

Annual Report 2024



ZAHIDJEE



ZAHIDJEE TEXTILE MILLS LIMITED

Mission, Vision, Values

- ▶ To add value to shareholders and the economy by engaging profitably in textile products.
- ▶ To be and remain quality leader and competitive in the international market.
- ▶ To conduct business as a socially responsible corporate citizen.

COMPANY INFORMATION

Board of Directors

Mr. Ahmad Zahid	Chairman
Mr. Muhammad Zahid	Chief Executive
Mrs. Mehreen Fahad	Director
Mr. Muhammad Ali	Director
Mr. Sajjad Hussain Shah	Independent Director
Mr. Faisal Masood Afzal	Independent Director
Mr. Shahbaz Haider Agha	Independent Director

Audit Committee

Mr. Sajjad Hussain Shah	Chairman
Mr. Faisal Masood Afzal	Member
Mr. Muhammad Ali	Member

HR & Remuneration Committee

Mr. Shahbaz Haider Agha	Chairman
Mr. Muhammad Ali	Member
Mr. Ahmad Zahid	Member
Mr. Muhammad Zahid	Member

Chief Financial Officer

Shahab-ud-Din Khan

Company Secretary

Mr. Muhammad Ilyas

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Ltd
Bank Al-Falah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
JS Bank Limited
MCB Bank
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Al baraka Bank Pakistan Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registered Office

131-A, Scotch Corner, Upper Mall Scheme,
Lahore.
Tel: 042-35777291-5

Plant site

- 28-KM, Sheikhpura Road,
Faisalabad
- 32-KM, Tandlian wala Road,
Faisalabad
- M-3 Industrial City,
Sahianwala, Faisalabad

Share Registrar

Corptec Associates (Private) Limited
503-E, Johar Town, Lahore
Tel: 042-35170335-6 Fax 042-35170338
E-mail: info@corptec.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 35th Annual General Meeting (AGM) of the shareholders of **Zahidjee Textile Mills Limited** (the "Company") will be held at 04:00 Pm. On Saturday, the October 26, 2024, at office 131-A, Scotch Corner, Upper Mall Scheme, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 27, 2023.
2. To consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the year ending June 30, 2025, and to fix their remuneration. The present auditors RSM Avais Hyder Liaquat Nauman, Chartered Accountants, retire and being eligible, have offered themselves for reappointment.
4. To transact any other business with the permission of the chair.

By order of the Board
Muhammad Ilyas
Company Secretary

Lahore: October 04, 2024

NOTES:

CLOSURE OF SHARE TRANSFER BOOKS: The share transfer books of the Company shall remain closed from October 19, 2024, to October 26, 2024 (both days inclusive). Transfers received in order at Company's registrar, M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore up to close of business on October 18, 2024, will be considered in time for the purpose of determining above entitlement to the transferees for payment of final dividend and to attend the AGM.

PARTICIPATION IN MEETING: A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid CNIC or Passport, not less than 48 hours before the time of the meeting during working hours. Attendance in the meeting shall be on production of original CNIC or passport. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 on dated: January 26, 2000, issued by the SECP. Form of Proxy may be downloaded from the Company's website: <https://www.zahidjee.com.pk>

NOTIFY CHANGES IN ADDRESSES: The shareholders of the Company are requested to promptly notify changes in their mailing addresses (if any), to our share registrar, M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore.

MANDATORY SUBMISSION OF CNIC COPIES: Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid CNIC in the records of the Company, the Company shall withhold the Dividend under the provisions of Section 243 of the Companies Act, 2017 (the Act) which will be released by the Share Registrar only upon submission of a valid copy of the CNIC.

PLACEMENT OF FINANCIAL STATEMENTS ON WEBSITE: The audited financial statements of the Company for the year ended June 30, 2024, have been placed on the website of the Company.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS: In accordance with the requirement of section 72 of the Act, every existing Company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of this Act. The shareholders having physical shares are encouraged to convert their physical shares into book entry form by depositing shares into Central Depository Company Pakistan Limited by opening CDC sub account with any broker or investor accounts directly with CDC.

CONSENT FOR VIDEO CONFERENCE FACILITY: Shareholders can also avail video conference facility. Video link details and login credentials will be shared with those who have shown their intent to attend the meeting at mail: company.secretary@zahidjee.com.pk

Also Pursuant to Section 134(1)(b) of the Act, if Company receives consent from shareholders holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least seven days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please provide the following information and submit to the registered office of the Company:

I / We _____ of _____ being member of Zahidjee Textile Mills Ltd, holder of _____ Ordinary shares as per Register Folio # / CDC Account # / Participant ID #, hereby opt for Video conference facility at _____.

زاهدجی ٹیکسٹائل ملز لمیٹڈ (اطلاع سالانہ اجلاس عام)

بذریعہ مذکورہ اطلاع کیا جاتا ہے کہ زاهدجی ٹیکسٹائل ملز لمیٹڈ (کمپنی) کا 35 واں سالانہ اجلاس عام درج ذیل امور کی انجام دہی کے لئے مورخہ 26 اکتوبر 2024 بوقت سہ پہر 4:00 بجے کمپنی کے ہیڈ آفس واقع A-131 سکاچ کارز پارک سیکم لاہور میں منعقد ہوگا۔

عمومی امور :

(1) 27 اکتوبر 2023ء کو ہونے والے غیر معمولی اجلاس عام کی کارروائی کی توثیق۔

(2) مورخہ 30 جون 2024ء کو ختم ہونے والے مالی سال کے لئے کمپنی کے مالیاتی گوشواروں کی بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ساتھ وصولی، ان پر غور و خوض اور منظوری۔

(4) 30 جون 2025ء کو ختم ہونے والے سال کے لیے آڈیٹرز کی تقرری اور ان کے مشاہروں کا تعین۔ سبکدوش ہونے والے آڈیٹرز آریس ایم او ایس حیدر لیاقت نعمان چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔

(5) صدر اجلاس کی اجازت سے دیگر کسی کاروباری امور کی انجام دہی۔

محکم بورڈ: محمد الیاس (کمپنی سیکرٹری)

لاہور: مورخہ 14 اکتوبر 2024ء

گزارشات:-

شیئرز ٹرانسفرز بکس کی بندش:

کمپنی کے شیئرز ٹرانسفرز بکس مورخہ 19 اکتوبر 2024ء سے مورخہ 26 اکتوبر 2024ء (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی رجسٹر کار ریٹیک ایسوسی ایشن (پرائیویٹ) لمیٹڈ، E-503 جوہر ٹاؤن لاہور میں مورخہ 18 اکتوبر 2024ء کو کاروباری ایام کے اختتام تک موصول ہونے والی ٹرانسفرز نافذ منافع مقدمہ کے استحقاق اور اجلاس میں شرکت کے لئے بروقت تصور ہوگی۔

اجلاس میں شرکت:

اس اجلاس میں شرکت اور ووٹ ڈالنے کا اہل رکن کسی دوسرے رکن کو ووٹ دینے کے لئے اپنا پراسی مقرر کر سکتا ہے۔ پراسیڈر کو اپنا مضابطہ دستخط، ہڈ شدہ فارم اور گواہ کمپنی کے رجسٹرڈ آفس میں درست سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیوں کے ساتھ کام کے اوقات کے دوران مٹینگ کے وقت سے کم از کم 48 گھنٹے پہلے جمع کرنا ضروری ہے۔ اجلاس میں حاضری اصل سی این آئی سی یا پاسپورٹ کی بنیاد پر ہوگی۔ سی ڈی سی اکاؤنٹ ہولڈرز کو اس سی این آئی سی کی جانب سے جاری کردہ 26 جنوری 2000ء کو سرکل نمبر 1 میں بیان کردہ رجسٹرڈ خطوط پر مزید عمل کرنا ہوگا۔ کمپنی کی ویب سائٹ سے پراسی فارم ڈاؤن لوڈ کیا جاسکتا

ہے۔ <https://www.zahidjee.com.pk>

ممبران کے پتہ میں کسی بھی تبدیلی:

ممبران کے پتہ میں کسی بھی تبدیلی کو فوری طور پر کمپنی کے شیئرز رجسٹر کار ریٹیک ایسوسی ایشن (پرائیویٹ) لمیٹڈ، E-503 جوہر ٹاؤن لاہور کو مطلع کیا جائے۔

درست کمپیوٹرائزڈ شناختی کارڈ کی کاپی کمپنی لازمی جمع کروانا:

شیئرز ہولڈرز کو آگاہ کیا جاتا ہے کہ اپنے درست اور اصل کمپیوٹرائزڈ شناختی کارڈ کی کاپی کمپنی کے ریکارڈ میں جمع کروائیں، شناختی کارڈ کی عدم دستیابی کی صورت میں کمپنی کمپنیز ایکٹ 2017 کے سیکشن 243 کی دفعات کے تحت منافع کو روک دے گی جو درست شناختی کارڈ کی کاپی رجسٹر اکو جمع کرانے پر جاری کیا جائے گا۔

