six months KIBOR+200 bps per annum. Board of Directors of the Company has proposed preference dividend on the outstanding preference shares to the preference shareholders of the Company for the year ended 30 June 2024 of Rupees 2.4234 per share.

Considering the overall loss position, the Board of Directors decided not to consider any dividend for the current year.

corporate governance

The board of directors and management are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulation 2019 and Rule Book of Pakistan Stock Exchange. The company remains committed to the principles of good corporate governance practices with emphasis on transparency and disclosures. Your Company is cognizant to monitor its operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

In compliance of corporate laws, the Board Members / Directors are pleased to confirm the following:

- a) The financial statement prepared by the management of the Company present fairly its state of affairs, the result of its 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 the financial statement and accounting estimates are based on reasonable and prudent judgment.
- d) International Financial Reporting Standard, as applicable in Pakistan, have been followed in the preparation of financial statements.
- e) The system of internal controls is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the company's ability to continue as going concern.
- g) Statement of pattern of Shareholding has been included as part of this annual report.

key operating and financial data

The key operating and financial data for last six years is given in this report.

composition of the board

In line with the requirements of the Code of Corporate Governance, the company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The composition of the Board is as follows:

06
Male ♂

01
Female ♀

02 Independent Directors
04 Non-Executive Directors
01 Executive Director

board of directors meetings

Four meetings of the Board of Directors were held during the financial year, with the following attendance:

Sr.#	Name of Directors	Designation	No. of Meetings Attended
1-	Mr. Naseer Ahmad Shah	Chairman	4
2-	Mr. Shahid Nazir Ahmad	Chief Executive Officer	4
3-	Mr. Shabir Ahmad Abid	Independent Director	4
4-	Mr. Shahid Iqbal	Independent Director	4
5-	Mr. Shoaib Ahmad Khan (Nominee- NIT)	Director	4
6-	Ms Chen Yan (Nominee- Shanghai Challenge Tex.Co.Ltd.)	Director	3
7-	Mr. Shibin Yang (Nominee- Shanghai Challenge Tex.Co.Ltd.)	Director	4

audit committee meetings

Five meetings of the Audit Committee were held during the financial year, with the following attendance:

Sr.#	Name of Members	Designation	No. of Meetings Attended
1-	Mr. Shabir Ahmad Abid	Chairman	5
2-	Mr. Naseer Ahmad Shah	Member	5
3-	Mr. Shahid Iqbal	Member	5

human resource & remuneration committee

One meeting of the Human Resource & Remuneration Committee was held during the financial year, with the following attendance:

Sr.#	Name of Members	Designation	No. of Meetings Attended
1-	Mr. Shahid Iqbal	Chairman	1
2-	Mr. Shahid Nazir Ahmad	Member	1
3-	Mr. Shabir Ahmad Abid	Member	1

risk management committee

One meeting of the Risk Management Committee was held during the financial year, with the following attendance:

Sr.#	Name of Members	Designation	No. of Meetings Attended
1-	Mr. Shahid Nazir Ahmad	Chairman	1
2-	Mr. Naseer Ahmad Shah	Member	1
3-	Mr. Shahid Iqbal	Member	1

nomination committee

One meeting of the nomination Committee was held during the financial year, with the following attendance:

Sr.#	Name of Members	Designation	No. of Meetings Attended
1-	Mr. Naseer Ahmad Shah	Chairman	1
2-	Mr. Shabir Ahmad Abid	Member	1
3-	Mr. Shahid Iqbal	Member	1

Sustainability committee

Newly constituted Sustainability Committee is as under:

Sr.#	Name of Members	Designation
1-	Mr. Shahid Iqbal	Chairman
2-	Mr. Naseer Ahmad Shah	Member
3-	Mr. Shabir Ahmad Abid	Member

The Board is responsible for making decisions with respect to important management matters, including the execution of important business activities and other matters as prescribed by law. These decisions are made after deliberating such matter according to the established criteria, assessing risks and giving such matters due consideration. The Board is also responsible for supervising and monitoring the conduct of duties.

director's remuneration

The Board of Directors has devised the policy for the determination of remuneration. Following are its salient features.

The Company will not pay any remuneration to its Non-Executive Directors except as meeting fee for attending the Board and its committee meetings.

The remuneration of directors and meeting fee shall be determined and approved by the Board of Directors. Remuneration package is designed to attract suitable candidate and talent on the Board.

A Director is provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board and its committees.

adequacy of internal & financial controls

The Board of Directors has established an effective system of Internal and Financial Controls that ensure:

- Effective and efficient conduct of operations
- Safeguarding company assets
- Compliance with applicable Laws and Regulations
- Reliable Financial Reporting

Internal audit function of the Company regularly appraises and monitors the implementation of Standard Operating Procedures and respective financial controls.

Internal audit reports are presented to the Audit Committee, as per internal audit plan. Accordingly, the Audit Committee reviews the effectiveness of the internal control framework and financial statements in its meetings.

external auditors

The present Auditors M/s Riaz Ahmad & Company Chartered Accountants retired and offered themselves for re-appointment. They have confirmed achieving satisfactory QCR rating from Institute of Chartered Accountants of Pakistan (ICAP) and compliance with the Guidelines on the Code of Ethics of International Federation of Accountants (IFAC) as adopted by ICAP. The Board of Directors has recommended their re-appointment as auditors of the company for the year ending 30 June 2025, at a fee to be mutually agreed.

gender pay gap

The Company makes an internal analysis to check whether gender pay parity is aligned based on cadres, levels and comparable positions. Required adjustments are made to ensure that women are paid on average the same as men in the same cadres.

Furthermore, the Company believes that there is no significant disparity between what women and men are paid at comparable cadres and levels.

anti-harassment

The Company prohibits discrimination, harassment and bullying, violence, discriminatory differentiation based on sex, physical ability, sexual orientation, nationality, gender identity, race, religion, age, industry background, cultural and ethical beliefs or caste. The Company absolutely prohibits any type of discrimination, violence, threat of violence, intimidation or conduct tending to it in any of the lines of work.

health, safety, environment and CSR

Employees Health, Safety and Environmental protection are our core values and the Company regularly takes initiatives towards the improvement of environment and well-being of society. We carry out regular health and safety awareness programs. The Company has also provided firefighting equipment and vehicles at all of its manufacturing facilities. A dedicated clinic/dispensary is managed by the qualified team where 24/7 emergency services are provided. We also ensure the compliance of our production facility with all the environmental standards.

CSR is strategic, building long term relationships with neighboring communities and stakeholders. Relationships that are mutually beneficial enhance corporate reputation and respect for the Company's business and products, and provide a sustainable competitive advantage.

board's statement on strategic objectives for EGS and Sustainability Reporting

The Company reinforced its commitment to environmental, social, and governance (ESG) principles and sustainability. Our strategic objectives are deeply rooted in fostering long-term value for our stakeholders while advancing responsible business practices that line up with global sustainability standards.

Our approach to ESG and sustainability is comprehensive, driven by a commitment to ethical governance, social responsibility and environmental stewardship. We have integrated ESG considerations into our core business strategies, ensuring that these principles are not only adhered to but are central to our decision-making procedures.

This progress is informed by the latest regulatory policies and guidelines on ESG, sustainability, and climate-related risk management. We are committed to embedding ESG into every aspect of our operations, ensuring alignment with our core values and meeting the expectations of our stakeholders.

The directors remain committed to furthering these objectives, continuously adapting our strategies to meet the changing expectations of our stakeholders and to contribute positively to the broader community and environment. We believe that our efforts in ESG and sustainability not only align with our core values but also position the company as a leader in a responsible and sustainable business practices.

acknowledgement

The Board of Directors are grateful indeed to the Company's shareholders and customers for their continued cooperation, support and patronage. The Board also acknowledges the relentless efforts, dedicated services, team work, loyalty and hard work of all the employees of the Company and hope their continued dedication shall consolidate the Company further and keep it abreast to face future developments and demands.

FAISALABAD
05th October, 2024



CHIEF EXECUTIVE OFFICER



DIRECTOR

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹر 30 جون 2024ء کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں پر مشتمل سالانہ رپورٹ کے ساتھ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء اور کمپنیز ایکٹ 2017ء کے تحت دیگر مطلوبہ معلومات فراہم کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مارکیٹ کا جائزہ.

اقتصادی ظہور:-

ملک کا اقتصادی اور سیاسی ماحول زیادہ تر کاروباروں کے لئے انتہائی چیلنجنگ رہا ہے۔ جن میں توانائی کی زیادہ لاگت، زیادہ افراط زر اور بڑھتی ہوئی پیداواری لاگت کے ساتھ سود کی بلند شرحیں ہیں۔ جس کی وجہ سے طلب میں کمی واقع ہوئی ہے، مہنگائی کو کنٹرول رکھنے کے لیے مرکزی بینک کو سود کی شرح بہت زیادہ رکھنے پر زور دیا گیا، ان عوامل نے کمپنی کی کارکردگی صارفین کے جذبات اور ان کی قوت خرید کو منفی طور پر متاثر کیا۔ ٹیکسٹائل سیکٹر کی ترقی کا انحصار زیادہ تر برآمدی کارکردگی پر ہے۔ وفاقی بجٹ 2024-25 کے ذریعے برآمد کنندگان کے ٹیکس میں تبدیلی اور سوت، کپاس، کم از کم اجرت اور یوٹیلٹی قیمتوں میں مسلسل اضافے نے ٹیکسٹائل کی برآمدات پر منفی اثر ڈالا ہے۔ ٹیکس سال 2025 اور اس کے بعد، برآمد کنندگان کو حتمی ٹیکس کے طور پر برآمدات کو مالیت پر 1 فی صد انکم ٹیکس کے بجائے نارمل انکم ٹیکس عائد کیا جائے گا۔ ان عوامل کے ساتھ اعلیٰ سود کی شرح برآمدات کی مسابقت کو کم کرے گی۔

کمپنی کی کارکردگی:-

30 جون 2024 کو ختم ہونے والے مالی سال کی آمدن 60,105.873 ملین روپے سے کم ہو کر 58,676.926 ملین روپے رہ گئی ہے۔ اس سال کے لئے مجموعی منافع بڑھ کر 9,525.538 ملین روپے ہو گیا ہے۔ جو کہ پچھلے سال 8,088.095 ملین روپے تھا۔ آمدنی میں کمی اور مالیاتی لاگت میں اضافے کی وجہ سے 2024 کو ختم ہونے والے سال کے لئے ٹیکس سے قبل منافع کم ہو کر 458.017 ملین روپے ہو گیا جو کہ گزشتہ مالی سال منافع 3,490.648 ملین روپے تھا۔ کمپنی نے ٹیکس کے بعد (470.030) ملین روپے کا نقصان ریکارڈ کیا۔ جو پچھلے مالی سال 2,651.189 ملین روپے منافع تھا۔ 30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کا فی حصص نقصان (7.95) روپے ہوا جو کہ پچھلے سال آمدن فی حصص 38.54 روپے تھی۔

کمپنی کے تقابلی مالیاتی نتائج ذیل میں پیش کیے گئے ہیں۔

مالی سرخیاں :-

2023	2024	تفصیل
روپے ہزاروں میں 60,105,873	روپے ہزاروں میں 58,676,926	آمدنی
(52,017,778)	(49,151,388)	لاگت سیلز
8,088,095	9,525,538	مجموعی نفع
(3,815,010)	(3,020,812)	ڈسٹری بیوشن خرچہ
(1,234,004)	(1,162,792)	کاروبار کے انتظامی اخراجات
(191,037)	(160,908)	دیگر اخراجات
3,841,425	276,492	دیگر آمدن
(3,198,821)	(4,999,501)	مالی لاگت
3,490,648	458,017	نفع ٹیکس اور لیوی سے پہلے
(793,604)	(852,699)	لیوی
2,697,044	(394,682)	(نقصان) نفع ٹیکس کی ادائیگی سے پہلے
(45,855)	(75,348)	ٹیکسز
2,651,189	(470,030)	(نقصان) نفع ٹیکس کی ادائیگی کے بعد
38.54	(7.95)	(نقصان) آمدن فی حصص بنیادی (روپیہ)
34.72	(7.30)	(نقصان) آمدن فی حصص ڈائیونڈنڈا کی کر کے (روپیہ)

مستقبل کا جائزہ :-

30 جون 2024 کو ختم ہونے والے پورے مالی سال کے دوران پاکستان کو اہم اقتصادی اور آپریشنل چیلنجز کا سامنا کرنا پڑا۔ جس میں وسیع ترنٹ ویئر برآمدی شعبے کو بہت متاثر کیا۔ اس شعبے کو غیر مستحکم عالمی اقتصادی ماحول میں اعلیٰ مالیاتی اخراجات، جاری مالیاتی حدود، بڑھتی ہوئی افراط زر اور توانائی کے بڑھتے ہوئے اخراجات کا سامنا کرنا پڑا۔ مزید برآں عالمی جغرافیائی سیاسی تناؤ اور لاجسٹک رکاوٹوں کی وجہ سے سپلائی چین کی بڑی رکاوٹوں نے آپریشنل کارکردگی کو مزید متاثر کیا۔

ان چیلنجوں کے باوجود، پاکستان کے اقتصادی ڈھانچے میں مثبت پیش رفت نے ہماری صنعت کو فروغ دیا۔ بین الاقوامی مالیاتی فنڈ (IMF) کی جانب سے 7 بلین ڈالر کی توسیع فنڈ سہولت EFF کے آغاز نے قومی معیشت کو مستحکم کرنے میں اہم کردار ادا کیا۔ اس معاہدے نے موثر طریقے سے افراط زر کو واحد ہندسوں تک کم کیا، لاگت کے دباؤ کو کم کیا، اور مالیاتی اخراجات کو کم کیا۔ مزید برآں، میکرو اکنامک اشاریوں میں بہتری جیسے کہ مستحکم شرح مبادلہ اور بہتر مالیاتی کھاتوں نے کاروباری ماحول کو مثبت طور پر متاثر کرنا شروع کیا۔

آگے دیکھتے ہوئے، ہماری کمپنی ملکی اور بین الاقوامی سطح پر بہتر ہوتے ہوئے معاشی حالات سے فائدہ اٹھانے کے لئے حکمت عملی کے مطابق پوزیشن میں ہے۔ اہم برآمدی منڈیوں، جیسے امریکہ اور یورپ میں افراط زر کی شرح میں کمی سے توقع کی جاتی ہے کہ صارفین کے اخراجات میں اضافہ ہوگا۔ اورنٹ ویئر مصنوعات کی مانگ میں اضافہ ہوگا۔ مانگ میں اس متوقع اضافے کی توقع میں ہماری کمپنی کے سرمائے کو بڑھانے کے لئے مختلف آپشنز کو فعال طور پر تلاش کر رہی ہے۔ اس اقدام کا مقصد طلب میں متوقع اضافے کو پورا کرنے کے لئے ہماری صلاحیت کو مضبوط کرنا ہے، اس طرح ہمارے مارکیٹ شیئر کو بڑھانا اور ہمارے مالی استحکام کو تقویت دینا ہے۔

یہ نقطہ نظر آپریشنل فضیلت اور اسٹریٹجک مارکیٹ کی توسیع کے لئے ہماری جاری وابستگی کے ساتھ ہم آہنگ ہے۔ جس سے عالمی منڈی کے ابھرتے ہوئے منظر نامے میں ہماری موافقت اور خوشحالی کو یقینی بنایا جا رہا ہے۔ جیسے ہی ہم آئندہ مالی سال میں داخل ہوں گے، ہماری توجہ ان سازگار اقتصادی حالات سے فائدہ اٹھانے، اپنی آپریشنل استعداد کار کو بڑھانے اور زہنی مارکیٹ کی موجودگی کو حکمت عملی کے ساتھ وسعت دینے پر تیز ہو جائے گی تاکہ پائیدار ترقی اور اسٹیک ہولڈرز کی قدر کی تخلیق کو یقینی بنایا جاسکے۔

حصہ ا منافع :-

کمپنی نے 600.000 ملین روپے کی مالیت کے 60.000 ملین ترجیحی حصص جاری کیے تھے ان ترجیحی حصص کی مدت پوری ہونے کے بعد ان کی واپسی کمپنی کے اختیار میں ہے۔ ترجیحی منافع سالانہ اوسط چھ ماہ کے KIBOR+200BPS کی بنیاد پر قابل ادائیگی ہے کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لئے بقایا ترجیحی حصص یا فٹگان کو 2.4234 روپے فی حصص منافع تجویز کیا۔ مجموعی نقصان کی پوزیشن کو دیکھتے ہوئے بورڈ آف ڈائریکٹرز نے موجودہ سال کے لئے کسی بھی ڈیویڈنڈ پر غور نہ کرنے کا فیصلہ کیا ہے۔

کارپوریٹ گورننس :-

بورڈ آف ڈائریکٹرز اور انتظامیہ، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور رول بک آف پاکستان اسٹاک ایکسچینج کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ کمپنی شفافیت اور انکشافات پر زور دینے کے ساتھ کارپوریٹ انتظامیہ کی اچھی پریکٹس کے اصولوں کی پابند ہے آپ کی کمپنی مالی اور غیر مالی معاملات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے لئے اپنے کاموں اور کارکردگی کی نگرانی کرنے میں سنجیدہ ہے۔

کارپوریٹ قوانین کی تعمیل میں بورڈ ممبر ڈائریکٹرز نیچے بیان کیے گئے بیانات پر عمل پیرا رہتی ہے۔

1۔ کمپنی کی انتظامیہ کے پیش کردہ مالیاتی بیانات کی صورت حال، کاروباری سرگرمیوں کے نتائج، کیش فلوز اور ایکویٹی میں بدلاؤ کے بارے میں ایک عمدہ نظریہ پیش کرتے ہیں۔

2۔ اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔

3۔ مالیاتی بیانات کی تیاری میں اکاؤنٹنگ کی پالیسیاں مستقل طور لاگو ہوتی ہیں۔ اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔

4۔ مالیاتی بیانات کی تیاری کے سلسلے میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات جو پاکستان میں قابل اطلاق ہیں، عمل کیا گیا ہے۔

5۔ انٹرنل کنٹرول کا نافذ نظام، بہترین انداز سے بنایا گیا ہے اور اسے موثر انداز میں لاگو کیا گیا ہے۔

6۔ کمپنی کے کاروبار کے رواں دواں رکھنے کی صلاحیت شکوک و شبہات سے بالاتر ہے۔

7۔ حصص یافتگان کا طریقہ کار کو بھی اس سالانہ رپورٹ میں شامل کیا گیا ہے۔

کلیدی آپریٹنگ اور مالیاتی اعداد شمار:-

اس رپورٹ میں پچھلے 6 سالوں کے اہم آپریٹنگ اور مالی اعداد شمار دیے گئے ہیں۔

بورڈ کی تشکیل:-

کوڈ آف کارپوریٹ گورننس کی ضروریات کے مطابق کمپنی اپنے بورڈ میں آزاد اور نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کے ساتھ ساتھ صنفی تنوع کی بھی حوصلہ افزائی کرتی ہے۔

بورڈ کی تشکیل کی پیروی:-

کل ڈائریکٹرز کی تعداد۔ 07

01

عورت



06

مرد



بورڈ کی تشکیل :-

02	آزاد ڈائریکٹرز
04	نان ایگزیکٹو ڈائریکٹرز
01	ایگزیکٹو ڈائریکٹرز

ڈائریکٹرز کا اجلاس :-

ڈائریکٹرز کی چار میٹنگز مالی سال کیلئے منعقد ہوئی جو درج ذیل ہیں۔

نمبر شمار	ڈائریکٹر کا نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب نصیر احمد شاہ	چیرمین	4
2	جناب شاہد نذیر احمد	چیف ایگزیکٹو آفیسر	4
3	جناب شبیر احمد عابد	آزاد ڈائریکٹرز	4
4	جناب شاہد اقبال	آزاد ڈائریکٹرز	4
5	جناب شعیب احمد خان (منتخب NIT)	ڈائریکٹرز	4
6	مس چن یان (منتخب شنگھائی چینلنگ ٹیکسٹائل کمپنی لمیٹڈ)	ڈائریکٹرز	3
7	جناب شیابین یا نگ (منتخب شنگھائی چینلنگ ٹیکسٹائل کمپنی لمیٹڈ)	ڈائریکٹرز	4

آڈٹ کمیٹی کا اجلاس :-

مالی سال کے دوران آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے جس کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ممبرز کے نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب شبیر احمد عابد	چیرمین	5
2	جناب نصیر احمد شاہ	ممبر	5
3	جناب شاہد اقبال	ممبر	5

انسانی وسائل اور معاوضے کی کمیٹی:-

مالی سال کے دوران انسانی وسائل اور معاوضے کی کمیٹی کا ایک اجلاس منعقد ہوا جس کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ممبرز کے نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب شاہد اقبال	چیرمین	1
2	جناب شاہد نذیر احمد	ممبر	1
3	جناب شبیر احمد عابد	ممبر	1

ریسک مینجمنٹ کمیٹی:-

مالی سال کے دوران ریسک مینجمنٹ کمیٹی کا ایک اجلاس منعقد ہوا جسکی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ممبرز کے نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب شاہد نذیر احمد	چیرمین	1
2	جناب نصیر احمد شاہ	ممبر	1
3	جناب شاہد اقبال	ممبر	1

نامزدگی کمیٹی:-

مالی سال کے دوران نامزدگی کمیٹی کا ایک اجلاس منعقد ہوا جسکی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ممبرز کے نام	عہدہ	اجلاس حاضری کی تعداد
1	جناب نصیر احمد شاہ	چیرمین	1
2	جناب شبیر احمد عابد	ممبر	1
3	جناب شاہد اقبال	ممبر	1

بورڈ انتظامیہ کے اہم امور کے حوالے سے فیصلہ کرنے کا ذمہ دار ہے۔ بشمول اہم کاروباری سرگرمیوں پر عمل درآمد اور دیگر معاملات جو قانون کے ذریعہ تجویز کردہ ہیں یہ فیصلے طے شدہ معیارات کے مطابق اس طرح کے معاملے پر غور و فکر، خطرات کا جائزہ لینے اور اس طرح کے معاملات پر مناسب غور کرنے کے بعد کیے جاتے ہیں۔ بورڈ فرائض کی انجام دہی کے لئے بھی نگرانی کرنے کا ذمہ دار ہے۔

ڈائریکٹرز کا معاوضہ :-

بورڈ آف ڈائریکٹرز نے معاوضے کے عزم کے لیے پالیسی مرتب کی ہے۔ اس کی نمایاں خصوصیات مندرجہ ذیل ہیں۔
کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو ماسوائے بورڈ اور اس کی کمیٹی کے اجلاس کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرے گی۔ ڈائریکٹرز کے معاوضے اور اجلاسوں کی فیس کا تعین بورڈ آف ڈائریکٹرز کی منظوری کے ذریعے دی جائے گی۔ معاوضہ چیک بورڈ میں مناسب امیدوار اور صلاحیتوں کو راغب کرنے کے لیے ڈیزاین کیا گیا ہے۔

ایک ڈائریکٹرز کو سفر کے اخراجات، بورڈنگ، رہائش اور دیگر اخراجات بورڈ کے اجلاس میں شرکت کے لئے ادا کیے جاتے ہیں۔

داخلی اور مالیاتی کنٹرول کی قابلیت :-

بورڈ آف ڈائریکٹرز نے اندرونی اور مالیاتی کنٹرول کا ایک موثر نظام قائم کیا ہے جس کو اس طرح یقینی بنایا جاتا ہے۔

موثر اور پائیدار طرز عمل کو بروئے کار لانا

کمپنی کے اثاثوں کی حفاظت

قابل اطلاق قوانین اور ضوابط کی تعمیل

قابل اعتماد مالیاتی جائزے

کمپنی کا اندرونی آڈٹ فنکشن باقاعدہ طور پر معیاری آپریشننگ طریقہ کار اور اس سے متعلقہ مالی کنٹرول کے نفاذ کی نگرانی کرتا ہے۔

داخلی آڈٹ کی رپورٹ داخلی آڈٹ پلان کے مطابق، آڈٹ کمیٹی اپنے اجلاسوں میں اندرونی کنٹرول فریم ورک کا تاثر اور مالی بیان کا جائزہ لیتی ہے۔

آڈیٹر :-

موجودہ آڈیٹر میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے اور خود کو دوبارہ تقرری کے لئے پیش کیا۔ انہوں نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) سے قابل اطمینان QCR ریٹنگ حاصل کرنے اور ICAP کی طرف سے اپنائے گئے کوڈ آف ایٹھکس آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے رہنماء خطوط کی تعمیل کی تصدیق کی ہے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔ ایک فیس پر جو کہ باہمی رضامندی سے ہو۔

صنعتی تنخواہ کا فرق :-

کمپنی یہ جاننے کے لئے ایک داخلی تجربہ کرتی ہے۔ کہ آیا صنعتی تنخواہ کی برابری، کیڈرز، سطحوں اور تقابلی عہدوں کی بنیاد پر منسلک ہے۔ اس بات کو یقینی بنانے کے لئے ضروری ایڈجسٹمنٹ کی جاتی ہے۔ کہ خواتین کو اوسطاً اسی کیڈرز میں مردوں کے برابر تنخواہ دی جائے۔

مزید برآں، کمپنی کا خیال ہے۔ کہ تقابلی کیڈرز اور سطحوں پر خواتین اور مردوں کو جو ادائیگی کی جاتی ہے۔ اس میں کوئی خاص تفاوت نہیں ہے۔

ہر اسان نہ کرنا:-

کمپنی جنس، جسمانی صلاحیت، جنسی رجحان، قومیت، منفی شناخت نسل، مذہب، عمر، صنعت کے پس منظر، ثقافتی اور اخلاقی عقائد یا ذات کی بنیاد پر امتیازی سلوک، ایذا رسانی اور غنڈہ گردی، تشدد کے امتیازی تفریق سے منع کرتی ہے، کمپنی کام کی کسی بھی لائن میں کسی بھی قسم کے امتیازی سلوک، تشدد کی دھمکی یا طرز عمل سے قطعی طور پر منع کرتی ہے۔

صحت، حفاظتی اور ماحولیاتی ذمہ داری:-

ملازمین کی صحت، حفاظت اور ماحولیاتی ذمہ داری ہماری بنیادی قدر ہے اور کمپنی معاشرے کی فلاح و بہبود اور ماحول کی بہتری کے لئے باقاعدگی سے اقدامات کرتی رہی ہے۔ ہم صحت اور حفاظت سے متعلق آگاہی کے باقاعدہ پروگرام چلاتے رہتے ہیں۔ کمپنی نے اپنی تمام مینوفیکچرنگ سہولیات پر فائر فائٹنگ کا سامان اور گاڑیاں بھی فراہم کی ہیں، تعلیم یافتہ ٹیم کے ذریعہ ایک مرتب، کلینک / ڈسپنسری کا انتظام ہے۔ جہاں 24/7 ہنگامی خدمات کی جاتی ہیں۔ ہم تمام ماحولیاتی معیارات کے ساتھ اپنی پیداواری سہولت کی تعمیل کو بھی یقینی بناتے ہیں۔

کورپوریٹ سماجی ذمہ داری حکمت عملی ہے، ہمسایہ معاشروں اور اسٹیک ہولڈرز کے ساتھ طویل مدتی تعلقات استوار کرتا ہے۔ باہمی فائدہ مند ہونے والے تعلقات کارپوریٹ ساکھ میں اضافہ کے ساتھ ساتھ کمپنی کے کاروبار اور مصنوعات کے احترام میں اضافہ کرتے ہیں۔ اور ایک مستقل مسابقتی فائدہ مہیا کرتے ہیں۔

ESG اور پائیداری کی روٹینگ کیلئے اسٹریٹجک مقاصد پر بورڈ کا بیان:-


کمپنی کے ماحولیاتی سماجی، اور گورننس (ESG) اصولوں اور پائیداری کے لئے اپنی وابستگی کو مضبوط کیا۔ ہمارے اسٹریٹجک مقاصد کی جڑیں ہمارے اسٹیک ہولڈرز کے لئے طویل مدتی اقدار کو فروغ دینے میں ہیں۔ جبکہ ذمہ دار کاروباری طریقوں کو آگے بڑھانا عالمی پائیداری کے معیارات کے مطابق ہیں۔ ESG اور پائیداری کے لئے ہمارا نقطہ نظر جامع ہے۔ جو اخلاقی حکمرانی، سماجی ذمہ داری اور ماحولیاتی ذمہ داری کے عزم سے کارفرما ہے۔ ہم نے ESG کے تحفظات کو اپنی بنیادی کاروباری حکمت عملیوں میں ضم کر دیا ہے۔ اس بات کو یقینی بناتے ہوئے کہ اصولوں پر نہ صرف عمل کیا جائے بلکہ ہمارے فیصلہ سازی کے عمل میں مرکزی حیثیت رکھتے ہیں۔

یہ ارتقاء تازہ ترین ریگولیٹری پالیسیوں اور ESG، پائیداری اور آب و ہوا سے متعلق خطرے کے انتظام سے متعلق رہنما خطوط کے ذریعے مطلع کیا گیا ہے۔ ہم اپنے کاموں کے ہر پہلو میں ESG کو شامل کرنے اپنے بنیادی اقدار کے ساتھ صف بندی کو یقینی بنانے اور اپنے اسٹیک ہولڈرز کی توقعات پر پورا اترنے کے لئے پرعزم ہیں۔

بورڈ اپنے اسٹیک ہولڈرز کی بدلتی ہوئی توقعات کو پورا کرنے اور وسیع تر کمیونٹی اور ماحول میں مثبت کردار ادا کرنے کے لئے اپنی حکمت عملیوں کو مسلسل ڈھالتے ہوئے ان مقاصد کو آگے بڑھانے کے لئے پرعزم ہے۔ ہمیں یقین ہے کہ ESG اور پائیداری میں ہماری کوشش نہ صرف ہماری بنیادی اقدار کے ساتھ مطابقت رکھتی ہیں۔ بلکہ ذمہ دار اور پائیدار کاروبار طریقوں میں ایک رہنما کے طور پر کمپنی کی پوزیشن بھی ہے۔

اعتراف:-

بورڈ آف ڈائریکٹرز کمپنی کے حصص یافتگان، صارفین کے مسلسل تعاون حمایت اور سرپرستی کے لئے ان کا بے حد شکر گزار ہے۔ بورڈ کمپنی کے تمام ملازمین کی انتھک کوششوں اور وقف خدمات، ٹیم ورک، وفاداری اور اور سخت محنت کا بھی اعتراف کرتا ہے۔ اور امید کرتا ہے کہ ان کی مسلسل لگن کمپنی کو مزید مستحکم کرے گی۔ اور اسے مستقبل میں ہونے والی پیش رفتوں اور مطالبات کا سامنا کرنے کے لئے برابر رکھی گی۔


چیف ایگزیکٹو آفیسر


ڈائریکٹر

فیصل آباد
5 اکتوبر 2024

statement of compliance with listed companies

(code of corporate governance) regulations 2019

Name of Company	Masood Textile Mills Limited
Year Ending	30 th June, 2024

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

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

- a. Six (6) Male
- b. One (1) Female

2. The composition of board is as follows:

- | | |
|---------------------------|------------------------|
| 1) Mr. Shabir Ahmad Abid | Independent Director |
| 2) Mr. Shahid Iqbal | Independent Director |
| 3) Mr. Naseer Ahmad Shah | Non-executive Director |
| 4) Mr. Shibin Yang | Non-executive Director |
| 5) Mr. Shoaib Ahmad Khan | Non-executive Director |
| 6) Mr. Shahid Nazir Ahmad | Executive Director |
| 7) Ms. Chen Yan | Female Director |

3. The directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has 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 board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Following six Board members have already completed Directors' Training Program:

- Mr. Shabir Ahmad Abid
- Mr. Shahid Iqbal
- Mr. Naseer Ahmad Shah
- Mr. Shabin Yang
- Ms. Chen Yan
- Mr. Shoaib Ahmad Khan

Moreover one Board member, Mr. Shahid Nazir Ahmad is exempted from Directors' Training Program complying with the criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies.

The Board has arranged Directors' Training Program for one Female Executive and one Head of Department during the year named as

- Mr. Najeeb Ullah (Manager HR)
- Ms. Sehrish Noreen (Female Executive)

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:

- | | |
|----------------------------------|------------|
| a) Audit Committee | |
| i) Mr. Shabir Ahmad Abid | (Chairman) |
| ii) Mr. Naseer Ahmad Shah | (Member) |
| iii) Mr. Shahid Iqbal | (Member) |
| b) HR and Remuneration Committee | |
| i) Mr. Shahid Iqbal | (Chairman) |
| ii) Mr. Shahid Nazir Ahmad | (Member) |
| iii) Mr. Shabir Ahmad Abid | (Member) |
| c) Nomination Committee | |
| i) Mr. Naseer Ahmad Shah | (Chairman) |
| ii) Mr. Shabir Ahmad Abid | (Member) |
| iii) Mr. Shahid Iqbal | (Member) |
| d) Risk Management Committee | |
| i) Mr. Shahid Nazir Ahmad | (Chairman) |
| ii) Mr. Naseer Ahmad Shah | (Member) |
| iii) Mr. Shahid Iqbal | (Member) |
| e) Sustainability Committee | |
| i) Mr. Shahid Iqbal | (Chairman) |
| ii) Mr. Shahid Nazir Ahmad | (Member) |
| iii) Mr. Shabir Ahmad Abid | (Member) |

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

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

a) Audit Committee:

Five meetings of Audit Committee were held during the financial year ended 30 June 2024.

b) HR and Remuneration Committee:

One meeting of HR and Remuneration Committee was held during the financial year ended 30 June 2024.

c) Nomination Committee:

One meeting of Nomination Committee was held during the financial year ended 30 June 2024.

d) Risk Management Committee

One meeting of Risk Management Committee was held during the financial year ended 30 June 2024.

e) Sustainability Committee:

This is a newly constituted committee, no meeting was held during the financial year ended 30 June 2024.

15. The board has set up an effective internal audit function, which are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

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

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

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with, except for the Independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5.

Faisalabad
05th October, 2024



Chief Executive Officer



Chairman

independent auditors review report on **statement of compliance with listed companies** (code of corporate governance) regulations 2019

To the members of Masood 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 Masood Textile Mills Limited (the Company) for the year ended 30 June 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 30 June 2024.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 05 OCTOBER, 2024

UDIN: CR202410158NV8uHWL6C

August 2, 2024



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Secured Privately Placed Sukuk of PKR 2,500 million (Sukuk) issued by Masood Textile Mills Limited (Company).

It is the core responsibility of Masood Textile Mills Limited (Company) to Manage the Sukuk in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the Sukuk. We express our opinion based on the review of the information, provided by the issuer, to an extent where compliance with the Shariah guidelines can be objectively verified.

Keeping in view the above; we certify that:

We have reviewed all the transactions, documents, procedures adopted by the issuer as well as the operational activities of the Sukuk which included the review of all transactions and source of earning. We have found them to be in compliance with the Shariah Guidelines.

On the basis of information provided by the company, all operations and affairs have been carried out in accordance with the rules and principles of Shariah for the sukuk year ended June 2024. The Sukuk is in compliance with the provided Shariah guidelines and there is no need to provide for any charity to purify the income. Therefore, it is resolved those investments in Secured Privately Placed Sukuk of PKR 2,500 million issued by Masood Textile Mills Limited is in accordance with Shariah principles as per the Shariah guidelines provided by the Shariah supervisory council.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited


Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

Suite 807, 8th Floor, Horizon Towers, Com 2/6, Khayaban-e-Saadi,
Block 03 Clifton, Karachi
Tel: +92-21-35305931-37, Web: www.alhilsa.com

statement of compliance with the sukuk (privately placed) regulations 2017 and shariah governance regulations 2023

This statement is being presented to comply with the requirements under "Sukuk (Privately Placed) Regulations, 2017" (the Regulations) and Shariah Governance Regulations, 2023 issued by the Securities and Exchange Commission of Pakistan (SECP). This Statement of Compliance is for the year ended 30 June 2024.