ویب سائٹ پر کمپنی کی تفصیلات رپورٹ:

30 جون 2024ء کو ختم ہونے والے سال کی تفصیلات کمپنی کی ویب سائٹ آویزاں کر دی ہے۔

سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کا اندراج:

SECP کے کمپنی ایکٹ 2017 کی دفعہ 72 کی روشنی میں ہر موجودہ کمپنی کے لئے لازم ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ مخصوص انداز میں اور کمیشن کی بتائی گئی تاریخ کے حساب سے رکھے، اور یہ دورانہ کمپنیز ایکٹ 2017 کے نفاذ کی تاریخ سے لے کر 4 سال سے زائد نہیں ہونا چاہئے۔ مذکورہ بالا شیئرز کی تعمیل کو یقینی بنانے اور بک انٹری فارم میں شیئرز رکھنے سے مستفید ہونے کے لئے فزیکل شیئرز ہولڈنگز کے حامل تمام شیئرز ہولڈرز اپنے فزیکل شیئرز رکھنے کے لیے سی ڈی سی میں براہ راست یا کسی بروکر یا انویسٹر اکاؤنٹ کے ساتھ ڈی سی ڈی سی اکاؤنٹ کھول سکتے ہیں۔

ویڈیو کانفرنس کے ذریعے شرکت:

موجودہ وبا کوڈ 19 کی صورتحال کے پیش نظر شیئرز ہولڈرز ویڈیو کانفرنس کی سہولت سے بھی فائدہ اٹھا سکتے ہیں۔ ویڈیو لنک کی تفصیلات اور لاگ ان لین لوگوں کے ساتھ شیئرز کی جائیں گی جنہوں نے ایس ایمیل پر اجلاس میں شرکت کا ارادہ ظاہر کیا ہے۔ (cszahidjee@gmail.com) کمپنی کے ممبران جن کے پاس مجموعی طور پر 10% یا اس سے زیادہ شیئرز ہوں اگر کسی کی جغرافیائی حدود (کسی خاص جگہ / شہر) میں موجود ہوں اور وہ سالانہ اجلاس میں شرکت کرنا چاہتے ہیں تو کمپنی کو 7 روز قبل آگاہ کریں، کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت مہیا کرنے کا انتظام کرے گی بشرط یہ کہ اس شہر میں سہولت میسر ہوں اگر آپ مٹینگ میں ویڈیو کانفرنس کے ذریعے شرکت کرنا چاہتے ہیں تو 7 دن قبل ذیل میں دیا گیا فارم پر کر کے کمپنی کے رجسٹرڈ دفتر میں جمع کروائیں۔

میں / ہم _____ آف زاهدجی ٹیکسٹائل ملز لمیٹڈ کے ممبر جس کے شیئرز _____ رجسٹرڈ فولیو نمبر، سی ڈی سی اکاؤنٹ نمبر _____ ویڈیو کانفرنس کی سہولت

_____ میں چاہتا ہوں / چاہتے ہیں۔

Review Report by the Chairman

I am pleased to present the annual report and audited financial statements of the Company for the year ended 30 June, 2024 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2023-24. The Management of the Company is encouraged by the future prospects and expects to continue to demonstrate satisfactory performance through its efforts and strategic directions provided by the Board.

Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019, mechanism has been put in place for annual evaluation of the performance of the Board of Directors (the "Board") of Zahidjee Textile Mills Limited (the "Company"). The main objective of this exercise is to internally evaluate the performance of the Board and its Committees in order to facilitate the Management and to play an effective role as a coordinated team for the success of the Company. Strategic goals for the Management have been earmarked for the coming year and the Board's effectiveness is measured in the context of achievement of such objectives. Accordingly, the Board has completed its annual self-evaluation for the year 2024 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2024, remained satisfactory. Such assessment was based on standards set by the Board in line with best corporate governance practices.

COMPOSITION OF THE BOARD:

The composition of the Board depicts reasonable balance of executive and non-executive Directors including independent Directors and as a Group, possess the requisite skills, core competencies and industry knowledge to lead the Company. All Board members have exercised their individual business judgment and are involved in important Board decisions.

VISION & MISSION STATEMENTS:

The Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements which are adopted by the Company and fully support the same in attaining the objectives dilated therein.

STRATEGIC DECISION MAKING:

Overall corporate strategy and objectives have been set in line with the strategic vision of the Board from which the annual business plan is derived, as well as, projected plans for the next five years have been set by the Management, covering all functional and operational areas by utilization of available resources, modernization and expansion of production facilities to ensure continued growth in the bottom line which should hopefully result in improved results.

DILIGENCE:

The Board reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, budgets and other reports. The meetings of the Board are held at required frequencies and agenda along with working papers are circulated in sufficient time prior to Board and Committee meetings.

ADEQUATE GOVERNANCE:

The Board has framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company, along with supporting policies and procedures. Adequate controls and robust

PRESENTATIONS:

During the course of discussion and approvals of financial statements, comprehensive presentations are placed before the Board based on incisive, critical and strategic analysis of all functional areas relating to core business of the Company. Benchmarking compared with the industry's peer group are carried out. This practice provides ample opportunity for objective analysis of the Company's goals and evaluation of its own financial performance with the peer group. The Board provides appropriate directions and oversight emanated on the basis of thorough and detailed discussions.



Ahmad Zahid
Chairman

Lahore:
October 04, 2024

چیئرمین کی طرف سے جائزہ رپورٹ

مجھے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے ہمارے قابل قدر شیئرز ہولڈرز کے سامنے پیش کرتے ہوئے خوشی ہو رہی ہے۔ مالی سال 2023-24 کے دوران آپ کی کمپنی کی کارکردگی کے اہم پہلوؤں کو آپ کے ساتھ شیئرز کیا گیا ہے۔ کمپنی کی انتظامیہ مستقبل کے امکانات سے حوصلہ افزائی کرتی ہے اور توقع کرتی ہے کہ وہ بورڈ کی طرف سے فراہم کردہ اپنی کوششوں اور اسٹریٹجک ہدایات کے ذریعے تسلی بخش کارکردگی کا مظاہرہ کرتی رہے گی۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس (ریگولیشنز، 2019 کی ضرورت کے مطابق، زاہد جی ٹیکسٹائل ملز لمیٹڈ ("کمپنی" کے بورڈ آف ڈائریکٹرز ("بورڈ" کی کارکردگی کی سالانہ جانچ کے لیے طریقہ کار وضع کیا گیا ہے۔ (اس مشق کا بنیادی مقصد بورڈ اور اس کی کمیٹیوں کی کارکردگی کا اندرونی طور پر جائزہ لینا ہے تاکہ انتظامیہ کو سہولت فراہم کی جاسکے اور کمپنی کی کامیابی کے لیے ایک مربوط ٹیم کے طور پر موثر کردار ادا کیا جاسکے۔ مینجمنٹ کے لیے اسٹریٹجک اہداف آئندہ سال کے لیے مختص کیے گئے ہیں اور بورڈ کی تاثیر کو ایسے مقاصد کے حصول کے تناظر میں ماپا جاتا ہے۔ اسی مناسبت سے، بورڈ نے سال 2024 کے لیے اپنی سالانہ خود تفتیش مکمل کر لی ہے اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ مجموعی کارکردگی سال 2024 کے لیے مقرر کردہ معیار بنیاد پر پانچ مارک کی گئی ہے، تسلی بخش رہے۔ اس طرح کی تفتیش کارپوریٹ گورننس کے بہترین طریقوں کے مطابق بورڈ کی طرف سے مقرر کردہ معیارات پر مبنی تھی۔

بورڈ کی تشکیل:

بورڈ کی تشکیل ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معقول توازن کو ظاہر کرتی ہے جس میں آزاد ڈائریکٹرز اور ایک گروپ کے طور پر کمپنی کی قیادت کرنے کے لیے مطلوبہ مہارتیں، بنیادی اہلیت اور صنعت کا علم ہوتا ہے۔ تمام بورڈ ممبران نے اپنے انفرادی کاروباری فیصلے کا استعمال کیا ہے اور بورڈ کے اہم فیصلوں میں شامل ہیں۔

وژن اور مشن کے بیانات:

بورڈ کے اراکین ہمارے وژن اور مشن کے بیانات میں درج اعلیٰ درجے کے اخلاقی اور پیشہ ورانہ معیارات سے واقف ہیں جنہیں کمپنی نے اپنایا ہے اور اس میں بیان کردہ مقاصد کو حاصل کرنے میں ان کی مکمل حمایت کرتے ہیں۔

اسٹریٹجک فیصلہ سازی:

مجموعی طور پر کارپوریٹ حکمت عملی اور مقاصد بورڈ کے اسٹریٹجک وژن کے مطابق ترتیب دیے گئے ہیں جس سے سالانہ کاروباری منصوبہ اخذ کیا جاتا ہے، ساتھ ہی، انتظامیہ کی طرف سے اگلے پانچ سالوں کے لیے متوقع منصوبے ترتیب دیے گئے ہیں، جس میں تمام فنکشنل اور آپریشنل شعبوں کا احاطہ کیا گیا ہے۔ دستیاب وسائل کے استعمال سے، پیداواری سہولیات کی جدید کاری اور توسیع کے ذریعے چلنی لائن میں مسلسل ترقی کو یقینی بنایا جاسکتا ہے جس کے نتیجے میں امید ہے کہ بہتر نتائج برآمد ہوں گے۔

مستعدی:

بورڈ کمپنی کے مالی بیانات کے معیار اور مناسبت، افشاء کی رپورٹنگ اور شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کارپوریٹ مقصدی منصوبوں، بجٹ اور دیگر رپورٹس کا جائزہ لیتا ہے۔ بورڈ کی مینٹیننس مطلوبہ تعدد پر متعقد کی جاتی ہیں اور بورڈ اور کمیٹی کے اجلاسوں سے پہلے کافی وقت میں درکنگ ہپرز کے ساتھ ایجنڈا جاری کیا جاتا ہے۔

مناسب گورننس:

بورڈ نے ضابطہ اخلاق وضع کیا ہے جو مطلوبہ رویے کی وضاحت کرتا ہے اور اسے معاون پالیسیوں اور طریقہ کار کے ساتھ پوری کمپنی میں پھیلا دیا گیا ہے۔ مناسب کنٹرول اور مضبوط

پیکشیں:

مالی بیانات کی بحث اور منظوری کے دوران، کمپنی کے بنیادی کاروبار سے متعلق تمام فنکشنل شعبوں کے سخت، تنقیدی اور ترمیمی تجزیہ کی بنیاد پر بورڈ کے سامنے جامع پیکشیں رکھی جاتی ہیں۔ صنعت کے ہم مرتبہ گروپ کے ساتھ مقابلے میں شیئ مارکنگ کی جاتی ہے۔ یہ پیکش کمپنی کے اہداف کے معروضی تجزیہ اور ہم مرتبہ گروپ کے ساتھ اس کی اپنی مالی کارکردگی کا جائزہ لینے کا کافی موقع فراہم کرتی ہے۔ بورڈ مکمل اور تفصیلی بات چیت کی بنیاد پر مناسب ہدایات اور نگرانی فراہم کرتا ہے۔



احمد زاہد
چیئرمین

لاہور:

10 اکتوبر 2024

DIRECTORS' REPORT TO THE MEMBERS

In Compliance with Section 227 of the Companies Act,2017, The Directors are pleased to present the Annual Report Alongwith audited financial statements and auditors report thereon for the year ended June 30, 2024

Principal Activities of the Company

The Company is engaged in the business of manufacturing and sale of yarn and export of all kinds of value added fabrics and textile made-ups.

Overview

The year witnessed formidable challenges. A poor cotton crop, increased reliance on imported cotton, Volatility in cotton prices, a sluggish yarn market and High financial cost all significantly impacted the profitability of the textile sector. Despite of these challenges the copmany has closed a positive bottom line.

During the year company, 'Sales increased by 16.78% to Rs.37741 million as compare to preceeding year Rs. 32317 million ,but due to increase in the cost of sales, this result in gross profit of Rs. 1833 million which is 5 % of sales as compared to 8 % of previous year. the bottom line of the copmany stood at 635 million

The net profit translated into Earnings per Share (EPS) of PKR 3.32 in FY24 as against PKR 6.34 in FY23.

The operating results of the company are summarized as follows:

	2024	2023
	Rupees '000'	
Sales	37,741,817	32,317,373
Gross profit	1,832,802	2,611,169
Profit before taxation	830,140	1,597,288
Taxation	195,068	383,913
Profit after taxation	635,072	1,213,375
Unappropriated profit brought forward	9,297,522	8,034,231
Transfers from revaluation surplus	198,708	241,338
Profit available for Appropriations	10,131,301	9,488,943
Appropriations:		
Final dividend for 2021-2022, @ Rs. 1.00 per share		(191,421)
Final dividend for 2022-2023, @ Rs. 1.00 per share	(191,421)	-
Unappropriated profit carried forward	9,939,880	9,297,522
Earnings per share – Basic and Diluted (Rs.)	3.32	6.34

Dividend

Keeping in view the latest capacity expansion of the company the board of directors has not recommended any dividend.

Credit Rating of Company

The Pakistan Credit Rating has assigned rating of long term 'A' and short term 'A1'. Outlook on the assigned rating is 'Stable'. Short Term Rating of 'A1' indicates satisfactory capacity for timely payment. Risk may vary slightly from time to time because of economic conditions and Long Term Rating of 'A' signified the high credit quality with strong capacity for timely payments.

Composition of the Board

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

Total number of directors:

- a) Male 06
- b) Female 01

Composition including the following:

- a) Independent Directors 03
- b) Non-Executive Directors 02
- c) Other Executive Director 01
- d) Female Executive Director 01

Attendance of Board Meetings and its Committee:

Name of Directors	Board of Directors	Audit Committee	HR and Remuneration Committee
1 Mr. Muhammad Zahid	4/4	N/M	1/1
2 Mr. Ahmad Zahid	4/4	N/M	1/1
3 Mrs. Mehreen Fahad	4/4	N/M	N/M
4 Mr. Muhammad Ali	4/4	3/4	1/1
5 Mr. Sajjad Hussain Shah	3/4	4/4	N/M
6 Mr. Faisal Masood Afzal	3/4	4/4	N/M
7 Mr. Shahbaz Haider Agha	4/4	N/M	1/1

N/M: Not a member

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

Board Committees

Following are the details of the members of each committee:

Audit committee

Sr# Name of Directors

- 1 Mr. Sajjad Hussain Shah Chairman
- 2 Mr. Faisal Masood Afzal Member
- 3 Mr. Muhammad Ali Member

HR & Remuneration Committee

Sr# Name of Directors

- 1 Mr. Shahbaz Haider Agha Chairman
- 2 Mr. Muhammad Ali Member
- 3 Mr. Ahmad Zahid Member
- 4 Mr. Muhammad Zahid Member

Board of Directors

The composition of Board of Directors is as follows:

- 1 Mr. Ahmad Zahid Chairman/ Executive Director
- 2 Mr. Muhammad Zahid Chief Executive/ Executive Director
- 3 Mrs. Mehreen Fahad Executive Director
- 4 Mr. Muhammad Ali Non-executive Director
- 5 Mr. Sajjad Hussain Shah Independent Director
- 6 Mr. Faisal Masood Afzal Independent Director
- 7 Mr. Shahbaz Haider Agha Independent Director

Board Evaluation

During the year, the Board and its sub committees have undertaken a formal process of evaluation of their performance. The overall performance of the Board and its sub-committees measured on the defined parameters for the year was satisfactory.

Remuneration of Directors:

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no director takes part in deciding his or her own remuneration. Remuneration package of Chief Executive and other executive directors is disclosed in **Note No. 35** to the financial statements.

Related Party Transactions

All transactions with related parties were approved by the Board, and details of all such transactions were placed before Audit committee. During the year, the company carried out transactions with its related parties. Details of these transactions are disclosed in note 36 to financial statements.

Material Changes During the Current Year

The company had the following material events during the FY 2023-2024:

The Installation of new 16800 spindles spinning unit has completed and started its commercial production from September 01, 2024

Corporate And Financial Reporting Framework

The Company's Management is fully cognizant of its responsibility as recognized by the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan (SECP) and the Rule Book of Pakistan Stock Exchange (PSX). The following comments are acknowledgement of company's commitment to high standards of Corporate Governance and Continuous Improvement:

- 1 The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- 2 Proper books of accounts of the company have been maintained.
- 3 Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4 International Accounting/Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure from there have been adequately disclosed.
- 5 The system of internal control is sound and has been effectively implemented and monitored.
- 6 There is no significant doubt upon the company's ability to continue as a going concern.
- 7 There has been no material departure from the best practices of Code of Corporate Governance, as detailed in Listing Regulations.
- 8 Outstanding taxes and levies are given in the Notes to the Financial Statements.
- 9 Statement of compliance with Code of Corporate Governance and Financial Highlights for the last six years are annexed.

Health, Safety, & Environment

The Company maintains working conditions which are safe and without risk to the health of all employees and public at large. Our focus remains on improving all aspects of safety specially, with regards to the safety, production, delivery, storage and handling of materials. Your Company always ensures environment preservation and adopts all possible means for environment protection. The company strictly complies with the standards of the safety rules and regulations. It also follows environmental friendly policies.

Corporate Social Responsibility

Your company understands its corporate responsibility towards the society and fulfils its obligations by providing support to under privileged members of the society.