Masood Textile Mills Limited entered into an arrangement for issue of Sukuk amounting to Rs. 2,500 Million inclusive of Green Shoe Option of PKR 1,000 Million, on December 09, 2019 for a period of 5 years including a grace period of 18 months. We state that the company is in compliance with the sukuk Features and Shariah Requirements in accordance with the Regulations.

We specifically confirm that:

The Company has established policies and procedures for all Sukuk related transactions to comply with Sukuk Features and Shariah Requirements.

The Company has implemented and maintained such internal control and risk management systems that are necessary to mitigate the risk of non-compliances of the Sukuk Features and Shariah Requirements, whether due to fraud or error.

The Company has a process to ensure that the management and where appropriate the Board of Directors, and personnel responsible to ensure the Company's compliance with the Sukuk Feature and Shariah Requirements are properly trained and systems are properly updated.

The Sukuk Feature and Shariah Requirements in accordance with issue of the Regulations comprises of the following:

- a. Requirements of Shariah Structure and Transaction Documents to issuance of Sukuk:
 - Trust Deed
 - Musharka Agreements
 - Payment Agreements
 - Purchase Undertaking
 - Asset Purchase Agreement
 - Investment Agency Agreement
 - Collection arrangement Agreement
 - Security Documents
- b. Guideline of the relevant Shariah Standards, issued by the Accounting and Auditing Organization of the Islamic Financial Institutions, as notified by the SECP;
- c. Requirements of the relevant Islamic Financial Accounting Standard as notified by the SECP; and
- d. Other compliance specified in the Regulations as issued by the SECP; and
- e. Payments were made on time and there was no delay.

The above Statement has been duly endorsed by the Board of Directors of the Company.

Faisalabad
05th October, 2024



Chief Executive Officer



Director

independent auditor's assurance report on statement of compliance **with the sukuk (privately placed) regulations 2017 and shariah governance regulations 2023**

To the Board of Directors of Masood Textile Mills Limited

On the Statement of Compliance with Privately Placed Sukuk Features and
Shariah Requirements

Introduction

We were engaged by the Board of Directors (the Board) of Masood Textile Mills Limited (the Company) to express an opinion on the annexed Statement of Compliance (Statement) prepared by the management for the year ended 30 June 2024, with Sukuk (Privately Placed) Regulations, 2017 (the Regulations), Shariah Governance Regulations, 2023 and Shariah Opinion (Fatwa) as issued by the Shariah Advisor and to the extent applicable, the guidelines of Shariah Standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), in all material respects.

Applicable Criteria

The criteria against which the subject matter information (the statement) is assessed comprises of the provisions of the Regulations and Shariah Opinion (Fatwa) as issued by the Shariah Advisor.

Company's Responsibilities for Shariah Compliance

The Board and management of the Company are responsible for the preparation of the annexed Statement and to ensure that it is free from material misstatement. It is the responsibility of the Company's Board and management to ensure that all Sukuk related financial arrangements, contracts and transactions are in substance and in their legal form, in compliance with the Sukuk Features and Shariah Requirements as specified above. The Company's Board and

management are also responsible for prevention and detection of fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its Sukuk related activities and also for designing, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant records and such risk management system as the management determines is necessary to mitigate the risk of non-compliance of Sukuk Features and Shariah requirements whether due to fraud or error. They are also responsible for ensuring that personnel involved with the compliance with the Sukuk Features and Shariah Requirements are properly trained and systems are properly updated.

Our Independence and Quality Control

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. The firm applies International Standard on Quality Management 1 "Quality Management for firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibilities

Our responsibility is to examine the annexed Statement prepared by management and to report thereon in the form of independent assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standards on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. This Standard requires that we plan and perform the engagement to obtain reasonable assurance regarding the subject matter i.e. about whether the annexed Statement presents fairly the status of compliance with Sukuk Features and Shariah Requirements as required under the Regulation and Shariah Opinion (Fatwa) issued by Shariah Advisor and to the extent applicable, the guidelines of Shariah Standards issued by AAOIFI, in all material respects.

The procedures selected depend on our professional judgement including the assessment of the risk of the Company's non-compliance with the Sukuk Features and Shariah Requirements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to ensure compliance with Sukuk Features and Shariah Requirements, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Company's internal control over ensuring compliance with Sukuk Features and Shariah Requirements.

A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Sukuk Features and Shariah Requirements, and consequently cannot provide absolute assurance that the objective of compliance with Sukuk Features and Shariah Requirement will be met.

The procedures performed included:

- Evaluation of the systems, procedures and practices in place with respect to compliance of Sukuk related transactions against the Features and Shariah Requirements;
- Verification that payments were made on time and there was no delay;

- Test for a sample of transactions to help ensure that these are carried out in accordance with the laid down procedures and practices; and
- Review of the Statement based on our procedures performed and conclusion reached.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in the report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis of our conclusion.

In our opinion, the annexed Statement prepared by management, for the year ended 30 June 2024, presents fairly the status of compliance with Sukuk Features and Shariah Requirements as required under the Regulations and Shariah Opinion (Fatwa) issued by Shariah Advisor, and to the extent applicable, the guidelines of Shariah Standards issued by AAOIFI, in all material respects.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 05 October 2024

03

Performance and Position

mtm

Masood Textile Mills

LAST SIX YEARS STATEMENT OF FINANCIAL POSITION

Particulars	2024	2023	2022	2021	2020	2019
	Rupees in Thousand					
Assets						
Non-Current Assets						
Property, plant and equipment	17,246,533	15,343,727	13,997,802	13,589,405	13,612,031	11,162,527
Right-of-use assets	107,965	58,605	128,998	204,109	320,505	-
Long term investment	-	-	-	-	-	476,076
Long term advances	10,076	17,174	13,744	7,469	8,060	660
Long term security deposits	36,731	75,560	105,601	97,881	98,775	75,511
Total non-current assets	17,401,305	15,495,066	14,246,145	13,898,864	14,039,371	11,714,774
Current Assets						
Stores, spare parts and loose tools	3,684,606	3,936,547	2,870,433	2,244,531	2,247,674	1,780,174
Stock in trade	16,037,907	12,703,259	13,251,629	11,283,501	8,125,166	7,746,252
Trade debts	14,121,535	16,726,515	12,424,837	7,435,280	7,763,851	10,708,309
Loans and advances	601,703	744,733	782,884	634,462	537,886	362,144
Advance income tax and levy - net	-	110,484	1,003,167	883,994	933,016	-
Short term deposits and prepayments	337,249	298,453	254,007	226,054	139,727	1,171,004
Other receivables	2,699,557	3,252,398	2,903,378	3,163,017	1,834,186	3,171,331
Short term investments	10,192	8,630	7,572	106,771	203,218	100,000
Cash and bank balances	257,688	1,013,991	708,885	530,931	1,173,014	380,463
Total current assets	37,750,437	38,795,010	34,206,792	26,508,541	22,957,738	25,419,677
Total Assets	55,151,742	54,290,076	48,452,937	40,407,405	36,997,109	37,134,451
Equity and Liabilities						
Equity						
Issued, subscribed and paid up capital	950,000	950,000	950,000	986,666	986,666	986,666
Capital reserves	7,004,771	7,077,651	5,950,885	5,450,885	3,950,885	2,403,567
Revenue reserves	8,726,842	9,187,819	6,596,089	4,467,730	3,872,614	8,107,506
Total Equity	16,681,613	17,215,470	13,496,974	10,905,281	8,810,165	11,497,739
Non current liabilities						
Long term financing	1,563,984	2,356,062	4,006,065	5,007,611	7,254,526	4,299,484
Lease liabilities	91,577	11,438	44,718	94,777	210,712	21,701
Deferred liabilities	2,108,467	1,722,219	1,395,252	1,087,926	964,354	770,256
Total Non current liabilities	3,764,028	4,089,719	5,446,035	6,190,314	8,429,592	5,091,441
Current liabilities						
Trade and other payables	10,357,152	9,675,309	8,660,234	4,958,142	2,430,344	3,889,182
Unclaimed dividend	8,938	8,944	10,900	11,146	65,262	33,213
Unpaid dividend	-	-	-	47,682	-	-
Accrued mark up	818,018	787,782	222,858	160,164	394,784	257,624
Short term borrowings	22,154,929	20,607,236	17,821,275	15,011,000	15,835,860	14,280,366
Current portion of non-current liabilities	1,364,707	1,905,616	2,061,764	2,733,292	662,473	1,669,188
Provision for taxation and levy - net	2,357	-	732,897	390,384	368,629	415,698
Total current liabilities	34,706,101	32,984,887	29,509,928	23,311,810	19,757,352	20,545,271
Total equity and liabilities	55,151,742	54,290,076	48,452,937	40,407,405	36,997,109	37,134,451

LAST SIX YEARS

STATEMENT OF PROFIT OR LOSS

Particulars	2024	2023	2022	2021	2020	2019
	Rupees in Thousand					
Revenue	58,676,926	60,105,873	54,146,811	37,089,359	28,668,642	34,211,379
Gross Profit	9,525,538	8,088,095	6,541,610	5,306,910	1,365,752	3,793,847
Operating expenses - Net of other income	4,068,020	1,398,626	2,057,294	2,986,911	3,418,116	842,629
Profit / (Loss) from operations	5,457,518	6,689,469	4,484,316	2,319,999	(2,052,364)	2,951,218
Finance cost	4,999,501	3,198,821	1,473,334	1,281,812	1,699,286	1,203,112
Profit / (Loss) before taxation	458,017	3,490,648	3,010,982	1,038,187	(3,751,650)	1,748,106
Taxation	928,047	839,459	734,942	397,652	368,629	415,698
(Loss) / Profit for the year	(470,030)	2,651,189	2,276,040	640,535	(4,120,279)	1,332,408

Horizontal Analysis

Particulars	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018
	Percentage					
Revenue	-2%	11%	46%	29%	-16%	11%
Gross Profit	18%	24%	23%	289%	-64%	-1%
Operating expenses - Net of other income	191%	-32%	-31%	-13%	306%	-49%
Profit / (Loss) from operations	-18%	49%	93%	213%	-170%	34%
Finance cost	56%	117%	15%	-25%	41%	34%
Profit / (Loss) before taxation	-87%	16%	190%	128%	-315%	34%
Taxation	11%	14%	85%	8%	-11%	117%
(Loss) / Profit for the year	-118%	16%	255%	116%	-409%	20%

Vertical Analysis

Particulars	2024	2023	2022	2021	2020	2019
	Percentage					
Revenue	100%	100%	100%	100%	100%	100%
Gross Profit	16.23%	13.46%	12.08%	14.31%	4.76%	11.09%
Operating expenses - Net of other income	6.93%	2.33%	3.80%	8.05%	11.92%	2.46%
Profit/(Loss) from operations	9.30%	11.13%	8.28%	6.26%	-7.16%	8.63%
Finance cost	8.52%	5.32%	2.72%	3.46%	5.93%	3.52%
Profit/(Loss) before taxation	0.78%	5.81%	5.56%	2.80%	-13.09%	5.11%
Taxation	1.58%	1.40%	1.36%	1.07%	1.29%	1.22%
(Loss) / Profit for the year	-0.80%	4.41%	4.20%	1.73%	-14.37%	3.89%

LAST SIX YEARS

STATEMENT OF CASH FLOWS

Particulars	2024	2023	2022	2021	2020	2019
	Rupees in Thousand					
Cash flows from operating activities	2,004,561	487,983	(37,709)	(165,817)	(526,685)	(382,110)
Cash flows from investing activities	(2,932,913)	(1,106,479)	(1,263,809)	(819,031)	(1,892,733)	(2,011,609)
Cash flows from financing activities	172,049	923,602	1,479,472	342,765	3,211,969	2,153,802
Net (decrease) / increase in cash & cash equivalents	(756,303)	305,106	177,954	(642,083)	792,551	(239,917)

04

Financial Statements

mtm

Masood Textile Mills

INDEPENDENT AUDITOR'S REPORT

To the members of Masood Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Masood Textile Mills Limited (the Company), which comprise the statement of financial position as at 30 June 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 material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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.

Following are the key audit matters:

Sr. No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Capital expenditure</p> <p>The Company is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Company's strategy.</p> <p>We focused on this area since the amounts have a significant impact on the financial position of the Company and there is significant management judgment required that has significant impact on the reporting of the financial position for the Company. Therefore, considered as one of the key audit matters.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, property, plant, equipment and depreciation (Note 2.5 to the financial statements). - Property, plant and equipment (Note 14 to the financial statements). 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature. • We evaluated the appropriateness of capitalization policies and depreciation rates. • We performed tests of details on costs capitalized. • We verified the accuracy of management's calculation used for the impairment testing.
2.	<p>Inventory existence and valuation</p> <p>Inventories as at 30 June 2024 amounting to Rupees 19,722.513 million, break up of which is as follows:</p> <ul style="list-style-type: none"> - Stores, spare parts and loose tools of Rupees 3,684.606 million - Stock-in-trade of Rupees 16,037.907 million <p>Inventories are stated at lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventories as a key audit matter due to its size, representing 35.76% of total assets of the Company as at 30 June 2024, and the judgment involved in valuation.</p> <p>For further information on inventories, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Inventories (Note 2.8 to the financial statements). - Stores, spare parts and loose tools (Note 17) and Stock in trade (Note 18) to the financial statements. 	<p>Our procedures over existence and valuation of inventories included, but were not limited to:</p> <ul style="list-style-type: none"> • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of inventory items, re-performed the cost calculation and compared the moving / annual average cost appearing on valuation sheets. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. • We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

<p>3.</p>	<p>Revenue recognition</p> <p>The Company recognized revenue from contract with customers of Rupees 58,676.926 million for the year ended 30 June 2024.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information, refer to the following:</p> <ul style="list-style-type: none"> - Material accounting policy information, Revenue from contracts with customers (Note 2.12 to the financial statements). - Revenue from contracts with customers (Note 26 to the financial statements). 	<ul style="list-style-type: none"> • We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements. <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.
------------------	---	--

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 05 October 2024

UDIN: AR202410158niHBWTzAr

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1200 000 000 (2023: 1200 000 000) ordinary shares of Rupees 10 each		12,000,000	12,000,000
60 000 000 (2023: 60 000 000) preference shares of Rupees 10 each		600,000	600,000
		<u>12,600,000</u>	<u>12,600,000</u>
Issued, subscribed and paid up share capital	3	950,000	950,000
Reserves			
Capital reserves			
Share premium	41	1,375,000	1,375,000
Redemption fund	42	128,333	128,333
Capital contribution	43	2,000,000	2,000,000
Surplus on revaluation of freehold land	44	3,501,438	3,574,318
		<u>7,004,771</u>	<u>7,077,651</u>
Revenue reserves	5	8,726,842	9,187,819
Total reserves		<u>15,731,613</u>	<u>16,265,470</u>
Total equity		<u>16,681,613</u>	<u>17,215,470</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	1,563,984	2,356,062
Lease liabilities	7	91,577	11,438
Staff retirement gratuity	8	2,108,467	1,722,219
		<u>3,764,028</u>	<u>4,089,719</u>
CURRENT LIABILITIES			
Trade and other payables	9	10,357,152	9,675,309
Unclaimed dividend		8,938	8,944
Accrued mark-up	10	818,018	787,782
Short term borrowings	11	22,154,929	20,607,236
Current portion of non-current liabilities	12	1,364,707	1,905,616
Provision for taxation and levy - net	21	2,357	-
		<u>34,706,101</u>	<u>32,984,887</u>
TOTAL LIABILITIES		<u>38,470,129</u>	<u>37,074,606</u>
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		<u>55,151,742</u>	<u>54,290,076</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	14	17,246,533	15,343,727
Right-of-use assets	15	107,965	58,605
Long term advances	16	10,076	17,174
Long term security deposits		36,731	75,560
		17,401,305	15,495,066
CURRENT ASSETS			
Stores, spare parts and loose tools	17	3,684,606	3,936,547
Stock in trade	18	16,037,907	12,703,259
Trade debts	19	14,121,535	16,726,515
Loans and advances	20	601,703	744,733
Advance income tax and levy - net	21	-	110,484
Short term deposits and prepayments	22	337,249	298,453
Other receivables	23	2,699,557	3,252,398
Short term investment	24	10,192	8,630
Cash and bank balances	25	257,688	1,013,991
		37,750,437	38,795,010
TOTAL ASSETS		55,151,742	54,290,076

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
REVENUE FROM CONTRACTS WITH CUSTOMERS	26	58,676,926	60,105,873
COST OF SALES	27	(49,151,388)	(52,017,778)
GROSS PROFIT		9,525,538	8,088,095
DISTRIBUTION COST	28	(3,020,812)	(3,815,010)
ADMINISTRATIVE EXPENSES	29	(1,162,792)	(1,234,004)
OTHER EXPENSES	30	(160,908)	(191,037)
OTHER INCOME	31	276,492	3,841,425
FINANCE COST	32	(4,999,501)	(3,198,821)
PROFIT BEFORE LEVY AND TAXATION		458,017	3,490,648
LEVY	211	(852,699)	(793,604)
(LOSS) / PROFIT BEFORE TAXATION		(394,682)	2,697,044
TAXATION	33	(75,348)	(45,855)
(LOSS) / PROFIT AFTER TAXATION		(470,030)	2,651,189
(LOSS) / EARNINGS PER SHARE - BASIC (RUPEES)	34	(7.95)	38.54
- DILUTED (RUPEES)	34	(7.30)	34.72

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
(LOSS) / PROFIT AFTER TAXATION		(470,030)	2,651,189
OTHER COMPREHENSIVE (LOSS) / INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements arising on defined benefit obligation	8.2	(13,810)	(39,655)
Surplus on revaluation of freehold land		-	1,139,043
		(13,810)	1,099,388
Items that may be reclassified subsequently to profit or loss			
Other comprehensive (loss) / income for the year		(13,810)	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		(483,840)	3,750,577

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

Balance as at 30 June 2022

Transactions with owners:

Dividend at the rate of Rupees 1166569 per share (Preference shares)

Transfer from surplus on revaluation of freehold land on disposal of freehold land

Profit for the year

Other comprehensive income for the year

Total comprehensive income for the year

Balance as at 30 June 2023

Transactions with owners:

Dividend at the rate of Rupees 18188 per share (Preference shares)

Transfer from surplus on revaluation of land on disposal (Note 4.4)

Loss for the year

Other comprehensive loss for the year

Total comprehensive loss for the year

Balance as at 30 June 2024

SHARE CAPITAL	RESERVES									TOTAL EQUITY
	CAPITAL RESERVES					REVENUE RESERVES			TOTAL	
	Share premium	Redemption fund	Capital contribution	Surplus on revaluation of freehold land	Sub total	General	Unappropriated profit	Sub total		
(RUPEES IN THOUSAND)										
950,000	1,375,000	128,333	2,000,000	2,447,552	5,950,885	714,500	5,881,589	6,596,089	12,546,974	13,496,974
-	-	-	-	-	-	-	(32,081)	(32,081)	(32,081)	(32,081)
-	-	-	-	(2,277)	(2,277)	-	12,277	12,277	-	-
-	-	-	-	-	-	-	2,651,189	2,651,189	2,651,189	2,651,189
-	-	-	-	1,139,043	1,139,043	-	(39,655)	(39,655)	1,099,388	1,099,388
-	-	-	-	1,139,043	1,139,043	-	2,611,534	2,611,534	3,750,577	3,750,577
950,000	1,375,000	128,333	2,000,000	3,574,338	7,077,651	714,500	8,473,319	9,187,819	16,265,470	17,215,470
-	-	-	-	-	-	-	(50,017)	(50,017)	(50,017)	(50,017)
-	-	-	-	(72,880)	(72,880)	-	72,880	72,880	-	-
-	-	-	-	-	-	-	(470,030)	(470,030)	(470,030)	(470,030)
-	-	-	-	-	-	-	(3,810)	(3,810)	(3,810)	(3,810)
-	-	-	-	-	-	-	(483,840)	(483,840)	(483,840)	(483,840)
950,000	1,375,000	128,333	2,000,000	3,501,438	7,004,771	714,500	8,012,342	8,726,842	15,731,613	16,681,613

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	8,129,320	3,985,582
Finance cost paid		(4,951,086)	(2,616,054)
Mark-up paid against lease liabilities	7.1	(18,179)	(1,442)
Income tax and levy paid		(815,206)	(679,673)
Dividend paid to ordinary shareholders		(6)	(1,956)
Dividend paid to preference shareholders		(50,017)	(32,081)
Staff retirement gratuity paid	8	(335,197)	(192,702)
Net decrease / (increase) in long term advances		7,098	(3,430)
Net decrease in long term security deposits		38,829	30,041
Net cash generated from operating activities		2,005,556	478,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	141.5	830,833	483,451
Capital expenditure on property, plant and equipment		(3,853,777)	(1,662,773)
Investment made		(1,562)	(1,058)
Profit on deposits with banks received		91,593	73,901
Net cash used in investing activities		(2,932,913)	(1,106,479)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		554,121	190,429
Repayment of long term financing		(1,860,744)	(1,939,108)
Repayment of lease liabilities - net		(69,021)	(113,680)
Short term borrowings - net		1,547,693	2,785,961
Net cash from financing activities		172,049	923,602
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(755,308)	295,408
Net foreign exchange difference on translating bank balances		(995)	9,698
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,013,991	708,885
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	257,688	1,013,991

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1 THE COMPANY AND ITS OPERATIONS

Masood Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at Universal House, P-17/1, New Civil Lines, Bilal Road, Faisalabad. The main objects of the Company are manufacturing and sale of cotton / synthetic fiber yarn, knitted / dyed fabrics and garments.

Geographical locations and addresses of all business units (except for the registered office) of the Company are as follows:

Manufacturing units and offices	Address
Spinning, Knitting and Dyeing units	32 Kilometers, Sheikhpura Road, Faisalabad
Spinning and Knitting units	30 Kilometers, Sheikhpura Road, Faisalabad
Stitching Unit	Sargodha Road, Faisalabad
Stitching Units	Nishatabad, Faisalabad
Stitching Unit	Chak Jhumra Road, Nishatabad, Faisalabad
Stitching Units	Hajiabad, Sheikhpura Road, Faisalabad
Liaison office	13 Kilometers, Bhubatian Chowk, Defence Road, Lahore
Liaison office	Office No. 306 - 307, Gul Tower, II, Chundrigar Road, Karachi

2 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, except for the change in accounting policy of taxation and levy made in accordance with "Application Guidance on Accounting for Minimum Taxes" issued by The Institute of Chartered Accountants of Pakistan through circular 7/2024. The change has been explained in Note 2.4 to these financial statements.

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

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

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in respective accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

c) **Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Staff retirement gratuity

Certain actuarial assumptions have been adopted as disclosed in Note 8.4 to the financial statements for determination of present value of staff retirement gratuity. Any change in these assumptions in future years might affect the current and remeasurement gains and losses in those years.

Provisions

Provisions are based on best estimate of the expenditure required to settle present obligation at the reporting date or to transfer it to a third party.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Deferred income tax

From the financial year ending on 30 June 2025, for the tax year 2025, income of the Company will be taxed under normal tax regime, hence, as on 30 June 2024, deferred income tax on taxable temporary differences between the accounting and tax base of fixed assets is required to be calculated. This is the first time the Company is transitioning to this regime. Previously, the Company was neither required nor claimed tax depreciation against final tax regime, hence, accounting written-down value of fixed assets is now being used as tax base for the calculation of taxable temporary differences against fixed assets. This critical accounting estimation, used by the management in the calculation of deferred income tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred income tax.

Useful lives, patterns of economic benefits and impairments

The estimate for revalued amount of freehold land is based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement' - Disclosure of Accounting Policies;
- Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Change in definition of 'Accounting Estimate'; and
- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standard and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following standard and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

Classification and Measurements of Financial Instruments (Amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments') effective for annual periods beginning on or after 01 January 2026. These amendments address matters identified during the past - implementation review of the classification and measurement requirements of IFRS 9.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above standard, amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2.2 Staff retirement benefit

The Company operates an unfunded gratuity scheme for its permanent employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under this scheme is determined through actuarial valuation carried under Projected Unit Credit Method. Latest actuarial valuation has been carried on 30 June 2024. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of the benefit, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuation have been disclosed in Note 8.4 to these financial statements.

Remeasurements changes which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

2.3 Functional and presentation currency along with foreign currency transactions and translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss.

2.4 Taxation and levy

Change in accounting policy

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in statement of profit or loss. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	RUPEES IN THOUSAND
Statement of profit or loss:		
Taxation	Levy	793,604
Statement of financial position:		
Advance income tax	Prepaid levy	590,691
Provision for taxation	Levy payable	793,604

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Had there been no change in the above referred accounting policy, amount of Rupees 852.699 million of levy, 633.759 million of prepaid levy and 852.699 million of levy payable would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements. Further, this change in accounting policy has no impact on loss per share of the Company.

Deferred tax

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.5 Property, plant, equipment and depreciation

a) Operating fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss except freehold land which is stated at cost / revalued amount less any identified impairment loss. Cost of property, plant and equipment consists of historical cost, revalued amount, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the assets to working condition.

Increases in the carrying amounts arising on revaluation of freehold land are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the statement of profit or loss during the year these are incurred.

b) Depreciation

Depreciation of operating fixed assets is charged to the statement of profit or loss applying the reducing balance method at the rates given in Note 141 to write off the cost over their expected useful life. The Company charges depreciation on additions from the date when the asset is available for use and on deletions up to the date when asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

c) De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is recognized in the statement of profit or loss in the year the asset is derecognized.

d) Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.6 Leases

Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is depreciated on a straight line method over the lease term, or the estimated life of the asset, whichever is shorter. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

Lease liabilities

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments which are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

2.7 Ijarah contracts

Under the Ijarah contracts, the Company obtains usufruct of an asset for an agreed period and for an agreed consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognizes the Ujrah (lease) payments as an expense in the statement of profit or loss on straight line lease over the Ijarah term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2.8 Inventories

Inventories, except for stock in transit and waste stock / rags, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores, spare parts and loose tools are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade

Cost of raw materials, work-in-process and finished goods is determined as follows:

- | | | |
|---|---|---|
| (i) For raw materials | - | Annual average basis. |
| (ii) For work-in-process and finished goods | - | Average manufacturing cost including a portion of production overheads. |

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.9 Borrowing cost

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other interests, mark-up and other charges are recognized in statement of profit or loss.

2.10 Provisions

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

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2.12 Revenue recognition

i) Revenue from contracts with customers

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

b) Rendering of services

The Company provides dyeing and knitting services to local customers. These services are rendered separately and the Company's contract with the customers for services constitutes a single performance obligation. Revenue from a contract to provide services is recognized at point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

iv) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

v) Other income recognition

a) Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

b) Dividend

Dividend on investments is recognized when right to receive the dividend is established.

c) Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2.13 Share capital

Ordinary and preference shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.14 Financial instruments

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when these are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

Investments and other financial assets

a) Classification

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

- those to be measured subsequently at the fair value through profit or loss; and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gain and losses are recognized in statement of profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value, in the case of a financial asset at its fair value plus transaction plus, in the case of a financial asset not at fair value through profit or loss, transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following measurement category:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Equity instruments

The Company subsequently measures all equity instruments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

At fair value through profit or loss

Changes in the fair value of equity instruments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

Classification and measurement

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

iii) **Impairment of financial assets**

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances and debt securities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganization or;
- the disappearance of an active market for a security because of financial difficulties.

iv) De-recognition of financial assets and financial liabilities

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

v) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.15 Trade and other receivables

Trade debts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.16 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2.17 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.19 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.20 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 the transactions with any of the Company's other components. Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its segments separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results that are reported to management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable operating segments: i) Spinning (Producing different qualities of yarn), ii) Knitting (Producing knitted fabric from yarn), iii) Processing and Garments (Processing of greige fabric for production of dyed and white fabric and manufacturing of variety of garments from processed fabric).

Transactions among the operating segments are recorded at cost. Inter segment sales and purchases are eliminated from the total.

2.21 Earnings / (loss) per share

The Company presents basic and diluted Earnings Per Share (EPS) / Loss Per Share (LPS). Basic EPS / (LPS) is calculated by dividing profit / (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS / (LPS) is determined by adjusting profit attributable to shareholders and the weighted average number of ordinary shares outstanding with the effects of all dilutive potential ordinary shares.

2.22 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2.23 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.24 Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that these are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2024 (NUMBER OF SHARES)			2024 (RUPEES IN THOUSAND)	
2023 (NUMBER OF SHARES)			2023 (RUPEES IN THOUSAND)	
67 500 000	67 500 000	Ordinary shares of Rupees 10 each fully paid in cash	675,000	675,000
27 500 000	27 500 000	Cumulative preference shares (non-voting) of Rupees 10 each fully paid in cash (Note 31)	275,000	275,000
<u>95 000 000</u>	<u>95 000 000</u>		<u>950,000</u>	<u>950,000</u>

31 The Company issued cumulative preference shares as at 30 June 2005, which are listed on Pakistan Stock Exchange Limited, to finance the working capital requirements and fixed capital expenditure.

Terms of redemption

a) Conversion option

Preference shareholders have the option to serve a notice to the Company to convert one third of the preference shares along with accumulated dividend into ordinary shares of the Company after the expiry of four years from the date of issuance in any conversion year at a discount of 15 percent to immediately preceding 30 calendar days' average market value. Upon receiving the conversion notice, the Company will have the option to repay the preference shares along with the accumulated dividend for which conversion notice has been issued within one month of receiving thereof or issue ordinary shares to preference shareholders.

b) Call option

The Company has the option to redeem the preference shares after four years of the issuance in part in multiples of 10 percent up to 100 percent from the preference shareholders. The call price would be Rupees 10 per share plus the entire accumulated preference share dividend, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

c) Rate of dividend

The preference dividend is payable at the average rate of six months KIBOR plus 2 percent per annum on cumulative basis. According to the terms of issuance, dividend to ordinary shareholders could only be paid after the payment of preference dividend to preference shareholders.

d) Sinking fund reserve

The Company has created a sinking fund reserve (capital redemption reserve fund) from the profits of the Company to make payments against any call option. The Company has built-up this sinking fund reserve to ensure that at the end of the fourth year from the issuance date, the reserve is equal to one third of the total amount of preference shares. This reserve account will subsequently be replenished to ensure that one third of the outstanding preference shares amount is available in the reserve account.

3.2 17 396 833 ordinary shares (2023: 17 396 833) of the Company are held by Shanghai Challenge Textile Company Limited - an associate.

4. CAPITAL RESERVES

Share premium (Note 4.1)
Capital redemption reserve fund (Note 4.2)
Capital contribution (Note 4.3)
Surplus on revaluation of freehold land (Note 4.4)

	2024 (RUPEES IN THOUSAND)	2023
	1,375,000	1,375,000
	128,333	128,333
	2,000,000	2,000,000
	3,501,438	3,574,318
	<u>7,004,771</u>	<u>7,077,651</u>

4.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

4.2 The Company has created this reserve from its profits to make payments against any call option of preference shares.

4.3 Capital contribution

These represent unsecured interest free loans from director / shareholders of the Company as required by the banks in their sanction advices. These are repayable on Company's discretion. These include Rupees 200 million (2023: Rupees 200 million) received from the Chief Executive Officer and his spouse. These loans are treated as capital contribution in accordance with the guidelines provided by The Institute of Chartered Accountants of Pakistan (ICAP) vide Technical Release-32.

4.4 Surplus on revaluation of freehold land

Opening balance
Add: Increase in surplus on revaluation

Less: Surplus on revaluation of freehold land disposed of during the year

	3,574,318	2,447,552
	-	1,139,043
	<u>3,574,318</u>	<u>3,586,595</u>
	72,880	12,277
	<u>3,501,438</u>	<u>3,574,318</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

- 4.41** The latest revaluation of freehold land was carried out by an independent valuer Messrs Oceanic Surveyors (Private) Limited on 19 June 2023 as stated in Note 14.11.

5. REVENUE RESERVES

General
Unappropriated profit

6. LONG TERM FINANCING

From banking companies - secured
Long term loans (Note 6.1)
Syndicate term finance (Note 6.2)
Diminishing musharika / Sukuk (Note 6.3)

Less: Current portion shown under current liabilities (Note 12)

	2024 (RUPEES IN THOUSAND)	2023
	714,500	714,500
	8,012,342	8,473,319
	8,726,842	9,187,819
	1,153,053	1,393,023
	1,100,000	1,466,667
	646,943	1,346,929
	2,899,996	4,206,619
	1,336,012	1,850,557
	1,563,984	2,356,062

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

61

Long term loans

LENDER	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)	RATE OF INTEREST / PROFIT PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST / PROFIT REPRICING	INTEREST / PROFIT PAYABLE	SECURITY
United Bank Limited	12,957	91,929	5.00%	These are different loans repayable in sixteen quarterly installments starting from 17 October 2019 and ending on 08 January 2025	-	Quarterly	First charge on specific machinery
The Bank of Punjab	-	31,749	4.50%	This facility was completely repaid on 08 March 2024	-	Quarterly	First charge on specific machinery
Akari Bank Limited	11,368	37,344	4.50%	These are different loans repayable in sixteen to eighteen quarterly installments starting from 25 August 2019 and ending on 21 March 2025	-	Quarterly	First charge on specific machinery and personal guarantee of certain directors of the Company
National Bank of Pakistan	141,867	447,450	4.50%	These are different loans repayable in sixteen, eighteen, nineteen and twenty quarterly installments starting from 03 October 2018 and ending on 30 August 2025	-	Quarterly	First charge on specific machinery
Habib Metropolitan Bank Limited	69,489	34,753	4.50%	These are different loans repayable in sixteen and twenty quarterly installments starting from 12 May 2020 and ending on 07 April 2026	-	Quarterly	First charge on specific machinery and personal guarantee of certain directors of the Company
Bank Alfalah Limited	51,025	86,890	5.00%	These are different loans repayable in twenty quarterly installments starting from 04 December 2019 and ending on 20 October 2025	-	Quarterly	First inclusive charge on fixed assets of the Company and personal guarantee of Chief Executive Officer (CEO) of the Company
Pakistan Kuwait Investment Company (Private) Limited	217,354	321,130	5.00%	These are different loans repayable in sixteen and eighteen quarterly installments starting from 02 August 2021 and ending on 01 April 2027	-	Quarterly	First charge on specific machinery
Pakistan Kuwait Investment Company (Private) Limited	23,738	31,651	7.00%	Eighteen quarterly installments starting from 06 March 2023 and ending on 05 June 2027	-	Quarterly	First charge on specific machinery
Saudi Pak Industrial and Agricultural Investment Company Limited	354,375	300,429	3 Month KIBOR+2.25%	Sixteen quarterly installments starting from 14 June 2024 and ending on 14 March 2028	Quarterly	Quarterly	Rising hypothecation charge over plant and machinery of the Company and personal guarantee of CEO and a director of the Company
Pak Brunei Investment Company Limited	250,000	-	3 Month KIBOR+2%	Eighteen quarterly installments starting from 26 January 2025 and ending on 26 April 2029	Quarterly	Quarterly	Rising hypothecation charge over of present and future fixed assets of the Company, post dated cheques for the entire tenor of a facility and personal guarantee of CEO and a director of the Company
6.2 Syndicate term finance	1183,053	1,393,023					
Pakistan Kuwait Investment Company (Private) Limited	566,667	756,666					
Pak Ujaya Holding Company Limited	133,333	177,778					
Pak Oman Investment Company Limited	200,000	266,667					
PAF Investment Company Limited	200,000	266,667					
	1,100,000	1,466,667					
6.3 Diminishing musharaka / Sukuk							
OLP Hyderabad	68,250	10,500	Base Rate+3.25%	Thirty six monthly installments starting from 28 April 2023 and ending on 28 March 2026	Semi annually	Monthly	First charge on specific machinery and personal guarantee of some directors of the Company
OLP Hyderabad	116,550	-	Base Rate+3.10%	These are different musharakas repayable in 24 equal monthly installments starting from 22 January 2025 and ending on 23 April 2027	Quarterly	Monthly	Title of the specific vehicles and personal guarantee of some directors of the Company
Meezan Bank Limited	126,000	165,000	3 Month MIBOR+1.50%	Twenty quarterly installments starting from 25 June 2021 and ending on 25 March 2026	Quarterly	Quarterly	First equitable charge over specific property
Sharjah Comptons Sukuk (Note 6.3.1)	357,143	107,469	3 Month MIBOR+2%	Fourteen quarterly installments starting from 17 September 2021 and ending on 17 December 2024	Quarterly	Quarterly	First non posse charge over all present and future fixed assets of the Company and equitable mortgage over the mortgaged properties
	646,943	1,346,929					

631

These represent redeemable capital in terms of 2,500 Sharjah Comptons Sukuk Certificates issued to various institutions and other investors by way of private placement in accordance with the provisions of section 69 of the Companies Act, 2017. These are issued to repay existing conventional debts and for meeting working capital requirement of the Company. Pakistan Kuwait Investment Company (Private) Limited was the lead financial adviser and arranger while Al-Hid Sharjah Advisors (Private) Limited is acting as Sharjah structuring adviser for the Sukuk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024
2023
(RUPEES IN THOUSAND)

7. LEASE LIABILITIES

Total lease liabilities (Note 7.11 and Note 7.12)
Less: Current portion shown under current liabilities (Note 12)

	2024	2023
Total lease liabilities (Note 7.11 and Note 7.12)	120,272	66,497
Less: Current portion shown under current liabilities (Note 12)	(28,695)	(55,059)
	91,577	11,438

7.1 Reconciliation of lease liabilities

Opening balance

	2024	2023
Opening balance	66,497	146,153
Add:		
Additions during the year (Note 15)	122,796	42,017
Interest accrued on lease liabilities (Note 32)	18,179	11,442
	207,472	199,612
Less:		
Termination of lease during the year	-	7,993
Payments during the year	87,200	125,122
	87,200	133,115
Closing balance	120,272	66,497

Add:

Additions during the year (Note 15)
Interest accrued on lease liabilities (Note 32)

Less:

Termination of lease during the year
Payments during the year

Closing balance

7.11 The value of minimum lease payments of lease amounting to Rupees 4.730 million (2023: Rupees 10.180 million) has been discounted using implicit interest rate of 18.54% to 24.47% (2023: 12.96% to 18.54%) per annum. Balance rentals are payable in monthly installments. Taxes, repairs and insurance costs are to be borne by the Company. In case of termination of the agreement, the Company shall pay entire amount of rentals for unexpired period of lease agreement. Lease agreement is renewable at the option of the lessor on such terms as may be agreed upon. Liabilities are secured against deposits of Rupees 3.687 million (2023: Rupees 5.450 million) included in security deposits.