Pattern of share holding

Pattern of Shareholding as at June 30, 2024, which are required to be disclosed under the reporting framework, is annexed to this report.

Appointment of Statutory Auditors

The present auditors M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants have completed their tenure for the year (FY 2023-24) and will be retiring at the conclusion of the forthcoming Annual General Meeting (AGM). Being eligible, they have offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the company for the year (FY 2024-25).

Adequacy of Internal Financial Control

The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal controls for ensuring effective and efficient conduct of operations, safeguarding company assets, compliance with applicable laws and regulations and reliable financial reporting. Such systems are monitored effectively by the Management while the Board Audit Committee reviews the internal control systems based on assessment of risks and reports to the Board of Directors.

Principal Risks & Uncertainty

Risk management process undertaken by Board of Directors and management at strategic and multiple levels across the company. This is designed to identify potential events that may effect the company and manage the risks wito be within risk appetite, to provide reasonable assurance regarding the achievement of Company's objectives.

Key areas that can impact the Company are: Declining export sales due to international wars, Currency volatility, resulting in an increased cost of imported raw material. Increased energy cost due to rising fuel and power prices. Overall inflationary increase in operating expenses and increasing discount rate resulting in increased financing costs.

The Company is closely monitoring the impact of these risks and will endeavor to take measures to mitigate these risks.

Future Outlook

The Company is continuously monitoring all of its cost factors to keep them at the lowest possible levels. The production costs have increased due to non-controllable factors like rising energy cost, increase in Raw material prices and high financial cost but the Company stands committed under the guidance of its Board of Directors, Key management personals and valued input from all stakeholder groups to its constant drive to be a progressive and profitable Company as per its Vision and Core values

Acknowledgments

The Directors are grateful to the Company's members, financial institutions and customers for their co-operation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

Dated: October 04, 2024
Lahore



Director



Chief Executive Officer

ڈائریکٹرز رپورٹ برائے ممبران

کمپنی ایکٹ، 2017 کے سیکشن 227 کی تعمیل میں، ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں اور اس پر آڈیٹرز کی رپورٹ کے ساتھ سالانہ رپورٹ پیش کرنے پر خوش ہیں۔

کمپنی کی اہم سرگرمیاں

کمپنی دھاگے کی مینوفیکچرنگ اور فروخت اور ہر قسم کے ویلیو ایڈڈ پکڑوں اور ٹیکسٹائل میڈیاپ کی برآمد کے کاروبار میں مصروف ہے۔

چاکنہ

اس سال زبردست چیلنجز کا مشاہدہ کیا گیا۔ کپاس کی خراب فصل، درآمد شدہ کپاس پر بڑھتا ہوا انحصار، کپاس کی قیمتوں میں اتار چڑھاؤ، سوت کی سست مارکیٹ، اور بیوی کی مالی لاگت نے ٹیکسٹائل سیکٹر کے منافع کو نمایاں طور پر متاثر کیا۔ ان چیلنجوں کے باوجود کمپنی نے ایک مثبت منافع کو بند کر دیا ہے۔

سال کے دوران کمپنی 17 فیصد اضافہ ہوا جو پچھلے سال 32317 ملین روپے کے مقابلے میں 37741 ملین روپے ہے، لیکن فروخت کی لاگت میں اضافے کی وجہ سے، اس کے نتیجے میں روپے کا مجموعی منافع ہوا۔ 1833 ملین روپے کے مقابلے میں 8% کے مقابلے میں 5 فیصد ہے۔ کمپنی کی چلی لائن 635 ملین ہے۔

فی حصص آمدنی (ای پی ایس) 3.32 روپے ہوگی جبکہ گزشتہ سال یہ 6.34 روپے ہے۔

کمپنی کے آپریٹنگ نتائج کا خلاصہ درج ذیل ہے۔

2024	2023	
روپے '000		
37,741,817	32,317,373	فروخت
1,832,802	2,611,169	مجموعی منافع
830,140	1,597,288	ٹیکس سے پہلے منافع
195,068	383,913	ٹیکس
635,072	1,213,375	ٹیکس کے بعد منافع
9,297,522	8,034,231	غیر مختص منافع
198,708	241,338	ری ویلیو ایشن سرپلس سے منتقلی
10,131,301	9,488,943	تخصیص کے لئے دستیاب منافع
		تخصیص:
	(191,421)	2021-2022 کے لئے عبوری منافع، @ 1 روپے فی حصص
(191,421)		2022-2023 کے لئے حتمی منافع، @ 1 روپے فی حصص
		فی حصص آمدنی - بنیادی اور ڈائریکٹرز (روپے)
9,939,880	9,297,522	غیر مختص منافع
3.32	6.34	فی حصص آمدنی (بنیادی اور ڈائریکٹرز)

منافع منقسمہ

کمپنی کی تازہ ترین صلاحیت میں توسیع کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے کسی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

کمپنی کی کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ نے طویل مدتی 'اے' اور قلیل مدتی 'اے 2' کی ریٹنگ تفویض کی ہے۔ تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔ 'اے 2' کی قلیل مدتی درجہ بندی بروقت ادائیگی کی صلاحیت کی نشاندہی کرتی ہے۔ معاشی حالات کی وجہ سے خطرہ وقتاً فوقتاً تھوڑا سا مختلف ہو سکتا ہے اور 'اے' کی طویل مدتی درجہ بندی بروقت ادائیگیوں کی مضبوط صلاحیت کے ساتھ اعلیٰ کریڈٹ معیار کی علامت ہے۔

بورڈ کی تشکیل

بورڈ کی تشکیل ان پر مشتمل ہے۔

ڈائریکٹرز کی کل تعداد

(a) مرد.....06

(b) خواتین.....01

تشکیل درج ذیل:

(a) آزاد ڈائریکٹرز.....03

(b) نان ایگزیکٹو ڈائریکٹرز.....02

(c) دیگر ایگزیکٹو ڈائریکٹرز.....01

(d) خاتون ایگزیکٹو ڈائریکٹر.....01

بورڈ اجلاسوں اور اس کی کمیٹیوں کی حاضری:

نمبر شمار	ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آؤٹ کمیٹی	ایچ آر اور معاوضہ کمیٹی
1	جناب محمد زاہد	5/5	رکن نہیں ہے	1/1
2	جناب احمد زاہد	5/5	رکن نہیں ہے	1/1
3	محترمہ مہرین فہد	3/5	3/4	رکن نہیں ہے
4	جناب محمد علی	5/5	4/4	1/1
5	جناب سجاد حسین شاہ	5/5	4/4	رکن نہیں ہے
6	جناب فیصل مسعود افضل	5/5	4/4	رکن نہیں ہے
7	جناب شہباز حیدر آغا	5/5	رکن نہیں ہے	1/1

ان ڈائریکٹروں کو غیر حاضری کی چھٹی دی گئی جو بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت نہیں کر سکتے تھے۔

بورڈ کی کمیٹیاں

ہر کمیٹی کے ارکان کی تفصیلات درج ذیل ہے۔

ایچ آر اور معاوضہ کمیٹی:

نمبر شمار	ڈائریکٹر کا نام	چیز مین
1	جناب شہباز حیدر آغا	چیز مین
2	جناب محمد علی	رکن
3	جناب احمد زاہد	رکن
4	جناب محمد زاہد	رکن

آؤٹ کمیٹی:

نمبر شمار	ڈائریکٹر کا نام	چیز مین
1	جناب سجاد حسین شاہ	چیز مین
2	جناب فیصل مسعود افضل	رکن
3	جناب محمد علی	رکن

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	چیز مین
1	جناب محمد زاہد	چیف ایگزیکٹو / ایگزیکٹو ڈائریکٹر
2	جناب احمد زاہد	چیز مین / نان ایگزیکٹو ڈائریکٹر
3	محترمہ مہرین فہد	ایگزیکٹو ڈائریکٹر
4	جناب محمد علی	نان ایگزیکٹو ڈائریکٹر
5	جناب سجاد حسین شاہ	آزاد ڈائریکٹر
6	جناب فیصل مسعود افضل	آزاد ڈائریکٹر
7	جناب شہباز حیدر آغا	آزاد ڈائریکٹر

بورڈ کی تفصیلات

سال کے دوران بورڈ اور اس کی ذیلی کمیٹیوں نے اپنی کارکردگی کی تفصیلات کا باضابطہ عمل شروع کیا ہے۔ بورڈ اور اس کی ذیلی کمیٹیوں کی سال کے لئے متعین ہیرا میٹرز پر پیمائش کی گئی مجموعی کارکردگی اطمینان بخش تھی۔

ڈائریکٹرز کا معاوضہ

بورڈ کے اراکین کا معاوضہ بورڈ خود منظور کرتا ہے۔ تاہم کارپوریٹ گورننس کے ضابطہ کے مطابق اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ چیف ایگزیکٹو اور دیگر ایگزیکٹو ڈائریکٹرز کے معاوضہ کیلئے کوٹہ نمبر 35 میں مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔

متعلقہ پارٹی لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین کو بورڈ نے منظوری دے دی اور اس طرح کے تمام تر ٹرانزیکشنز کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی گئیں۔ سال کے دوران کمپنی نے اپنے متعلقہ فریقوں کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات نوٹ 36 میں مالی گوشواروں میں ظاہر کی جاتی ہیں۔

موجودہ سال کے دوران مادی تبدیلیاں

مالی سال 2023-2024 کے دوران کمپنی کے مندرجہ ذیل مادی واقعات تھے۔

نئے سپنٹگ پونٹ کی تنصیب کا عمل جاری ہے اور 01 ستمبر 2024 کے آخر تک مکمل ہو جائے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کی انتظامیہ کمپنیز ایکٹ 2017، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) اور پاکستان اسٹاک ایکسچینج (پی ایس ایکس) کی جانب سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے ذریعے تسلیم شدہ اپنی ذمہ داری سے پوری طرح واقف ہے۔ مندرجہ ذیل تیسرے کارپوریٹ گورننس اور مسلسل بہتری کے اعلیٰ معیارات کے لئے کمپنی کے عزم کا اعتراف ہیں۔

1. کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کافی حد تک اس کی صورت حال، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو پیش کرتے ہیں۔

2. کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

3. مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

4. بین الاقوامی اکاؤنٹنگ / فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں عمل کیا گیا ہے اور اس سے انحراف کو مناسب طور پر ظاہر کیا گیا ہے۔

5. اندرونی کنٹرول کا نظام درست ہے اور اس پر موثر عمل درآمد اور نگرانی کی گئی ہے۔

6. کمپنی کے جاری رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔

7. کارپوریٹ گورننس کے ضابطہ اخلاق کے بہترین طریقوں سے قطعاً انحراف نہیں کیا گیا ہے، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔

8. بقایا بلیکس اور لیویز کی تفصیل مالیاتی گوشواروں کو نوٹس میں دی گئی ہے۔

9. کارپوریٹ گورننس کے حوالے سے بیان اور جھپٹلے چھ سالوں کی مالیاتی جھلکیوں کو شامل کیا گیا ہے۔

صحت، تحفظ، اور ماحولیات

کمپنی کام کے حالات کو برقرار رکھتی ہے جو محفوظ ہیں اور بڑے پیمانے پر تمام ملازمین اور عوام کی صحت کے لئے خطرے کے بغیر ہیں۔ ہماری توجہ حفاظت کے تمام پہلوؤں کو بہتر بنانے پر مرکوز ہے، خاص طور پر مواد کی حفاظت، پیداوار، ترسیل، ذخیرہ اندوزی اور پنڈلنگ کے حوالے سے۔ آپ کی کمپنی ہمیشہ ماحولیات کے تحفظ کو یقینی بناتی ہے اور ماحولیات کے تحفظ کے لئے ہر ممکن ذرائع اپناتی ہے۔ کمپنی حفاظتی قواعد و ضوابط کے معیارات کی سختی سے تعمیل کرتی ہے۔ یہ ماحول دوست پالیسیوں پر بھی عمل پیرا ہے۔

سماجی ذمہ داری

آپ کی کمپنی معاشرے کے تئیں اپنی کارپوریٹ ذمہ داری کو سمجھتی ہے اور معاشرے کے پسماندہ افراد کو مدد فراہم کر کے اپنی ذمہ داریاں پوری کرتی ہے۔ تاہم کمپنی نے سال کے دوران کوئی سی ایس آر سرگرمی نہیں کی۔

شیر ہولڈنگ کا نمونہ

30 جون 2024 تک شیر ہولڈنگ کا بیٹرن، نئے رپورٹنگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، اس رپورٹ کے ساتھ منسلک ہے۔

قانونی اڈیٹرز کی تقرری

موجودہ اڈیٹرز سمیرز آر ایس ایم اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس نے سال (مالی سال 2023-2024) کے لئے اپنی مدت ملازمت مکمل کر لی ہے اور وہ آئندہ سالانہ جزل میٹنگ (اے جی ایم) کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی وجہ سے انہوں نے دوبارہ تقرری کے لئے خود کو پیش کش کی ہے۔ آڈٹ کمیٹی نے سال (مالی سال 2024-2025) کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

اندرونی مالیاتی کنٹرول کی مناسبت

بورڈ آف ڈائریکٹرز اندرونی کنٹرول ماحول کے حوالے سے اپنی ذمہ داری سے آگاہ ہے اور اس کے مطابق آپریشنز کے موثر اور موثر انعقاد، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کو یقینی بنانے کے لئے اندرونی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ اس طرح کے نظام کی انتظامیہ موثر نگرانی کرتی ہے جبکہ بورڈ آڈٹ کمیٹی خطرات کی تشخیص اور بورڈ آف ڈائریکٹرز کو رپورٹوں کی بنیاد پر اندرونی کنٹرول سسٹم کا جائزہ لے رہی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

بورڈ آف ڈائریکٹرز اور انتظامیہ کی طرف سے کمپنی بھر میں اسٹریٹیجک اور متعدد سطحوں پر ریسک مینجمنٹ کا عمل شروع کیا گیا ہے۔ یہ ممکنہ واقعات کی شناخت کرنے کے لئے ڈیزائن کیا گیا ہے جو کمپنی کو متاثر کر سکتے ہیں اور ظہور پذیر ہونے سے پہلے ہی خطرات کا انتظام کر سکتے ہیں، جس سے کمپنی کے مقاصد کا حصول یقینی ہو جاتا ہے۔

اہم شعبے جو کمپنی کو متاثر کر سکتے ہیں وہ یہ ہیں: بین الاقوامی جنگوں کی وجہ سے برآمدی فروخت میں کمی، کرنسی میں اتار چڑھاؤ، روپے کی اچانک قدر میں کمی، جس کے نتیجے میں درآمد شدہ خام مال کی لاگت میں اضافہ ہو اے۔ ایندھن اور بجلی کی بڑھتی ہوئی قیمتوں کی وجہ سے توانائی کی لاگت میں اضافہ ہوا۔ آپریٹنگ اخراجات میں مجموعی طور پر افراط زر میں اضافہ اور ڈسکاؤنٹ کی شرح میں اضافے کے نتیجے میں فنانسنگ کے اخراجات میں اضافہ ہوا۔

کمپنی ان خطرات کے اثرات کی کڑی نگرانی کر رہی ہے اور ان خطرات کو کم کرنے کے لئے اقدامات کرنے کی کوشش کرے گی۔

مستقبل کا نقطہ نظر

حالیہ غیر معمولی مومن سون بارشوں اور سیلاب کی وجہ سے کمپاس اگانے والا علاقے کافی حد تک متاثر ہوئے ہیں۔ اور یہ صورتحال حکومت کو کمپاس کی اضافی درآمدات کرنے پر مجبور کر سکتی ہے جس سے پہلے سے ہی بلند تجارتی خسارے پر منفی اثر پڑ سکتا ہے۔ دوسری جانب درآمد شدہ خام کمپاس یا دیگر غیر پروسیسڈ ٹیکسٹائل کی عدم دستیابی سے ملک کی ٹیکسٹائل برآمدات پر منفی اثرات مرتب ہوں گے۔ سیلاب کے بعد پاکستان کی معیشت انتہائی غیر محفوظ رہے گی۔

اظہار تشکر

ڈائریکٹرز کمپنی کے ممبران، مالیاتی اداروں اور صارفین کے تعاون اور معاونت پر ان کے شکر گزار ہیں۔ وہ مختلف ڈویژنوں میں کام کرنے والے تمام ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

برائے و مخائب بورڈ



ڈائریکٹر



جناب محمد زاہد
چیف ایگزیکٹو

لاہور:

مورخہ 04 اکتوبر 2024

FINANCIAL HIGHLIGHTS

Particulars	2024	2023	2022	2021	2020	2019
	(Rupees in '000')					
Net Assets Employed						
Fixed assets	15,641,317	13,608,051	14,362,509	8,115,970	6,613,186	6,083,842
Intangible assets	-	-	-	-	330	1,123
Investment in subsidiary	-	-	-	-	359,200	359,200
Long term deposits	8476	20,476	27,976	35,976	4,476	4,476
Current assets	13,690,826	13,194,534	12,381,238	6,298,233	5,443,587	4,696,860
Non current assets- held for sale	-	-	-	359,200	-	-
Current liabilities	(7,616,687)	(6,383,552)	(6,289,933)	(3,981,464)	(4,335,041)	(4,045,774)
	6,074,139	6,810,982	6,091,305	2,675,969	1,108,546	651,085
Long term liabilities	(5,711,786)	(4,677,117)	(5,790,442)	(2,983,193)	(1,618,623)	(1,185,062)
Net Assets	16,012,145	15,762,391	14,691,348	7,844,722	6,467,116	5,914,664
Represented By						
Paid up capital	1,914,211	1,914,211	1,914,211	1,914,211	1,914,211	1,914,211
Reserves	10,606,139	9,963,781	8,700,490	4,833,889	3,395,636	2,771,705
Revaluation surplus	3,491,795	3,884,399	4,076,647	1,096,622	1,157,269	1,228,748
	16,012,145	15,762,391	14,691,348	7,844,722	6,467,116	5,914,664
Operating Results						
Sales	37,741,817	32,317,373	27,935,802	16,614,520	13,902,387	13,444,689
Gross profit	1,832,802	2,611,169	5,631,999	2,381,227	1,676,825	1,461,704
Operating profit	2,934,204	3,161,854	5,769,563	2,434,054	1,690,596	1,466,586
Profit before taxation	830,140	1,597,288	4,272,277	1,718,983	993,637	744,404