7.12 The value of minimum lease payments of lease amounting to Rupees 115.542 million (2023: Rupees 56.317 million) has been discounted using incremental borrowing rate of 8.30% to 13.05% (2023: 8.30% and 9.78%) per annum. Balance rentals are payable in monthly installments. Repairs and insurance costs are to be borne by the Company. In case of termination of the agreement, three months notice is to be given. Lease agreement is renewable at the mutual consent of both parties on such terms as may be agreed upon. Liabilities are secured against deposits of Rupees 25.661 million (2023: Rupees 23.064 million) included in security deposits.

7.2 Maturity analysis of lease liabilities is as follows:

Upto 12 months
01 to 02 years
02 to 03 years

	2024	2023
Upto 12 months	40,994	58,865
01 to 02 years	33,157	11,559
02 to 03 years	76,594	-
	150,745	70,424
Less: Un-amortized finance cost	30,473	3,927
Present value of future minimum lease payments	120,272	66,497

Less: Un-amortized finance cost

Present value of future minimum lease payments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024 2023
(RUPEES IN THOUSAND)

8. STAFF RETIREMENT GRATUITY

The latest actuarial valuation of staff retirement gratuity was carried out using Projected Unit Credit Method. Detail as per actuarial valuation is as follows:

Opening balance	1,722,219	1,395,252
Add:		
Provision for the year (Note 8.1)	687,332	553,433
Remeasurements recognized in other comprehensive income (Note 8.2)	13,810	39,655
Closing balance	2,423,361	1,988,340
Less:		
Payments made during the year	(335,197)	(192,702)
Increase in current liability - net	20,303	(73,419)
	(314,894)	(266,121)
	2,108,467	1,722,219
8.1 Provision for the year		
Current service cost	428,247	386,193
Past service cost	4,809	-
Interest cost	254,276	167,240
	687,332	553,433
8.2 Remeasurements recognized in other comprehensive income		
Actuarial loss / (gain) from changes in financial assumptions	5,484	(9,571)
Experience adjustments	8,326	49,226
	13,810	39,655
8.3 Reconciliation of present value of defined benefit obligation as at 30 June is given below:		
Present value of defined benefit obligation as at 01 July	1,722,219	1,395,252
Current service cost	428,247	386,193
Past service cost	4,809	-
Interest cost	254,276	167,240
Benefits paid during the year	(335,197)	(192,702)
Decrease / (increase) in current liability - net	20,303	(73,419)
Remeasurements:		
Actuarial loss / (gain) from changes in financial assumptions	5,484	(9,571)
Experience adjustment	8,326	49,226
	13,810	39,655
Present value of defined benefit obligation as at 30 June	2,108,467	1,722,219

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024
2023
(RUPEES IN THOUSAND)

8.4 Principal actuarial assumptions used

Discount rate for interest cost in profit or loss charge (per annum)	16.25%	13.25%
Discount rate for year end obligation (per annum)	14.75%	16.25%
Expected rate of increase in salary (per annum)	13.75%	15.25%
Average duration of the benefit (years)	7	7
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
Withdrawal rate	Age based	Age based
Retirement assumption	Age 60	Age 60

8.5 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumption is:

Discount rate	100%	100%
Increase in assumption (Rupees in thousand)	(143,790)	(115,996)
Decrease in assumption (Rupees in thousand)	164,583	132,801
Future salary increase	100%	100%
Increase in assumption (Rupees in thousand)	159,371	126,446
Decrease in assumption (Rupees in thousand)	(141,300)	(113,813)

8.6 Expected maturity profile

Followings are the expected distribution and timing of benefit payments at year end:

Description

2024	-	292,252
2025	333,358	317,891
2026 to 2030	1,824,202	1,713,997
2031 and onwards	47,419,130	59,080,476

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

8.7 The estimated expenses to be charged to profit and loss account for the year ending on 30 June 2025 is Rupees 730.825 million.

8.8 Risks associated with the scheme

Final salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Demographic risks

- **Mortality risk** - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Withdrawal risk** - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

	2024	2023
	(RUPEES IN THOUSAND)	
9. TRADE AND OTHER PAYABLES		
Creditors	7,032,968	5,991,566
Contract liabilities - unsecured	462,150	762,116
Accrued liabilities	2,293,168	2,526,702
Income tax deducted at source	488,029	164,866
Sales tax deducted at source	15,607	33,968
Gas Infrastructure Development Cess (GIDC) payable (Note 9.3)	9,262	9,262
Workers' profit participation fund (Note 9.1)	22,740	159,089
Workers' welfare fund (Note 9.2)	33,228	27,740
	10,357,152	9,675,309
9.1 Workers' profit participation fund		
Balance as on 01 July	159,089	106,302
Add:		
Interest for the year (Note 32)	12,701	4,468
Provision for the year (Note 30)	5,571	154,621
	177,361	265,391
Less: Payments made during the year	154,621	106,302
Balance as on 30 June	22,740	159,089
9.2 Workers' welfare fund		
Balance as on 01 July	27,740	23,911
Add: Provision for the year (Note 30)	5,488	3,829
Balance as on 30 June	33,228	27,740
9.3	This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. Supreme Court of Pakistan vide judgement dated 13 August 2020 has upheld the GIDC Act, 2015 to be constitutional and intra vires.	
10. ACCRUED MARK-UP		
Long term financing	85,985	108,472
Short term borrowings	732,033	679,310
	818,018	787,782

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

11. SHORT TERM BORROWINGS

11.1 These represent the finances obtained from banking companies which are secured by way of first joint pari passu charge over current assets of the Company, pledge and personal guarantee of directors. Mark-up is paid at the rate of 6.00% to 25.87% per annum (2023: 2.50% to 24.17% per annum). The sanctioned credit facilities are Rupees 23,775 million (2023: Rupees 22,175 million).

11.2 The main facilities of guarantees and letters of credit aggregate to Rupees 4,268 million (2023: Rupees 3,818 million). The amounts utilized at 30 June 2024 were Rupees 1,519,661 million (2023: Rupees 2,386,416 million). Securities of these facilities are the same as mentioned in Note 11.1.

	2024	2023
	(RUPEES IN THOUSAND)	
12. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing (Note 6)	1,336,012	1,850,557
Lease liabilities (Note 7)	28,695	55,059
	1,364,707	1,905,616

13. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees of Rupees 433,434 million (2023: Rupees 403,495 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited (SNGPL) against gas connections, to Faisalabad Electric Supply Company (FESCO) against electricity connections and to Total Parco Pakistan Limited and Gas and Oil Pakistan Limited against fuel cards.

ii) On 13 August 2020, the Supreme Court of Pakistan upheld the Gas Infrastructure Development Cess (GIDC) Act, 2015 to be constitutional and intra vires. In connection with this decision, the Company filed a writ petition in Lahore High Court, Lahore on 14 September 2020 against the charge of GIDC at the rate of captive power consumer instead of industrial consumer. Lahore High Court, Lahore suspended the payment of Rupees 23,625 million (2023: Rupees 23,625 million) related to this difference, subject to furnishing of post dated cheques which are being submitted by the Company. This writ petition was decided in favor of the Company. Against this decision, SNGPL filed an Intra Court Appeal No. 73521/2021 in Lahore High Court, Lahore on 27 September 2021 which is pending for adjudication. Keeping in view the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favorable outcome of the petition.

iii) The Company filed a writ petition in the Lahore High Court, Lahore on 17 August 2023 against the recovery of demand having an amount of Rupees 300,078 million on increased rate of minimum wages raised by Employees Old Age Benefits Institution (EOBI). Keeping in view of the opinion of the legal counsel of the Company, the related provision is not made in these financial statements as there are strong grounds of favorable outcome of the petition.

b) Commitments

i) Contracts / letters of credit for capital expenditure are amounting to Rupees 11,524 million (2023: Rupees 241,975 million) and for other than capital expenditure are of Rupees 1,074,704 million (2023: Rupees 1,740,946 million).

ii) Ijarah commitments - Company as lessee

The Company obtained vehicles under ijarah agreement. The lease terms are three to five years. The Company has given undertaking to purchase the leased vehicles on agreed purchase price at maturity.

The future aggregate minimum lease payments under ijarah are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	(RUPEES IN THOUSAND)	
Not later than one year	189,904	156,574
Later than one year and not later than five years	316,254	332,023
	<u>506,158</u>	<u>488,597</u>
14. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 14.1)	16,585,882	14,806,641
Capital work-in-progress (Note 14.2)	660,651	537,086
	<u>17,246,533</u>	<u>15,343,727</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Freehold land	Buildings on freehold land	Plant and machinery	Electric and gas installations	Factory equipment	Telephone installations	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Total
At 30 June 2022											
Cost / revalued amount	3,628,631	2,544,000	12,703,494	1,285,737	178,145	28,466	425,665	14,979	457,174	414,573	21,660,924
Accumulated depreciation	-	(878,027)	(5,703,817)	(534,718)	(87,200)	(21,562)	(233,829)	(9,211)	(322,586)	(207,550)	(7,976,491)
Net book value	3,628,631	1,665,973	7,003,677	771,079	90,944	6,914	191,836	5,768	134,588	207,023	13,704,433
Year ended 30 June 2023											
Opening net book value	3,628,631	1,665,973	7,003,677	771,079	90,944	6,914	191,836	5,768	134,588	207,023	13,704,433
Revaluation surplus	1,139,043	-	-	-	-	-	-	-	-	-	1,139,043
Additions	180,875	107,872	689,440	112,298	34,027	447	60,070	528	29,776	223,723	1,419,056
Transferred from right-of-use assets	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	5,313	5,313
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(3,192)	(3,192)
Disposals	-	-	-	-	-	-	-	-	-	2,121	2,121
Cost	(408,974)	-	(1,634)	-	-	-	-	-	-	(60,754)	(47,362)
Accumulated depreciation	(408,974)	-	(1,299)	-	-	-	-	-	-	28,758	(47,362)
Depreciation charge	-	(85,245)	(716,311)	(81,214)	(9,795)	(1,084)	(33,017)	(899)	(29,926)	(33,256)	(442,604)
Closing net book value	4,539,575	1,688,600	6,954,471	802,163	115,176	6,277	218,289	5,397	134,438	342,295	14,806,641
At 30 June 2023											
Cost / revalued amount	4,539,575	2,651,872	13,371,300	1,388,095	212,172	28,943	485,735	15,507	496,950	582,855	23,772,974
Accumulated depreciation	-	(963,272)	(6,416,829)	(535,332)	(96,396)	(22,636)	(267,446)	(10,110)	(352,512)	(240,600)	(8,966,333)
Net book value	4,539,575	1,688,600	6,954,471	802,163	115,176	6,277	218,289	5,397	134,438	342,295	14,806,641
Year ended 30 June 2024											
Opening net book value	4,539,575	1,688,600	6,954,471	802,163	115,176	6,277	218,289	5,397	134,438	342,295	14,806,641
Additions	16,212	477,999	2,389,416	201,982	98,303	973	97,358	178	105,057	342,734	3,730,212
Transferred from right-of-use assets (Note 15)	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	7,050	7,050
Accumulated depreciation	-	-	-	-	-	-	-	-	-	(4,716)	(4,716)
Disposals	-	-	-	-	-	-	-	-	-	2,334	2,334
Cost / revalued amount	(249,882)	-	(978,767)	-	(19)	-	-	-	(321)	(37,454)	(366,483)
Accumulated depreciation	(249,882)	-	(572,043)	-	4	-	-	-	173	50,363	(62,581)
Depreciation charge	-	-	(426,724)	-	(18)	-	-	-	(48)	(87,133)	(743,902)
Closing net book value	4,305,905	2,070,888	8,110,514	933,785	195,759	6,214	273,990	4,748	202,519	503,560	16,585,862
At 30 June 2024											
Cost / revalued amount	4,305,905	3,129,871	14,780,949	1,600,077	30,456	23,886	583,093	15,665	592,686	795,145	26,143,753
Accumulated depreciation	-	(1,058,983)	(6,670,435)	(686,292)	(114,697)	(23,672)	(309,103)	(10,937)	(390,167)	(293,595)	(9,557,871)
Net book value	4,305,905	2,070,888	8,110,514	933,785	195,759	6,214	273,990	4,748	202,519	503,560	16,585,862
Annual rate of depreciation (%)	-	-	-	10	10	15	15	15	20	20	20

Annual rate of depreciation (%)

Value of freehold land of the Company has been determined by an independent valuer, Messrs Oceanic Surveyors (Private) Limited, on 19 June 2023 using market value method. Previously, it was revalued by an independent valuer as at 30 June 2020, 30 June 2016, 28 June 2013, 30 June 2007 and 30 September 1995. Had there been no revaluation, the value of freehold land would have been lower by Rupees 3,501,458 million (2023: Rupees 3,574,319 million). The book value of freehold land on cost basis is Rupees 894,467 million (2023: Rupees 955,257 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024
(RUPEES IN THOUSAND)

1412 Depreciation charge for the year has been allocated as follows:

Cost of sales (Note 27)	1,029,425	892,565
Distribution cost (Note 28)	1,545	1,050
Administrative expenses (Note 29)	178,433	121,793
	<u>1,209,403</u>	<u>1,015,408</u>

1413 Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area Acres	Covered Area Sq. ft.
Apparel Unit	Sargodha Road, Faisalabad	2.56	175,936 *
Spinning, Knitting and Dyeing Units	32- KM, Sheikhpura Road, Faisalabad	115.09	1,882,960
Shop	Circular Road, Faisalabad	0.006	288
Freehold Land	194-R.B., Lathianwala, Sheikhpura Road, Faisalabad	33.59	- **
Spinning Unit	Satyana Road, Faisalabad	150	35,114
Office	New Civil Lines, Bilal Road, Faisalabad	0.225	52,484 *
Office	Regency Plaza, Mall Road, Faisalabad	-	3,654 ***

* Covered area at these locations consists of multi-storey buildings.