Financial Ratios

Gross profit	%	4.86	8.08	20.16	14.33	12.06	10.87
Operating profit	%	7.77	9.78	20.65	14.65	12.16	10.91
Profit/(loss) before taxation	%	4.9	4.94	15.29	10.35	7.15	5.54
Earning / (Loss) per share	Rs.	3.32	6.34	20.78	8.13	3.75	4.08
Current ratio	Times	1.80	2.07	1.97	1.58	1.26	1.16
Fixed assets turnover	Times	2.41	2.37	1.95	2.05	2.10	2.21
Total Debt to Capital	%	83	70	82	89	92	88
Book value per share	Rs.	65.41	62.05	55.45	35.25	27.74	24.48

Plant capacity and production

Spinning

Spindles installed/worked	Nos.	133,284	133,344	133,344	93,024	93,024	93,024
Actual production converted into 20/s count	Kgs	55,105,922	54,453,588	57,347,935	41,050,604	38,376,019	34,290,567

Weaving

Number of looms installed/worked	Nos.	280	280	280	280	280	280
Actual production converted into 60 picks	Sq. mtr.	38,543,222	37,787,473	35,679,338	35,252,938	34,500,950	34,031,554



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Independent Auditor's Review Report to the members of Zahidjee 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 Zahidjee Textile Mills Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

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Kabul : 93 (799) 058155

RSM Avals Hyder Liaquat Nauman is a related entity to the RSM network and trades as RSM. Each related entity of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Further, we highlight below instance of non compliance with the requirement of Regulations as reflected in the paragraph referred below where it is stated in the Statement of compliance:

Reference	Description
19	<p>Section 19 of Regulations state that it is encouraged that by June 30, 2022 All of the directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the commission and approved it.</p> <p>However, during the course of review, we have observed that one director has not completed the training program within due time period.</p>
35(1)	<p>Section 35(1) of Regulations state that the Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12th June 2024.</p> <p>However, during the course of review, we have observed that the Company has not yet disclosed key elements of its significant policies on its website.</p>
10(A)	<p>Section 10(A) of Regulations state the role of the Board and its members to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board will establish a dedicated sustainability committee.</p> <p>However, during the course of review, we have observed that the Company has not yet established sustainability committee.</p>

Rsm Avas Hyder Liaquat Nauman
RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad

Date: 04-October-2024

UDIN: CR202410194VKLjE4HIG

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

Name of Company: Zahidjee Textile Mills Limited

Year ending: June 30, 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:

Gender	Number
Male	6
Female	1

2. The composition of the Board of Directors is as follows:

Category	Names
Independent Director	Mr. Sajjad Hussain Shah Mr. Faisal Masood Afzal Mr. Shahbaz Haider Agha
Executive Director	Mr. Muhammad Zahid Mr. Ahmad Zahid
Non-Executive Directors	Mr. Muhammad Ali Mrs Mehreen Fahad

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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 of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Currently, two directors are exempt from the directors training certification requirement by virtue of his experience as prescribed by listing regulations of Pakistan Stock Exchange whereas four male directors have completed the directors training program. DTP for the remaining one female director will be done during the year.
10. The board has approved appointment of CFO, 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**

- | | |
|---------------------------|---------------------------------|
| - Mr. Sajjad Hussain Shah | Chairman (Independent Director) |
| - Mr. Faisal Masood Afzal | Member (Independent Director) |
| - Mr. Muhammad Ali | Member (Non-executive Director) |

b. Human Resource & Remuneration Committee

- Mr. Shahbaz Haider Agha Chairman (Independent Director)
- Mr. Muhammad Ali Member (Non-executive Director)
- Mr. Ahmad Zahid Member (Non-executive Director)
- Mr. Muhammad Zahid Member (Chief Executive)

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: Four quarterly meetings during the financial year ended June 30, 2024.
- b. HR and Remuneration Committee: One meeting during the financial year ended June 30, 2024.

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

The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality

16. Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (Spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.


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

S.No.	Requirement	Explanation	Reg No.
1	It is encouraged that: by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program.	Presently, Two of directors of the Company meet the exemption of requirement of the Director's Training Program, four Directors has obtained DTP certification and one female director will complete DTP this year.	19
2	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024.	As per the regulations, the Company has disclosed key elements of its significant policies and intends to add the list of its policy on DE&I & protection against harassment at the workplace.	35(1)
3	Role of the Board and its members to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)

For and on behalf of the Board

Dated: October 04, 2024
Lahore


Ahmad Zahid
Director


MUHAMMAD ZAHID
Chief Executive Officer



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Zahidjee Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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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 matter:

Key Audit Matters	How our audit addressed the key audit matter
Capitalization of Property Plant and Equipment	
<p>Refer notes 3 to the annexed financial Statements</p> <p>During the year, the Company has incurred significant capital expenditure as part of expansion activities.</p> <p>There are number of areas where significant management judgement is involved in connection with the above activities.</p> <p>These include:</p> <ul style="list-style-type: none"> • Determining which costs meet the criteria for capitalisation as per International Accounting Standard - 16, 'Property, Plant and Equipment'; • Determining the date on which assets under construction are transferred to operating fixed assets and the respective dates from which their depreciation should commence; and <p>We consider the above as a key audit matter being significant transactions and events for the Company during the year having significant impact on the financial position of the Company.</p>	<p>In response to this matter, our audit procedures included:</p> <ul style="list-style-type: none"> • Examination on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices. • Assessment whether the costs capitalised met the relevant criteria for capitalization as per the applicable accounting and reporting framework. • Verification of the copies of contracts of construction and letters of credit for determining amount of further commitment by the company for expansion project. • Verification of the date of transferring capital work in progress to operating fixed assets by examining the completion certificates. • Checked whether the disclosures are made in accordance with the financial reporting framework.

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

Management is responsible for other information. The other information comprises the information 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

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

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad

Date: 04-October-2024

UDIN: AR202410194soYPupw6k

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	15,641,316,550	13,608,051,037
Long term security deposits	4	8,475,784	20,475,784
		15,649,792,334	13,628,526,821
CURRENT ASSETS			
Stores, spares and loose tools	5	353,192,697	330,043,463
Stock in trade	6	3,986,474,536	4,388,063,736
Trade debts	7	3,797,606,090	3,765,446,396
Loans, advances and deposit	8	470,481,790	404,384,206
Prepayments	9	250,457,366	265,112,883
Other receivables	10	36,044,992	46,547,194
Short term investment	11	159,864,144	100,660,852
Tax refunds due from Government	12	497,580,340	212,142,170
Cash and bank balances	13	4,139,123,929	3,682,132,733
		13,690,825,884	13,194,533,634
CURRENT LIABILITIES			
Trade and other payables	14	2,665,346,383	2,059,707,731
Interest / mark up payable	15	246,729,036	92,636,667
Short term borrowings	16	3,009,412,776	3,047,299,701
Unclaimed dividend		13,070,334	9,313,318
Current portion of long term finance	17	858,822,983	706,279,169
Provision for taxation - income tax	33	823,305,828	468,315,445
		7,616,687,340	6,383,552,031
		21,723,930,878	20,439,508,424
NON - CURRENT LIABILITIES			
Long term finance	17	4,580,845,170	3,353,601,788
Deferred liability			
Staff retirement gratuity	18	-	21,985,109
Deferred taxation	19	1,130,940,629	1,301,530,462
		5,711,785,799	4,677,117,359
CONTINGENCIES AND COMMITMENTS			
	20	-	-
Net worth		16,012,145,079	15,762,391,065
Represented by :			
Share capital	21	1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment	22	3,491,794,897	3,884,399,416
Revenue reserves	23	10,239,880,679	9,597,522,146
		16,012,145,079	15,762,391,065
		16,012,145,079	15,762,391,065

The annexed notes from 1 to 42 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees Restated
Sales	24	37,741,817,075	32,317,373,245
Cost of sales	25	35,909,014,698	29,706,204,512
Gross profit		<u>1,832,802,377</u>	<u>2,611,168,733</u>
Trading profit	26	28,464,350	80,253,444
Other income	27	1,072,937,260	470,431,583
		<u>2,934,203,987</u>	<u>3,161,853,760</u>
Distribution cost	28	301,902,408	372,039,505
Administrative expenses	29	250,239,902	234,183,669
Other operating expenses	30	67,075,786	142,796,587
Finance cost	31	1,484,845,499	815,546,474
		<u>2,104,063,595</u>	<u>1,564,566,235</u>
Profit for the year before Levies and income tax		<u>830,140,392</u>	<u>1,597,287,525</u>
Levies	32	237,879,980	291,904,535
Profit for the year before taxation		<u>592,260,412</u>	<u>1,305,382,990</u>
Provision for taxation	33	(42,811,500)	92,008,328
Profit for the year		<u><u>635,071,912</u></u>	<u><u>1,213,374,662</u></u>
Earnings per share - Basic and diluted	34	<u><u>3.32</u></u>	<u><u>6.34</u></u>

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Profit for the year	635,071,912	1,213,374,662
Other comprehensive income	-	-
Total comprehensive income for the year	<u>635,071,912</u>	<u>1,213,374,662</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			Total
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total	
----- R u p e e s -----								
Balance as at July 01, 2022	1,914,210,990	366,258,513	4,076,646,922	4,442,905,435	300,000,000	8,034,231,054	8,334,231,054	14,691,347,479
Transaction with owners								
Dividend paid (Rs. 1 per share of Rs. 10 each)	-	-	-	-	-	(191,421,099)	(191,421,099)	(191,421,099)
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	1,213,374,662	1,213,374,662	1,213,374,662
Other comprehensive income	-	-	-	-	-	-	-	-
Incremental depreciation on revalued assets for the year-net of deferred tax	-	-	(241,337,529)	(241,337,529)	-	241,337,529	241,337,529	-
Adjustment of deferred tax for the year	-	-	49,090,023	49,090,023	-	-	-	49,090,023
Balance as at June 30, 2023	1,914,210,990	366,258,513	3,884,399,416	4,250,657,929	300,000,000	9,297,522,146	9,597,522,146	15,762,391,065
Transaction with owners								
Dividend paid (Rs. 1 per share of Rs. 10 each)	-	-	-	-	-	(191,421,099)	(191,421,099)	(191,421,099)
Total comprehensive income for the year								
Profit for the year	-	-	-	-	-	635,071,912	635,071,912	635,071,912
Other comprehensive income	-	-	-	-	-	-	-	-
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(195,820,589)	(195,820,589)	-	195,820,589	195,820,589	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(2,887,131)	(2,887,131)	-	2,887,131	2,887,131	-
Adjustment of deferred tax for the year	-	-	(193,896,799)	(193,896,799)	-	-	-	(193,896,799)
Balance as at June 30, 2024	1,914,210,990	366,258,513	3,491,794,897	3,858,053,410	300,000,000	9,939,880,679	10,239,880,679	16,012,145,079

The annexed notes from 1 to 42 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before Levies and income tax	830,140,392	1,597,287,525
Adjustment for:		
Depreciation of property, plant and equipment	1,037,515,231	1,129,500,676
Provision for staff retirement gratuity	-	21,985,109
Profit on deposits	(920,164,426)	(455,119,831)
Dividend income	(29,201,101)	(12,467,984)
Loss / (Gain) on disposal of operating assets - net	5,550,881	(1,499,870)
(Gain) on disposal of short term investment	(26,598,982)	-
Balances written (back) / off - net	(6,510,666)	(1,266,105)
Fair value (gain) / loss on short term investments	(89,704,094)	24,415,449
Finance cost	1,484,845,499	815,546,474
Operating cash flows before working capital changes	2,285,872,734	3,118,381,443
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(23,149,234)	(75,485,499)
Stock in trade	401,589,200	(294,290,426)
Trade debts	(32,159,694)	547,932,435
Loans, advances and deposit	(68,897,584)	(111,502,254)
Prepayments	14,655,517	543,503
Other receivables	10,502,202	(4,230,470)
Tax refunds due from Government- sales tax	(134,294,903)	-
Increase in current liabilities		
Trade and other payables	590,164,209	576,383,424
	758,409,713	639,350,713
Cash generated from operating activities	3,044,282,447	3,757,732,156
Finance cost paid	(1,330,753,131)	(840,781,227)
Income tax paid	(351,062,127)	(265,109,169)
Net cash generated from operating activities	1,362,467,189	2,651,841,760

	2024 Rupees	2023 Rupees
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(3,094,419,627)	(377,082,511)
Proceeds from disposal of operating assets	18,088,000	3,540,000
Profit on deposits	920,164,426	455,119,831
Dividend received	29,201,101	12,467,984
Long term security deposits	12,000,000	7,500,000
Proceeds from disposal of short term investment	47,145,222	-
Net cash (used in) / generated from investing activities	<u>(2,067,820,878)</u>	<u>101,545,304</u>
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	2,049,279,090	235,000,000
Repayment of long term finance	(669,491,894)	(962,769,786)
(Decrease) in short term borrowings - net	(37,886,925)	(926,259,685)
Dividend paid	(179,555,386)	(190,147,614)
Net cash generated from / (used in) financing activities	<u>1,162,344,885</u>	<u>(1,844,177,085)</u>
Net increase in cash and cash equivalents (a+b+c)	456,991,196	909,209,979
Cash and cash equivalents at the beginning of the year	3,682,132,733	2,772,922,754
Cash and cash equivalents at the end of the year	<u><u>4,139,123,929</u></u>	<u><u>3,682,132,733</u></u>

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1. GENERAL INFORMATION

- 1.1 Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 2-H Jail Road, Gulberg II, Lahore in the province of Punjab. The Company is listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad, M-3 Industrial Estate, Faisalabad, in the province of Punjab.
- 1.2 The Company's spinning projects comprises 50,400 spindles are under implementation out of which project of 16,800 spindles is under implementation in first phase.
- 1.3 Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited were merged with the assets, liabilities and reserves of Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.4 The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2023 and therefore, have been applied in preparing these financial statements.

Amendments to IAS1 - Disclosure of Accounting Policies

IAS 1 is amended to change the requirements with regard to disclosure of accounting policies. The amendments replace the term 'significant' accounting policies with 'material' accounting policies.

Accounting information is material, if when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The IAASB has also developed guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments require to disclose policy information relating to material transactions.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

The amendments have no material impact on the company's financial statements.

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to their cover ability criteria in IAS 12.

The amendments have no material impact on the company's financial statements

IAS 12 Application Guidance on Accounting for Minimum taxes and final tax

The Institute of Chartered Accountants of Pakistan has developed application guidance on accounting for Minimum taxes and final taxes. The guidance is made in the context of provisions of Income Tax Ordinance, 2001 to be applied by entities obligated to use accounting and reporting standards as applicable in Pakistan other than those entities which apply AFRS for SSEs.

The purpose of the guidance is to provide guidelines on accounting of minimum tax and final taxes under the requirements of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards.

The subject matter of TR-27 is adequately covered in the guidance, the Council of the Institute, accordingly has withdrawn TR-27.

The impact on accounting of minimum taxes, final tax and normal tax under the tax laws in the financial statements is disclosed in Note 2.23.

2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2023 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.2.3 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Amendments to IAS 1 are made to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer settlement must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right

The amendments are effective for the annual periods beginning on or after January 01, 2024.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for the annual periods beginning on or after January 01, 2024.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments are effective for the annual periods beginning on or after January 01, 2024.

The amendments are not expected to have any material impact on the company's financial statements.

Accounting Standard – Non-Going Concern Basis of Accounting

The Institute of Chartered Accountants of Pakistan (ICAP) has issued accounting standards to specify the basis of accounting for a non-going concern entity.

The basis of accounting establishes principles and requirements for how the non-going concern entity shall account for and present effects of transactions, other events and conditions in its financial statements. This will enable users of the financial statements in evaluating the nature and financial effects of non-going concern position, financial performance and cash flows.

The standard establishes principles and requirements that how a reporting entity when preparing financial statements on an assumption other than going concern basis:

- a) Recognize and measure in its financial statements, the assets, liabilities, income and expense; and

b) Discloses information

The amendments are effective for the annual periods beginning on or after January 01, 2024.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 21 - Lack of exchangeability

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date.

The amendments are effective for the annual periods beginning on or after January 01, 2025.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial

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

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

The amendments clarifies the treatment of non-recourse assets and contractually linked

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

The amendments are effective for the annual periods beginning on or after January 01, 2026.

The amendments are not expected to have any material impact on the company's financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations.

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance

of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM.

IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes.

IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments may have a material impact on the company's financial statements in future periods.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

IFRS 19, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments are not expected to have any material impact on the company's financial statements.

2.2.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

2.3 Basis of preparation

The financial statements have been prepared under the historical cost convention except: -

- Certain property, plant and equipment carried at valuation.
- Short term investments measured at fair value.