** No construction on this land.

*** Covered area at this location consists of building only, because of multi-storey plaza.

1414 Forced sales value of freehold land was Rupees 3,660.019 million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1415 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Area / Nos	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
RUPEES IN THOUSAND								
Freehold land								
Chak No. 69 RB, Tehsil Jaranwala, District Faisalabad	(42 Kanals 13 Marlas)	112,479	-	112,479	113,022	543	Negotiation	Beacon Impex (Private) Limited, Faisalabad
Chak No. 69 RB, Tehsil Jaranwala, District Faisalabad	(4 Kanals 9 Marlas)	9,599	-	9,599	10,013	414	Negotiation	Beacon Impex (Private) Limited, Faisalabad
Chak No. 69 RB, Tehsil Jaranwala, District Faisalabad	(37 Kanals 18 Marlas)	81,751	-	81,751	82,306	1,155	Negotiation	Beacon Impex (Private) Limited, Faisalabad
Chak No. 69 RB, Tehsil Jaranwala, District Faisalabad	(21 Kanals 7 Marlas)	46,053	-	46,053	47,504	1,451	Negotiation	Beacon Impex (Private) Limited, Faisalabad
		249,882	-	249,882	253,445	3,563		
Plant and machinery								
DMS 22 Dimenier Fabric, Stentering Drying And Heat Setting Machine	1	30,259	19,245	11,014	11,066	52	Negotiation	AR Trading, Main Ferozpur Road, Gajo Motta, Lahore
Dyeing Machines	13	172,812	116,103	56,709	58,083	1,374	Negotiation	Muhammad Naveed, Johar Town, Lahore
Tube-Tex Compactor	2	18,145	13,500	4,645	4,918	273	Negotiation	AR Trading, Main Ferozpur Road, Gajo Motta, Lahore
Generator Genset 320 KVA	1	50,541	39,393	11,148	13,313	2,165	Negotiation	Arctic Textile Mills Limited, Faisalabad
Dyeing Machine	1	71,113	47,026	24,087	27,197	3,110	Negotiation	Stitch and Style International, Nishatabad, Faisalabad
Machine Printing & Embroidery	1	33,075	3,554	29,521	33,986	4,465	Negotiation	Mescon Apex (Private) Limited, Faisalabad
Over Lock & Flat Lock Machine	2	90,343	53,593	36,750	41,847	5,097	Negotiation	Stitch and Style International, Nishatabad, Faisalabad
Generator Genset 320 KVA	1	191,666	95,189	96,477	119,231	22,754	Negotiation	Arctic Textile Mills Limited, Faisalabad
Card Machines Meilan Toyoda	1	3,300	1,909	1,391	2,049	658	Negotiation	Muhammad Sardar, Samundari Road, Faisalabad
Yarn Dyeing Machine	1	140,502	70,103	70,399	96,047	25,648	Negotiation	Stitch and Style International, Nishatabad, Faisalabad
		601,756	459,615	342,141	407,737	65,596		
Vehicles								
Mercedes - Benz DF-786	1	8,494	2,343	6,151	10,000	3,849	Negotiation	Tahir Rafique Textile Mills (Private) Limited, Lahore
Suzuki - Cultus FD-18-893	1	873	79	794	1,008	214	Company Policy	Mr. Muhammad Nadeem, Madina Town, Faisalabad (Company's employee)
Toyota - Corolla FD-14-841	1	1,153	149	1,004	1,900	896	Company Policy	Rana Shahid Faz Rasool, Sarfraz Colony, Faisalabad (Company's employee)
Honda - BRV ALC-691	1	1,329	285	1,044	1,093	49	Company Policy	Mr. Muhammad Kamran Basharat, Chak No. 270 GB, Tehsil and District Jhang (Company's employee)
Honda - Civic AHX-666	1	3,538	2,149	1,389	1,500	111	Company Policy	Mr. Nasir Ali Zia, Chak No. 199 GB, Tehsil Samundari, District Faisalabad (Company's employee)
Toyota - Corolla Altis FDA-17-402	1	718	141	577	1,000	423	Company Policy	Mr. Munir Ahmad, Gulistan Colony No. 2, Faisalabad (Company's employee)
Toyota - Corolla Altis AQZ-680	1	1,226	361	1,065	2,014	949	Company Policy	Mr. Saeed Hashmat, Gulshan-e-Madina, Sargodha Road, Faisalabad (Company's employee)
Toyota - Fortuner AYA-70	1	8,137	737	7,400	8,000	600	Negotiation	Chaudhry Muhammad Aamir Ali, Fateh Muhammad Road, Lahore
Toyota - Corolla Altis FDA-18-492	1	1,119	564	555	2,034	1,479	Company Policy	Mr. Rashid Ahmad, Civil Lines, Faisalabad (Company's employee)
Toyota - Corolla Altis FDA-18-174	1	1,024	152	872	1,883	1,011	Company Policy	Mr. Shabbir Ahmad, Peoples Colony No.1, Faisalabad (Company's employee)
Toyota - Altis Grande EJ-76	1	877	291	586	2,500	1,914	Negotiation	Mr. Sobir Munir Gondal, Ghani Gondal, Tehsil Pindi Bhattoran, District Hafizabad
Toyota - Hilux BAW-786	1	7,046	3,559	3,487	7,300	3,813	Negotiation	Mr. Nazir Hussain, Chak No. 52 RB, Tehsil Jaranwala, District Faisalabad
Mercedes - Benz LTV Sna-786	1	83,618	26,273	57,345	56,000	(1,345)	Negotiation	Redfern Textiles (Private) Limited, Faisalabad
		119,152	36,983	82,169	96,232	13,963		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		195,693	126,083	69,610	73,419	3,809		
		1,966,483	622,581	743,902	830,833	86,931		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

14.2 Capital work-in-progress

	Buildings on freehold land	Plant and machinery	Advances against purchase of machinery	Total
----- RUPEES IN THOUSAND -----				
As at 01 July 2022	91,351	94,929	107,089	293,369
Add: Additions during the year	151,117	3,011	250,266	404,394
Less: Transferred to operating fixed assets during the year	(66,791)	(6,898)	(86,988)	(160,677)
As at 30 June 2023	175,677	91,042	270,367	537,086
Add: Additions during the year	53,219	3,004	476,697	532,920
Less: Transferred to operating fixed assets during the year	(171,375)	(68,650)	(169,330)	(409,355)
As at 30 June 2024	57,521	25,396	577,734	660,651

- 14.3** Borrowing cost of Rupees 31,882 million (2023: Rupees 6,212 million) was capitalized during the year using with the capitalization rate of 22.45% to 26.28% per annum (2023: 23.34% to 24.31% per annum).

15. RIGHT-OF-USE ASSETS

	Buildings	Vehicles	Total
----- RUPEES IN THOUSAND -----			
As at 01 July 2022	116,424	12,574	128,998
Additions	42,017	-	42,017
Book value of assets transferred to operating fixed assets	-	(2,121)	(2,121)
Disposals	(7,393)	-	(7,393)
Depreciation charge	(100,766)	(2,130)	(102,896)
As at 30 June 2023	50,282	8,323	58,605
Additions (Note 7.1)	122,796	-	122,796
Book value of assets transferred to operating fixed assets (Note 14.1)	-	(2,334)	(2,334)
Depreciation charge	(69,842)	(1,260)	(71,102)
As at 30 June 2024	103,236	4,729	107,965

Lease of buildings

The Company obtained buildings on lease for its office and business operations. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease periods are maximum of five years.

Lease of vehicles

The Company obtained vehicles on lease for employees. The average contract duration is five years.

There is no impairment against right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024
2023
(RUPEES IN THOUSAND)

151	Depreciation charged during the year has been allocated as follows:		
	Cost of sales (Note 27)	69,060	100,766
	Distribution cost (Note 28)	805	906
	Administrative expenses (Note 29)	1,237	1,224
		71,102	102,896
16.	LONG TERM ADVANCES		
	Considered good - secured		
	Executives (Note 16.1)	19,700	30,976
	Other employees	687	1,264
		20,387	32,240
	Less: Current portion shown under current assets (Note 20)	10,311	15,066
		10,076	17,174
161	Maximum aggregate balance due from executives at the end of any month during the year was Rupees 26.540 million (2023: Rupees 32.071 million).		
162	These include the interest free advances given to Company's executives and other employees for meeting their personal expenditure and are recoverable in equal monthly instalments. These are secured against the gratuity payable of these employees.		
163	The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of advances to employees is not considered material and hence not recognized.		

2024
2023
(RUPEES IN THOUSAND)

17.	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores (Note 17.1)	2,503,268	2,852,075
	Spare parts	1,173,129	1,076,683
	Loose tools	8,209	7,789
		3,684,606	3,936,547
171	These include stores in transit of Rupees 198.784 million (2023: Rupees 215.599 million).		
18.	STOCK IN TRADE		
	Raw materials (Note 18.1 and Note 18.2)	6,607,176	5,805,051
	Work-in-process (Note 18.3)	3,287,341	2,312,037
	Finished goods (Note 18.4)	6,143,390	4,586,171
		16,037,907	12,703,259
181	These include stock in transit of Rupees 196.849 million (2023: Rupees 184.036 million).		
182	These include stock of Rupees 332.663 million (2023: Rupees 218.780 million) sent to external parties for conversion.		
183	These include stock of Rupees 388.396 million (2023: Rupees 207.758 million) sent to external parties for processing.		
184	These include stock of Rupees 430.867 million (2023: Rupees 312.715 million) sent to external parties for processing.		
185	Stock in trade includes stocks amounting to Rupees 1,463.083 million (2023: Rupees 196.254 million) valued at net realizable value.		
186	The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 458.641 million (2023: Rupees 151.031 million).		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
		(RUPEES IN THOUSAND)	
19.	TRADE DEBTS		
	Considered good:		
	Secured (against letters of credit)	539,184	346,171
	Unsecured:		
	Related party (Note 19.2)	192,498	311,665
	Others - against contract	14,079,477	16,750,367
		14,271,975	17,062,032
		14,811,559	17,408,203
	Less: Allowance for expected credit losses (Note 19.4)	689,624	681,688
		14,121,535	16,726,515
191	Trade debts in respect of foreign and local jurisdictions are given below:		
	Australia	66,366	69,441
	Belgium	685,058	738,577
	Brazil	-	95
	Canada	217,094	244,784
	Chile	14,618	59,900
	China	60,739	110,051
	Croatia	441	-
	Denmark	7,481	-
	France	92,856	88,944
	Germany	1,769,864	1,817,660
	Georgia	348,313	-
	Hong Kong	87,933	57,906
	Indonesia	1,574	-
	Italy	794	25,443
	Japan	4,141	30,365
	Jordan	36,083	-
	Kenya	86,944	139,485
	Korea	2,391	14,516
	Malaysia	254	24,167
	Mexico	5,868	10,810
	Netherlands	274,296	1,496,748
	Panama	6,614	23,424
	Peru	-	499
	Poland	10,474	52,001
	Russia	-	30,781
	Singapore	3,369	20,357
	South Africa	1,195	-
	Spain	40,002	185,606
	Sri Lanka	506,133	650,626
	Taiwan	126	22,002
	United Arab Emirates	5,579	-
	United Kingdom	392,219	5,766
	United States of America	7,519,196	9,532,106
	Vietnam	72,932	-
	Pakistan	1,800,588	1,274,455
		14,121,535	16,726,515

192 Trade debts due from the related party were from Challenge Apparels Limited.

193 The maximum aggregate amount due from the related party, Challenge Apparels Limited at the end of any month during the year was Rupees 300.940 million (2023: Rupees 327.454 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
		(RUPEES IN THOUSAND)	
19.4	Allowance for expected credit losses		
	Opening balance	681,688	674,101
	Add: Recognized during the year (Note 30)	8,186	7,587
		689,874	681,688
	Less: Recovered during the year (Note 31)	250	-
	Closing balance	689,624	681,688
19.5	Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 25 to 90 days from delivery in case of local sales, and 15 to 120 days in case of export sales.		
20.	LOANS AND ADVANCES		
	Considered good - interest free		
	Against salary		
	- Executives	15,015	11,308
	- Other employees	77,817	91,799
	Against expenses		
	- Executives	7,118	2,337
	- Other employees	15,587	40,121
		115,537	145,565
	Current portion of long term advances (Note 16)	10,311	15,066
	Advances to suppliers	475,855	584,102
		601,703	744,733
21.	PROVISION FOR TAXATION AND LEVY ADVANCE INCOME TAX AND LEVY-NET		
	Advance income tax-net		
	Advance income tax	460,962	470,927
	Less: Provision for taxation	(244,379)	(157,530)
		216,583	313,397
	Levy payable / prepaid levy-net		
	Prepaid levy	633,759	590,691
	Less: Levy payable	(852,699)	(793,604)
		(218,940)	(202,913)
		(2,357)	110,484
21.1	Levy for the year		
	Levy	852,758	794,437
	Less: Prior year adjustment	(59)	(833)
		852,699	793,604
22.	SHORT TERM DEPOSITS AND PREPAYMENTS		
	Letters of credit	4,354	16,733
	Prepayments	7,364	6,484
	Margin deposits	212,428	210,428
	Security deposits including current portion	113,103	64,808
		337,249	298,453

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024
2023
(RUPEES IN THOUSAND)

23. OTHER RECEIVABLES

Considered good:

Sales tax refundable	1,741,193	2,393,469
Export rebate	372,751	264,579
Duty drawback claims	573,474	573,474
Profit on deposits with banks	6,138	9,438
Others	6,001	11,438
	2,699,557	3,252,398

24. SHORT TERM INVESTMENT

At fair value through profit or loss

Al Meezan Investment Management Limited	10,192	8,630
---	--------	-------

25. CASH AND BANK BALANCES

With banks:

On current accounts including US\$ 120,022 (2023: US\$ 119,585)	194,534	653,790
On saving accounts (Note 25.1)	60,819	349,722
	255,353	1,003,512

Cash in hand

	2,335	10,479
	257,688	1,013,991

25.1 Rate of profit on saving accounts ranges from 10.25% to 21.00% (2023: 3.75% to 20.00%) per annum.

26. REVENUE FROM CONTRACTS WITH CUSTOMERS

Export sales	46,090,330	52,700,657
Local sales (Note 26.1)	12,586,596	7,405,216
	58,676,926	60,105,873

26.1 Local sales

Yarn / finished fabric / garments	9,403,747	4,474,878
Waste	1,184,247	1,105,586
Knitting / dyeing income	3,978,572	3,118,711
	14,566,566	8,699,175
Less: Sales tax	1,977,970	1,293,959
	12,586,596	7,405,216

26.2 The amount of Rupees 691,700 million included in contract liabilities (Note 9) at 30 June 2023 has been recognized as revenue in 2024 (2023: Rupees 624,859 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024
2023
(RUPEES IN THOUSAND)

27. COST OF SALES

Raw materials consumed	23,842,418	21,878,654
Salaries, wages and other benefits	8,427,854	9,454,953
Staff retirement benefit	539,906	392,676
Fuel and power	5,205,567	4,266,268
Dyes and chemicals consumed	3,941,889	4,052,651
Stores, spare parts and loose tools consumed	1,764,701	2,200,836
Packing materials and other charges	1,971,569	1,870,573
Outside knitting, dyeing and CMT charges	2,069,703	1,890,664
Vehicle running and maintenance	509,758	496,287
Repair and maintenance	515,127	898,069
Insurance	182,605	177,215
Other factory overheads (Note 27.1)	1,614,209	1,634,268
Depreciation on property, plant and equipment (Note 14.1.2)	1,029,425	892,565
Depreciation - right-of-use assets (Note 15.1)	69,060	100,766
	51,683,911	50,206,445
Work-in-process:		
Opening stock	2,312,037	2,974,898
Closing stock	(3,287,341)	(2,312,037)
	(975,304)	662,861
Cost of goods manufactured	50,708,607	50,869,306
Finished goods:		
Opening stock	4,586,171	5,734,643
Closing stock	(6,143,390)	(4,586,171)
	(1,557,219)	1,148,472
	49,151,388	52,017,778

27.1 These include ljarah rentals amounting to Rupees 162.397 million (2023: Rupees 91.027 million) of vehicles and Rupees 46.658 million (2023: Rupees 14.456 million) in respect of short term leases of buildings.

28. DISTRIBUTION COST

Salaries and other benefits	618,795	660,580
Staff retirement benefit	61,152	67,138
Commission to selling agents	929,841	1,019,008
Export development surcharge	135,734	126,851
Insurance	17,394	14,022
Travelling and conveyance	68,105	56,206
Vehicles' running	18,383	21,543
Printing and stationery	7,175	9,325
Communication	72,010	56,889
Outward freight and distribution	1,089,873	1,781,492
Depreciation on property, plant and equipment (Note 14.1.2)	1,545	1,050
Depreciation on right-of-use assets (Note 15.1)	805	906
	3,020,812	3,815,010

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024 2023
(RUPEES IN THOUSAND)

29. ADMINISTRATIVE EXPENSES

Salaries and other benefits	546,941	677,427
Staff retirement benefit	86,274	93,619
Rent, rates and taxes (Note 29.1)	153,347	112,974
Travelling and conveyance	18,438	23,901
Entertainment	17,972	19,048
Repair and maintenance	13,424	20,642
Vehicles' running	32,643	33,285
Printing and stationery	9,486	11,658
Communication	25,789	31,483
Legal and professional	6,938	2,835
Newspapers and periodicals	41	55
Electricity and sui gas	25,978	37,097
Auditor's remuneration (Note 29.2)	6,810	6,325
Subscription and fee	9,942	8,146
Advertisement	7,158	6,319
Insurance	16,353	17,320
Miscellaneous	5,588	8,853
Depreciation on property, plant and equipment (Note 14.1.2)	178,433	121,793
Depreciation on right-of-use assets (Note 15.1)	1,237	1,224
	<u>1,162,792</u>	<u>1,234,004</u>

29.1 These include ljarah rentals amounting to Rupees 28,537 million (2023: Rupees 21,306 million) of vehicles.

29.2 Auditor's remuneration

Annual audit fee	5,000	5,000
Half yearly review fee	800	650
Other certifications	875	550
Reimbursable expenses	135	125
	<u>6,810</u>	<u>6,325</u>

30. OTHER EXPENSES

Allowance for expected credit losses (Note 19.4)	8,186	7,587
Workers' profit participation fund (Note 9.1)	5,571	154,621
Donations (Note 30.1)	2,500	25,000
Net exchange loss	139,163	-
Worker's welfare fund (Note 9.2)	5,488	3,829
	<u>160,908</u>	<u>191,037</u>

30.1 The name of donees to whom donation exceeded Rupees 1 million is as follows:

Al Khidmat Foundation Pakistan	2,520	-
Prime Minister Flood Relief Fund	-	25,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024
2023
(RUPEES IN THOUSAND)

31. OTHER INCOME

Income from financial assets

Profit on deposits with banks	87,814	75,278
Dividend income	1,838	1,245
Reversal of allowance for expected credit losses (Note 19.4)	250	-
Net exchange gain	-	3,641,726

Income from non-financial assets

Sale of scrap	14,904	22,786
Gain on sale of property, plant and equipment	86,931	40,847
Amortization of deferred income - Government grant	-	6,401
Gain on termination of lease liability	-	600
Others	84,755	52,542

32. FINANCE COST

Mark-up / interest on:

Long term financing	664,999	739,230
Short term borrowings	4,136,549	2,245,257
Lease liabilities (Note 7.1)	18,179	11,442
Interest on workers' profit participation fund (Note 9.1)	12,701	4,468
Unwinding of discount on GIDC payable	-	29
Bank charges and commission	167,073	198,395

33. TAXATION

Current	75,410	46,172
Prior year adjustment	(62)	(317)

331. The Company falls under the ambit of final tax regime under section 169 of the Income Tax Ordinance, 2001. Final taxes fall under levy within the scope of IFRIC 21 / IAS 37. Charge for levy has been recognised in statement of profit or loss separately as disclosed in Note 21.1. Final tax deducted on distribution of dividend to the Company is also recognized as levy. Provision for super tax on income is calculated as per Section 4C of the Income Tax Ordinance, 2001. Where calculation of super tax is based on taxable profits as defined in IAS 12, then, super tax is recognised as provision for income tax otherwise super tax is recognised as levy. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

34. (LOSS) / EARNINGS PER SHARE

Basic (loss) / earnings per share

(Loss) / profit attributable to ordinary shareholders	(Rupees in thousand)	(470,030)	2,651,189
Dividend on preference shares	(Rupees in thousand)	(66,644)	(50,017)

Weighted average number of ordinary shares

(Loss) / earnings per share - Basic

(Numbers)

(Rupees)

	(536,674)	2,601,172
	67,500,000	67,500,000
	(7.95)	38.54

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

2024
(RUPEES IN THOUSAND)

2023

Diluted earnings per share

(Loss) / profit attributable to ordinary shareholders	(Rupees in thousand)	(470,030)	2,651,189
Dividend on preference shares	(Rupees in thousand)	(66,644)	(50,017)
		(536,674)	2,601,172
Weighted average number of ordinary shares	(Numbers)	73,557,469	74,922,783
(Loss) / earnings per share - Diluted	(Rupees)	(7.30)	34.72

35. CASH GENERATED FROM OPERATIONS

Profit before taxation and levy		458,017	3,490,648
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment (Note 141)		1,209,403	1,015,408
Depreciation on right-of-use assets (Note 15)		71,102	102,896
Provision for gratuity (Note 8.1)		687,332	553,433
Profit on deposits with banks (Note 31)		(87,814)	(75,278)
Allowance for expected credit losses (Note 30)		8,186	7,587
Reversal of allowance for expected credit losses (Note 31)		(250)	-
Gain on sale of property, plant and equipment (Note 31)		(86,931)	(40,847)
Amortization of deferred income - Government grant		-	(6,401)
Exchange loss / (gain) - net		2,693	(182,524)
Gain on termination of lease liability		-	(600)
Finance cost (Note 32)		4,999,501	3,198,821
Working capital changes (Note 35.1)		868,081	(4,077,561)
		8,129,320	3,985,582
35.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spare parts and loose tools		251,941	(1,066,114)
Stock in trade		(3,334,648)	548,370
Trade debts		2,595,347	(4,136,439)
Loans and advances		143,030	38,151
Short term deposits and prepayments		(38,796)	(44,446)
Other receivables		549,061	(347,643)
		165,935	(5,008,121)
Increase in trade and other payables		702,146	930,560
		868,081	(4,077,561)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

35.2 Reconciliation of movements of liabilities to cash flows from financing activities:

	2024				2023			
	Long term financing	Short term borrowings	Lease liabilities	Total	Long term financing	Short term borrowings	Lease liabilities	Total
Opening balance	4,206,619	20,607,236	66,497	24,880,352	5,948,897	17,821,275	146,153	23,916,325
Lease liabilities obtained	-	-	122,796	122,796	-	-	42,017	42,017
Termination of lease liability	-	-	-	-	-	-	(7,993)	(7,993)
Proceeds from long term financing	554,121	-	-	554,121	190,429	-	-	190,429
Short term borrowings obtained - net	-	1,547,693	-	1,547,693	-	2,785,961	-	2,785,961
Repayment of long term financing	(1,860,744)	-	-	(1,860,744)	(1,939,108)	-	-	(1,939,108)
Other changes - non-cash movement	-	-	-	-	6,401	-	-	6,401
Repayment of lease liabilities	-	-	(69,021)	(69,021)	-	-	(113,680)	(113,680)
Closing balance	2,899,996	22,154,929	120,272	25,175,197	4,206,619	20,607,236	66,497	24,880,352

36. EVENT AFTER THE REPORTING PERIOD

36.1 Board of Directors of the Company has proposed a preference dividend for the preference shareholders of the Company amounting to Rupees 2,4234 (2023: Rupees 18188) per share at their meeting held on 05.OCTOBER.2024. However, this event has been considered as non-adjusting event under IAS-10 'Events after the Reporting Period' and has not been recognized in these financial statements.

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these financial statements in respect of remuneration including all benefits to the Chief Executive Officer, Directors and Executives of the Company are given below:

DESCRIPTION	2024		2023	
	Chief Executive Officer	Executives	Chief Executive Officer	Executives
Managerial remuneration	12,000	416,105	12,000	310,584
Allowances				
House rent	4,800	166,442	4,800	124,233
Other allowances	1,200	41,611	1,200	31,058
Payment of staff retirement gratuity	-	15,284	-	11,258
	18,000	639,442	18,000	477,133
Number of persons	1	213	1	155

37.1 The Chief Executive Officer and some of the executives are provided free use of Company maintained vehicles.

37.2 Meeting fee amounting to Rupees 0.850 million (2023: Rupees 0.150 million) has been paid to four non-executive directors (2023: three non-executive directors).

37.3 Apart from meeting fee as stated in Note 37.2, no remuneration was paid to any director of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

38. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate, associated company, other related parties and key management personnel. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements are as follows:

	2024	2023
	(RUPEES IN THOUSAND)	
Other related parties		
Sale of vehicles to executives	10,504	10,757
38.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, Directors and Executives is disclosed in Note 37.		
38.2 Shanghai Challenge Textile Company Limited (SCTCL) is the associate due to 25.77% shareholding in the Company. SCTCL is incorporated in China.		
38.3 Challenge Apparels Limited is the associated company by way of common directorship.		

	2024	2023
39. NUMBER OF EMPLOYEES		
Number of employees as on 30 June	14 831	17 580
Average number of employees during the year	19 619	21 220

		2024	2023
		(FIGURES IN THOUSAND)	
40. PLANT CAPACITY AND ACTUAL PRODUCTION			
SPINNING			
Production at normal capacity converted to 20s count based on three shifts per day	(Kgs.)	5 894	5 787
Actual production converted to 20s count based on three shifts per day	(Kgs.)	5 229	5 204
KNITTING			
Production at normal capacity based on three shifts per day	(Kgs.)	51 988	50 927
Actual production based on three shifts per day	(Kgs.)	20 483	25 903
DYEING / FINISHING			
Production at normal capacity on reactive dyeing basis at three shifts per day	(Kgs.)	46 090	45 166
Actual production converted on reactive dyeing basis at three shifts per day	(Kgs.)	19 594	24 548
GARMENTS			
Production at normal capacity of normal / average garments capacity based on single shift per day	(Dzn.)	2 261	3 960
Actual production of normal / average garments capacity basis on single shift per day	(Dzn.)	1 262	1 904

40.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity is due to normal maintenance and recession in global market. Machines are available for different types of fabric for which orders are based on seasonal basis. Moreover, the garments capacities are varied due to multi products having different and complex stitching process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

41

SEGMENT INFORMATION

Revenue from contracts with customers

	Spinning		Knitting		Processing & Garments		Elimination of inter-segment transactions		Total-Company	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
External Intersegment	7,515,416	3,917,043	1,402,895	1,190,086	49,758,615	54,998,744	-	-	58,676,926	60,105,873
Cost of sales	7,793,065	9,208,724	18,873,858	20,950,630	36,774	304,179	(26,703,697)	(30,263,533)	-	-
Gross (loss) / profit	15,308,481	13,125,767	20,276,753	22,140,716	49,795,389	55,102,923	(26,703,697)	(30,263,533)	58,676,926	60,105,873
	(15,539,522)	(12,795,598)	(19,928,284)	(21,674,977)	(40,387,279)	(47,910,736)	26,703,697	30,263,533	(49,151,388)	(52,017,778)
	(23,041)	330,169	348,469	485,739	9,408,110	7,282,187	-	-	9,525,538	8,088,095
Distribution cost	(151,235)	(130,004)	(159,166)	(172,060)	(2,710,411)	(3,512,946)	-	-	(3,020,912)	(3,815,010)
Administrative expenses	(99,940)	(98,476)	(150,792)	(81,887)	(912,060)	(975,641)	-	-	(1,162,792)	(1,234,004)
	(251,175)	(228,480)	(309,958)	(333,947)	(3,622,471)	(4,488,587)	-	-	(4,183,604)	(5,049,014)
(Loss) / profit before taxation and unallocated income and expenses	(482,216)	103,689	38,511	131,792	5,785,639	2,803,600	-	-	5,341,934	3,039,081
Unallocated income and expenses										
Other expenses									(160,908)	(91,037)
Other income									276,492	3,841,425
Finance cost									(4,999,501)	(3,198,822)
Levy									(852,699)	(793,604)
Taxation									(75,348)	(45,855)
(Loss) / profit after taxation									(470,030)	2,651,189

411

Reconciliation of reportable segment assets and liabilities

	Spinning		Knitting		Processing & Garments		Total-Company	
	2024	2023	2024	2023	2024	2023	2024	2023
Segment assets	4,665,454	5,050,510	4,458,917	3,603,238	27,844,676	22,475,103	36,969,047	31,128,911
Unallocated assets							18,182,695	23,161,165
Total assets as per statement of financial position							55,151,742	54,290,076
Segment liabilities	1,286,311	1,383,788	2,857,412	2,399,921	9,150,651	8,392,355	13,274,374	12,176,064
Unallocated liabilities							25,195,755	24,898,542
Total liabilities as per statement of financial position							38,470,129	37,074,606

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

412 Geographical Information

The Company's revenue from external customers by geographical location is detailed below:

	Spinning		Knitting		Processing & Garments		Total-Company	
	2024	2023	2024	2023	2024	2023	2024	2023
	(RUPEES IN THOUSAND)							
Australia	-	-	-	-	315,190	234,527	315,190	234,527
Bangladesh	13,285	-	-	-	1,144	-	14,429	-
Belgium	-	-	-	-	2,722,235	2,029,620	2,722,235	2,029,620
Brazil	-	-	-	-	480	2,454	480	2,454
Canada	8,291	-	-	-	767,260	1,117,441	775,551	1,117,441
Chile	-	-	-	-	44,966	92,691	44,966	92,691
China	228,109	-	-	-	210,047	367,091	438,156	367,091
Costa Rica	-	-	-	-	1,388	-	1,388	-
Croatia	-	-	-	-	445	-	445	-
Czech Republic	-	-	-	-	700	-	700	-
Denmark	-	-	-	-	217,924	-	217,924	-
Egypt	25,709	19,846	-	-	-	-	25,709	19,846
Ethiopia	-	-	-	-	17,868	133,197	17,868	133,197
France	-	-	-	-	405,932	290,440	405,932	290,440
Georgia	-	-	-	-	802,631	-	802,631	-
Germany	-	-	-	-	6,243,603	4,871,845	6,243,603	4,871,845
Hong Kong	-	-	-	-	317,947	603,488	317,947	603,488
Indonesia	27,276	19,584	-	-	15,389	-	42,665	19,584
Italy	805	-	-	-	104,543	25,654	105,348	25,654
Japan	-	-	-	-	55,766	67,862	55,766	67,862
Jordan	-	-	-	-	144,357	70,590	144,357	70,590
Kenya	-	-	-	-	479,964	664,362	479,964	664,362
Korea	-	19,408	-	-	56,812	36,394	56,812	55,802
Malaysia	-	-	-	-	7,212	105,522	7,212	105,522
Mauritius	-	-	-	-	2,942	-	2,942	-
Mexico	-	-	-	-	47,529	68,276	47,529	68,276
Netherlands	-	-	-	-	989,228	4,587,929	989,228	4,587,929
Panama	-	-	-	-	43,793	106,639	43,793	106,639
Peru	-	-	-	-	880	11,187	880	11,187
Poland	-	-	-	-	193,182	231,853	193,182	231,853
Portugal	23,614	-	-	-	-	-	23,614	-
Russia	-	-	-	-	86,849	87,022	86,849	87,022
Serbia	-	-	-	-	-	1,176	-	1,176
Singapore	-	-	-	-	44,142	46,388	44,142	46,388
South Africa	-	-	-	-	6,745	7,878	6,745	7,878
Spain	23,678	-	-	-	443,141	786,638	466,819	786,638
Sri Lanka	704,760	547,313	-	-	3,145,468	3,142,255	3,850,228	3,689,568
Taiwan	-	-	-	-	15,093	36,322	15,093	36,322
United Arab Emirates	-	-	-	-	58,062	37,386	58,062	37,386
United Kingdom	-	-	-	-	1,369,094	360,705	1,369,094	360,705
United States of America	-	-	-	-	25,085,006	31,868,639	25,085,006	31,868,639
Vietnam	-	-	-	-	569,856	1,035	569,856	1,035
Pakistan	6,459,889	3,310,892	1,402,895	1,190,086	4,723,812	2,904,238	12,586,596	7,405,216
	7,515,416	3,917,043	1,402,895	1,190,086	49,758,615	54,998,744	58,676,926	60,105,873

413 The Company's revenue from external customers in respect of product is detailed below:

Yarn	7,462,748	3,864,428	312,076	257,965	-	-	7,774,824	4,122,293
Knitting / dyeing income	-	-	1,090,819	932,069	2,279,156	1,721,243	3,369,975	2,853,312
Finished fabric / garments	-	-	-	-	46,528,526	52,388,261	46,528,526	52,388,261
Waste	52,668	52,615	-	152	950,933	889,240	1,003,601	942,007
	7,515,416	3,917,043	1,402,895	1,190,086	49,758,615	54,998,744	58,676,926	60,105,873

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

4.4 All non-current assets of the Company as at reporting date are located and operating in Pakistan.

4.5 Revenue is recognized at the point of time as per terms and conditions of underlying contract with customers.

4.6 Revenue from major customers

Revenue from major customers of the Company's Processing and Garments segment includes two customers (2023: three) representing Rupees 19,593 million (2023: Rupees 22,449 million). Revenue from other segments of the Company does not include any major customer.

4.2. FINANCIAL RISK MANAGEMENT

4.2.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2024	2023
Cash at banks - USD	120,022	119,585
Trade debts - USD	44,147,334	53,559,132
Trade debts - Euro	117,809	325,172
Trade and other payables - USD	(579,585)	(429,698)
Net exposure - USD	43,687,771	53,249,019
Net exposure - Euro	117,809	325,172
Following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	283.01	247.98
Reporting date rate	278.30	286.60
Rupees per Euro		
Average rate	306.78	261.21
Reporting date rate	297.88	313.72

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on (loss) / profit after taxation for the year would have been Rupees 516 million lower / higher (2023: Rupees 650170 million higher / lower), mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the index of Mutual Funds Association of Pakistan (MUFAP) on the Company's (loss) / profit after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on (loss) / profit after taxation	
	2024	2023
MUFAP (10% increase)	949	803
MUFAP (10% decrease)	(949)	(803)

(ii) Interest rate risk

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

The Company's interest rate risk arises from long term financing, lease liabilities, short term borrowings and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2024	2023
	(RUPEES IN THOUSAND)	
Fixed rate instruments		
Financial liabilities		
Long term financing	548,678	1,202,594
Lease liabilities	115,542	56,317
Short term borrowings	12,483,105	15,382,914
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	60,819	349,722
Financial liabilities		
Long term financing	2,351,318	3,004,025
Lease liabilities	4,730	10,180
Short term borrowings	9,671,824	5,224,322

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates, at the year end date, fluctuates by 1% higher / lower with all other variables held constant, (loss) / profit after taxation for the year would have been Rupees 102.318 million higher / lower (2023: Rupees 67.449 million lower / higher), mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming that amounts of liabilities outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Investment	10,192	8,630
Trade debts	141,215,335	16,726,515
Loans and advances	113,219	135,347
Deposits	332,914	322,282
Other receivables	12,139	20,876
Bank balances	255,353	1,003,512
	14,845,352	18,217,162

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate. The external credit rating of Company's bankers is given below:

	Rating			2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
	Short term	Long term	Agency		
Banks					
National Bank of Pakistan	A1+	AAA	PACRA	37,613	97,279
Allied Bank Limited	A1+	AAA	PACRA	21	22
Askari Bank Limited	A1+	AA+	PACRA	32,870	351,442
Bank Alfalah Limited	A1+	AAA	PACRA	2,863	651
First Women Bank Limited	A2	A-	PACRA	52	47
Habib Bank Limited	A-1	AAA	VIS	27,665	65,212
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	4,209	186,861
Bank Al-Habib Limited	A1+	AAA	PACRA	-	68,061
MCB Bank Limited	A1+	AAA	PACRA	11,667	5,088
The Bank of Punjab	A1+	AA+	PACRA	8,811	17,915
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	9,201	32,185
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	7,843	8,623
United Bank Limited	A-1+	AAA	VIS	49,142	4,203
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	8,065	5,728
Soneri Bank Limited	A1+	AA-	PACRA	15,012	15,222
Samba Bank Limited	A1	AA	PACRA	2,756	1,199
Industrial and Commercial Bank of China	P-1	A1	Moody's	325	297
Meezan Bank Limited	A-1+	AAA	VIS	35,364	22,079
Bank of Khyber	A1	A+	PACRA	212	7,026
Khushhali Microfinance Bank Limited	A-2	A-	VIS	-	46
FINCA Microfinance Bank limited	A3	BBB+	PACRA	-	30
BankIslami Pakistan Limited	A1+	AAA	PACRA	1,662	15,001
Bank Makaramah Limited		Suspended	VIS	-	112,995
				255,353	1,003,512
Short term investment					
Al Meezan Investment Management Limited		AMI	PACRA	10,192	8,630

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the senior management and where considered necessary, advance payments are obtained from certain parties. Export sales to major customers are secured through letters of credit. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit loss allowance for its trade debts. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 19.4 to the financial statements.

As at 30 June 2024, trade debts of Rupees 1,825,649 million (2023: Rupees 2,002,819 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
Related party		
More than 6 months	192,498	311,665
Others		
Upto 1 month	854,662	1,261,664
1 to 6 months	406,722	236,025
More than 6 months	371,767	193,465
	1,633,151	1,691,154
	1,825,649	2,002,819

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2024, the Company had Rupees 1,920.071 million (2023: Rupees 1,755 million) available borrowing limits from financial institutions and Rupees 257,688 million (2023: Rupees 1,013,991 million) cash and bank balances. Management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows.

Following are the contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
----- (RUPEES IN THOUSAND) -----						
Non-derivative financial liabilities:						
Long term financing	2,899,996	3,785,374	1,119,300	675,844	1,044,290	945,940
Lease liabilities	120,272	150,745	25,923	15,072	33,157	76,593
Unclaimed dividend	8,938	8,938	8,938	-	-	-
Short term borrowings	22,154,929	22,835,192	19,991,982	2,843,210	-	-
Trade and other payables	9,326,136	9,326,136	9,123,790	202,346	-	-
Accrued mark-up	818,018	818,018	818,018	-	-	-
	<u>35,328,289</u>	<u>36,924,403</u>	<u>31,087,951</u>	<u>3,736,472</u>	<u>1,077,447</u>	<u>1,022,533</u>

Following are the contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
----- (RUPEES IN THOUSAND) -----						
Non-derivative financial liabilities:						
Long term financing	4,206,619	5,500,648	1,323,700	1,196,839	1,597,004	1,383,105
Lease liabilities	66,497	70,424	31,151	27,714	11,559	-
Unclaimed dividend	8,944	8,944	8,944	-	-	-
Short term borrowings	20,607,236	21,246,210	18,231,210	3,015,000	-	-
Trade and other payables	8,518,268	8,518,268	8,432,504	85,764	-	-
Accrued mark-up	787,782	787,782	787,782	-	-	-
	<u>34,195,346</u>	<u>36,132,276</u>	<u>28,815,291</u>	<u>4,325,317</u>	<u>1,608,563</u>	<u>1,383,105</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up / profit rates effective as at 30 June. The rates of mark-up / profit have been disclosed in Note 6, Note 7 and Note 11 to these financial statements.

(d) Capital risk management

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares.

The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

42.2 Financial instruments by categories

2024			2023		
At fair value through profit or loss	At amortized cost	Total	At fair value through profit or loss	At amortized cost	Total
(RUPEES IN THOUSAND)					

As at 30 June

Financial assets as per statement of financial position

Investment	10192	-	10192	8,630	-	8,630
Trade debts	-	14121535	14121535	-	16,726,515	16,726,515
Loans and advances	-	113,219	113,219	-	135,347	135,347
Deposits	-	332,914	332,914	-	322,282	322,282
Other receivables	-	12,139	12,139	-	20,876	20,876
Cash and bank balances	-	257,688	257,688	-	10,13,991	10,13,991
	10192	14,837,495	14,847,687	8,630	18,219,011	18,227,641

At amortized cost
2024 2023
(RUPEES IN THOUSAND)

Financial liabilities as per statement of financial position

Long term financing	2,899,996	4,206,619
Lease liabilities	1,20,272	66,497
Unclaimed dividend	8,938	8,944
Short term borrowings	22,15,492.9	20,60,723.6
Trade and other payables	9,32,613.6	8,58,268
Accrued mark-up	818,018	78,778.2
	35,32,828.9	34,19,534.6

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Reconciliation to the line items presented in the statement of financial position is as follows:

	2024			2023		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
----- (RUPEES IN THOUSAND) -----						
Assets as per statement of financial position						
Long term advances	10,076	-	10,076	17,174	-	17,174
Long term security deposits	36,731	-	36,731	75,560	-	75,560
Trade debts	14,121,535	-	14,121,535	16,726,515	-	16,726,515
Loans and advances	11,321,9	488,484	601,703	135,347	609,386	744,733
Short term deposits and prepayments	332,914	4,335	337,249	246,722	51,731	298,453
Other receivables	12,139	2,687,418	2,699,557	20,876	32,31,522	3,252,398
Short term investment	-	10,192	10,192	8,630	-	8,630
Cash and bank balances	257,688	-	257,688	10,13,991	-	10,13,991
	14,884,302	3,190,429	18,074,731	18,244,815	3,892,639	22,137,454
Liabilities as per statement of financial position						
Long term financing	2,899,996	-	2,899,996	4,206,619	-	4,206,619
Lease liabilities	1,20,272	-	1,20,272	66,497	-	66,497
Trade and other payables	9,326,136	1,03,016	10,357,152	8,518,268	1,157,041	9,675,309
Unclaimed dividend	8,938	-	8,938	8,944	-	8,944
Accrued mark-up	818,018	-	818,018	787,782	-	787,782
Short term borrowings	22,154,929	-	22,154,929	20,607,236	-	20,607,236
	35,328,289	1,03,016	36,359,305	34,195,346	1,157,041	35,352,387

42.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

43. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
	----- (RUPEES IN THOUSAND) -----			
Financial assets - recurring fair value measurement				
At fair value through profit or loss	10,192	-	-	10,192
At 30 June 2024	10,192	-	-	10,192

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
Financial assets - recurring fair value measurement				
At fair value through profit or loss	8,630	-	-	8,630
At 30 June 2023	8,630	-	-	8,630

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

(ii) Valuation technique used to determine fair value

Specific valuation technique used to value financial instruments includes the use of quoted market prices as per MUFAP.

44. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

The judgements and estimates made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
At 30 June 2024				
Freehold land	-	4,305,905	-	4,305,905
At 30 June 2023				
Freehold land	-	4,539,575	-	4,539,575

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfer between level 1 and 2 for recurring fair value measurement during the year. Further, there was no transfer in and out of level 3.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land (classified as property, plant and equipment) at least in every three years. The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land.

Changes in fair values are analyzed during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

45. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on 05 October 2024 by the Board of Directors of the Company.

46. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified for better presentation, wherever necessary for the purpose of comparison. However, no significant reclassifications have been made except for as given in Note 2.4 to these financial statements and as follows:

PARTICULARS	RECLASSIFICATION		RUPEES IN THOUSAND
	FROM	TO	
Gas Infrastructure Development Cess (GDC) payable	Current portion of non-current liabilities	Trade and other payables	9,262

47. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

GENDER PAY GAP STATEMENT

Gender Pay Gap statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024
Following is gender pay gap calculated for the year ended June 30, 2024:

- (i) Mean Gender Pay Gap: 08.73%
- (ii) Median Gender Pay Gap: 00.00%

The above ratios reflect the overall employee gender pay gap across the organization. The Company ensures equitable compensation for the female members in their respective role based on experience, qualification and performance.



CHIEF EXECUTIVE OFFICER

05

Shareholder's Information

mtm

Masood Textile Mills

PATTREN OF SHARE HOLDING

AS ON 30 JUNE, 2024

FORM 20

THE COMPANIES ACT, 2017
COMPANIES REGULATIONS, 2024
[Section 227 (2)(f)] and Regulation 30]
PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2024

PART - 1
0012223

1. Incorporation Number

1.1 Name of the Company

MASOOD TEXTILE MILLS LIMITED

PART - 11

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

3 0 0 6 2 0 2 4

2.2 No. of shareholders	Shareholdings	Total shares
604	Shareholding from 1 to 100 Shares	41,287
441	Shareholding from 101 to 500 Shares	100,660
82	Shareholding from 501 to 1000 Shares	63,787
107	Shareholding from 1001 to 5000 Shares	250,714
19	Shareholding from 5001 to 10000 Shares	132,993
9	Shareholding from 10001 to 15000 Shares	111,149
2	Shareholding from 15001 to 20000 Shares	38,928
3	Shareholding from 20001 to 25000 Shares	68,087
1	Shareholding from 30001 to 35000 Shares	33,750
1	Shareholding from 40001 to 45000 Shares	42,187
2	Shareholding from 45001 to 50000 Shares	100,000
1	Shareholding from 55001 to 60000 Shares	58,775
2	Shareholding from 60001 to 65000 Shares	127,000
1	Shareholding from 65001 to 70000 Shares	66,501
1	Shareholding from 85001 to 90000 Shares	86,637
1	Shareholding from 90001 to 95000 Shares	92,605
1	Shareholding from 100001 to 105000 Shares	104,962
1	Shareholding from 120001 to 125000 Shares	121,374
1	Shareholding from 165001 to 170000 Shares	166,600
1	Shareholding from 265001 to 270000 Shares	267,000
1	Shareholding from 415001 to 420000 Shares	419,625
1	Shareholding from 605001 to 610000 Shares	607,553
1	Shareholding from 635001 to 640000 Shares	639,000
1	Shareholding from 690001 to 695000 Shares	692,050
1	Shareholding from 785001 to 790000 Shares	785,100
1	Shareholding from 790001 to 795000 Shares	791,000
1	Shareholding from 1555001 to 1560000 Shares	1,556,718

2.2 No. of shareholders	Shareholdings	Total shares
1	Shareholding from 1670001 to 1675000 Shares	1,673,987
1	Shareholding from 1725001 to 1730000 Shares	1,726,400
1	Shareholding from 2210001 to 2215000 Shares	2,214,169
1	Shareholding from 4385001 to 4390000 Shares	4,387,500
1	Shareholding from 4535001 to 4540000 Shares	4,536,019
1	Shareholding from 7635001 to 7640000 Shares	7,636,550
1	Shareholding from 17395001 to 17400000 Shares	17,396,833
1	Shareholding from 20360001 to 20365000 Shares	20,362,500
1296	Total	67,500,000

PREFERENCE SHARES:

1	Shareholding from 245001 to 250000 Shares	250,000
1	Shareholding from 2495001 to 2500000 Shares	2,500,000
1	Shareholding from 4435001 to 4440000 Shares	4,440,000
2	Shareholding from 4995001 to 5000000 Shares	10,000,000
1	Shareholding from 10305001 to 10310000 Shares	10,310,000
6	Total	27,500,000

2.3 Categories of shareholders	shares held	Percentage
--------------------------------	-------------	------------

ORDINARY SHARES:

2.3.1 Directors, Chief Executive Officer, and their spouse and minor children.	21,972,405	32.55
2.3.2 Associated Companies, undertakings and related parties.	17,396,833	25.77
2.3.3 NIT and ICP	2,218,269	3.29
2.3.4 Banks, Development Financial Institutions, Non Banking Financial Institutions.	4,536,588	6.72
2.3.5 Insurance Companies	7,694	0.01
2.3.6 Modarabas and Mutual Funds	4,100	0.01
2.3.7 Share holders holding 10%	45,395,883	67.25
2.3.8 General Public		
a. Local	6,494,105	9.62
b. Foreign	-	-
2.3.9 Others - Joint Stock Companies / Co-operative Societies.	7,233,456	10.72

3- PREFERENCE SHARES:

3.1 Banks.	16,940,000	61.60
3.2 Investment Companies.	10,560,000	38.40

Signature of Chief Executive/ Secretary



Name of Signatory

NISAR AHMAD ALVI

Designation

COMPANY SECRETARY

CNIC Number

3 | 3 | 1 | 0 | 4 | - | 2 | 6 | 9 | 3 | 4 | 6 | 0 | - | 9

Date

Day	Month	Year
		2 0 2 4

NAME WISE CATEGORIES OF SHARE HOLDERS SUMMARY

AS ON 30 JUNE, 2024

Categories of shareholders	Shares Held	Total Shares	Percentage
ORDINARY SHARES:			
2.3.1 Directors:			
MR. SHAHID NAZIR AHMAD	Chief Executive Officer	1,556,718	
MR. NASEER AHMAD SHAH	Chairman	42,187	
MR. SHABIR AHMAD ABID	Director	6,000	
MR. SHAHID IOBAL	Director	5,000	
MR. SHOAIB AHMAD KHAN (NIT Nominee)	Director	-	
MR. SHIBIN YANG (Shanghai Challenge - Nominee)	Director	-	
MS. CHEN YAN (Shanghai Challenge - Nominee)	Director	-	
		20,362,500	32.55
SPOUSE:			
2.3.2 Associated Undertakings:			
SHANGHAI CHALLENGE TEXTILE CO., LIMITED		-	17,396,833
			25.77
2.3.3 NIT And ICP:			
INVESTMENT CORPORATION OF PAKISTAN		850	
IDBL (ICP UNIT)		3,250	
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		2,214,169	
			2,218,269
			3.29
2.3.4 Financial Institutions:			
Banks:			
NATIONAL BANK OF PAKISTAN		-	4,536,588
			6.72
2.3.5 Insurance Companies:			
AGRO GENERAL INSURANCE COMPANY LIMITED		7,594	
DELTA INSURANCE COMPANY LTD.		100	
			7,694
			0.01
2.3.6 Modarabas And Mutual Fund:			
THIRD PRUDENTIAL MODARABA		2,900	
UNICAP MODARABA		200	
CDC - TRUSTEE AKD OPPORTUNITY FUND		1,000	
			4,100
			0.01
2.3.7 Shareholders Holding 10% or More:			
MRS. NAZIA NAZIR		20,362,500	
ZHEJIANG XINAO INDUSTRY COMPANY LIMITED		7,636,550	
SHANGHAI CHALLENGE TEXTILE CO., LIMITED		17,396,833	
			45,395,883
			67.25

NAME WISE CATEGORIES OF SHARE HOLDERS SUMMARY

AS ON 30 JUNE, 2024

<i>Categories of shareholders</i>	<i>Shares Held</i>	<i>Total Shares</i>	<i>Percentage</i>
2.3.8 General Public:		6,494,105	9.62
2.3.9 Joint Stock Companies And Others:			
FORTRESS TEXTILES (PVT) LIMITED	2,616,462		
H M INVESTMENTS (PVT) LIMITED	4,900		
KOHISTAN CORPORATION (PVT) LTD.	4,387,500		
MAPLE LEAF CAPITAL LIMITED	1		
NH SECURITIES (PVT) LIMITED.	5		
PAKISTAN KUWAIT INVST.(PVT) LTD	2,600		
PASHA SECURITIES (PVT) LTD.	100		
PRUDENTIAL CAP.MANAGEMENT LTD.	1,600		
SAVARI (Pvt) LIMITED	900		
SHAFFI SECURITIES (PVT) LIMITED	2,000		
SOFTWARE CREATIONS (PVT) LIMITED	121,374		
TRUSTEE NBP EMP Benevolent Fund Trust	3,249		
TRUSTEE NBP Employees Pension Fund	92,605		
Y.S. SECURITIES & SERVICES (PVT) LTD.	160	7,233,456	10.72
3. PREFERENCE SHARES:			
3.1 Banks:			
ASKARI BANK LIMITED	2,500,000		
HABIB BANK LIMITED	4,440,000		
MCB BANK LIMITED	5,000,000		
NATIONAL BANK OF PAKISTAN	5,000,000	16,940,000	61.60
3.2 Investment Companies:			
KOHISTAN CORPORATION (PVT) LTD.	250,000		
SUNDAR IMPEX (PVT) LIMITED	10,310,000	10,560,000	38.40

FORM OF PROXY

No. of Ordinary Shares Held _____ Folio No. _____ CDC A/c No. _____

I/We _____

of _____

being a member of MASOOD TEXTILE MILLS LIMITED hereby appoint _____

_____ (NAME)

of _____ (ADDRESS)

(being a member of the Company) as my/our proxy to vote for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held at its Registered Office at Universal House, 17/1, New Civil Lines, Bilal Road, Faisalabad, on Monday, the 28th day of October, 2024 at 11.00 A.M. or any adjournment thereof.

As witnessed my hands this _____ day of _____ 2024

Signed by me in the presence of witness: _____

(Signature of witness)

CNIC _____

(Member's Signature)

CNIC _____

(Signature of witness)

CNIC _____

*Fifty Rupees
Revenue
Stamp*

Notes:

- 1- Proxies, in order to be effective, must be received at the Company's Registered Office Universal House, 17/1, New Civil Lines, Bilal Road, Faisalabad, not later than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
- 2- CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in Original to prove his/her identity and in case of proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form.
- 3- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.

پراکسی فارم

حصص کی تعداد ----- فولیو نمبر ----- سی ڈی سی کھاتہ نمبر -----
میں / ہم مسمی / مسماة ----- ساکن -----
محشیت ممبر مسعود ٹیکسٹائل ملز لمیٹڈ، مسمی / مسماة ----- ساکن -----
کمپنی ممبر کو بطور (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کا 40 واں سالانہ اجلاس عام منعقدہ بروز سوموار بتاریخ 28 اکتوبر 2024 بوقت صبح 11:00 بجے بشمول التوا سالانہ اجلاس عام بابت مسعود ٹیکسٹائل ملز لمیٹڈ یونیورسل ہاؤس 171، نیوسول لائین بلاک روڈ فیصل آباد میں ووٹ ڈال سکے۔

دستخط بتاریخ ----- دن ----- 2024۔

بجودگی گواہ مسمی / مسماة -----
نام -----
ولدیت / زوجیت -----
ساکن اسکنہ -----

دستخط -----
گواہ کی موجودگی میں دستخط شدہ
(دستخط کمپنی میں موجود رجسٹرڈ کے مطابق ہونے چاہیں)
دستخط گواہ -----
قومی شناختی کارڈ نمبر -----
دستخط گواہ -----
قومی شناختی کارڈ نمبر -----

پچاس روپے کی ریونیوشپ
چسپاں کریں

اہم نوٹ:

- (1) پراکسی کے منوثر ہونے کے لئے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل ہمہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کے رجسٹرڈ آفس واقعہ یونیورسل ہاؤس 171، نیوسول لائین بلاک روڈ فیصل آباد پر موصول ہونی چاہئیں۔
- (2) سی ڈی سی حصص داران اور پراکسی ہولڈرز اجلاس ہذا میں اپنی شناخت ثابت کرنے کے لئے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراکسی کی صورت میں سی ڈی سی حصص داران اور پراکسی ہولڈرز اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ لگائیں۔
- (3) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی ہمہ نمائندہ کے دستخط (اگر پہلے مہیا نہیں کی گئیں) پراکسی فارم کے ساتھ لف کرنے ہوں گے یا اجلاس ہذا کے وقت مہیا کر سکتے ہیں۔

Registered Office

Masood Textile Mills Limited
Universal House, 17/1, New Civil Lines
Bilal Road, Faisalabad
Phone: 041-2600176-276
Fax: 041-2600976
Web: www.masoodtextile.com

Mills

Masood Textile Mills Limited
32-KM, Sheikhpura Road Faisalabad