MATERIAL ACCOUNTING POLICY INFORMATION

2.4 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost / valuation less accumulated depreciation and impairment in value, if any. Freehold land and capital work in progress are stated at valuation, cost less accumulated impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in property, plant and equipment note 3.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition or capitalisation and upto the month preceding the disposal respectively.

When parts of an item of property, plant and equipment have different useful lives, they are recognised as a separate item of property, plant and equipment.

Normal repair and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of assets, if any, are recognised as and when incurred.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

Any revaluation increase arising on freehold land, building on freehold land and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land, building on freehold land and plant and machinery improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation of building on freehold land and plant and machinery improvements to the extent of incremental depreciation charged is transferred to unappropriated profit.

2.5 Intangible assets

These are stated at cost less accumulated amortisation and impairment in value, if any. Intangible assets are amortised over a period of five years using straight line method.

Amortisation on additions during the year is charged from the month in which an asset is acquired or capitalised.

All costs / expenditure connected with software implementation are collected in computer softwares under implementation. These are carried at cost less impairment in value, if any and are transferred to specific assets as and when assets are available for intended use.

2.6 Investments

Investments are initially recognised / derecognised on trade date at cost being the fair value of consideration given including cash transaction. Trade date is the date that the Company commits to purchase or sell the investment. After initial recognition these are recognised and accounted for as follows:

Investments at fair value through profit or loss

These are the investments which are classified as held for trading and are acquired principally for the purpose of generating profit from short term fluctuation in price. Investments designated at fair value through profit or loss upon initial recognition also include those group of investments which are managed and their performance evaluated on fair value basis in accordance with the Company's documented investment strategy.

After initial recognition, such investments are remeasured at fair value determined with reference to the year end quoted rates (equity shares and investments in units of closed end funds at respective stock exchange rates, while the units of open end funds at their declared net asset value per unit). Gains or losses on remeasurments of these investments are recognised in the statement of profit or loss.

Derecognition

All investments are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Gain / loss on sale of investments is taken to income in the period in which it arises.

2.7 Impairment

The Company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indications exist, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in statement of profit or loss, unless the relevant assets are carried at revalued amounts, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Stores, spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice value plus other charges incurred thereon.

2.10 Stock in trade

Stock in trade except wastes are valued at the lower of cost and net realisable value. Cost is determined as follows:

Raw material	Weighted average cost except items in transit which are valued at cost accumulated upto the statement of financial position date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.

Wastes are valued at net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales. Average manufacturing cost represents cost of direct materials, labour and appropriate manufacturing overheads.

2.11 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified. Other receivables are carried at nominal amount which is the fair value of the consideration to be received in future.

2.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amounts of cash and are subject to insignificant risk of change in value.

2.13 Trade and other payables

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

2.14 Staff retirement benefits

The company discontinued its defined benefit plan - unfunded gratuity scheme from September 2023 and continue to operate defined contribution plan - unrecognized provident fund scheme for all its eligible employees. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 5% of basic salary.

2.15 Provisions

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

2.16 Provision for taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of Income Tax Ordinance 2001.

Current tax

The charge for current taxation is calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 12/IAS 37.

Deferred taxation

Deferred tax is provided using the liability method for all temporary differences at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is charged or credited in the income statement, except in case of items charged or credited to equity in which case it is included in equity.

2.17 Dividend and other appropriations

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

2.18 Foreign currency translation

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

2.19 Financial Instruments

2.19.1 Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

- Financial assets at fair value through other comprehensive income

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

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

2.19.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

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

2.20 Offsetting of financial asset and financial liability

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position, if the Company has a legal enforceable right to offset the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sale of goods is recognised at a point in time when control of goods is transferred to customers.

Revenue from conversion receipts is recognised when services are rendered.

Interest income is recognized on time proportionate basis.

Dividend income from investments is recognised when the Company's right to receive payment has been established except dividend from associate accounted for using equity method which is recognised as a reduction of the carrying value of investment when the Company's right to receive payment has been established.

2.22 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IASs / IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables and slow moving inventory, staff retirement gratuity, fair value of short term investment, revaluation and taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

2.23 Change in accounting policy of Provision for Taxation

During the year the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 regarding treatment of final taxes and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of minimum tax and final tax to be classified separately as a levy instead of current tax expense.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

The effect of the change in accounting policy is summarised below:

For the year ended June 30, 2024			For the year ended June 30, 2023		
Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy

Effect on the statement of financial position

Loans, advances and deposit	718,063,763	(247,581,973)	470,481,790	668,578,920	(264,194,713)	404,384,206
Prepayments	2,875,393	247,581,973	250,457,366	918,170	264,194,713	265,112,883

Effect on the statement of profit or loss

Profit before income tax	830,140,392	(237,879,980)	592,260,412	1,597,287,525	(291,904,535)	1,305,382,990
Levies	-	237,879,980	237,879,980	-	291,904,535	291,904,535
Provision for taxation	482,678,977	(237,879,980)	(42,811,500)	383,912,863	(291,904,535)	92,008,328

Note 2024 Rupees 2023 Rupees

3.2 Depreciation for the year has been allocated as under:

Cost of sales	25.1	1,020,163,908	1,107,919,723
Administrative expenses	29	17,351,323	21,580,953
		<u>1,037,515,231</u>	<u>1,129,500,676</u>

3.3 Had there been no revaluation, the carrying values of freehold land, building on freehold land and plant and machinery at June 30, 2024 and 2023 would have been as follows:

	Carrying value	
	2024 Rupees	2023 Rupees
Freehold land	205,079,486	184,046,126
Building on freehold land	932,042,094	1,035,602,327
Plant and machinery	<u>5,074,408,955</u>	<u>5,235,652,863</u>
	<u>6,211,530,535</u>	<u>6,455,301,316</u>

3.4 The forced sale value of revalued freehold land, building on freehold land and plant and machinery was Rs. 10,198,476,984/- at the date of revaluation.

3.5 Detail of disposal of operating assets

-----2024-----							
Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Relationship	Particulars of buyers
----- Rupees -----							
Plant and Machinery (by negotiation)	250,630	137,973	112,657	200,000	87,343	None	Adnan Adrees S/O Muhammad Adrees House No. P 178 D-Type Colony Street No.7 Faisalabad
	407,459	268,390	139,069	375,000	235,931		
	407,459	268,390	139,069	375,000	235,931		
	407,459	268,390	139,069	375,000	235,931		
	2,817,750	1,801,984	1,015,766	850,000	(165,766)	None	Sajid Mahmood S/O Muhammad Sharif House No. 235 Block 1-H Azmeer Town Canal Road Lahore.
	224,104	147,616	76,488	200,000	123,512		
	4,158,633	2,282,100	1,876,533	228,000	(1,648,533)		
	15,225,253	8,328,507	6,896,746	300,000	(6,596,746)	None	Sultan Saeed Ahmed S/O Miraj Deen House No.1185 Peoples Colony No.2 Muhammadi Chowk Faisalabad.
Electric appliances (by negotiation)	35,000	13,467	21,533	15,000	(6,533)	None	Muhammad Jawad S/O Muhammad Afzal House No. 715 B Peoples Colony No. 1 Faisalabad

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Relationship	Particulars of buyers
----- Rupees -----							
Vehicles (by negotiation)	5,712,000	376,040	5,335,960	5,235,000	(100,960)	None	Muhammad Amir Shehzad S/O Muhammad Younus House No. 29/30 Kohinoor City Faisalabad
	8,735,690	990,045	7,745,645	9,000,000	1,254,355	None	Fahad Abdullah Shah S/O Muhammad Mazhar ul Haq shah House no. 935 Block B Sahiwal Pakistan
	1,298,826	1,265,238	33,588	15,000	(18,588)	None	Maqsood Ahmad S/O Abdul Majeed Warah Changarah Post Office Tabi Sahab Singh Sheikhpura
	700,000	635,695	64,305	525,000	460,695	None	Muhammad Mughanim Saleem S/O Shahzad Saleem House no. 62 C Model City 2 Faisalabad
	610,354	567,901	42,453	395,000	352,547	None	Amir Iqbal Sajid S/O Muhammad Sajid House no. 671 Allama Iqbal Town, Lahore
	<u>40,990,617</u>	<u>17,351,736</u>	<u>23,638,881</u>	<u>18,088,000</u>	<u>(5,550,881)</u>		

-----2023-----

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss)	Relationship	Particulars of buyers
----- Rupees -----							
Vehicle (by negotiation)	504,700	305,739	198,961	450,000	251,039	Employee	Naveed Ashraf S/o Ashraf Ali House no. 184 Muhallah Rehman Pura Farooq Abad Lahore
	1,005,000	259,066	745,934	840,000	94,066	None	Hammad Yasin S/o Amir Uddin Phase 6 DHA, House no. D-538, Lahore
	300,000	191,251	108,749	450,000	341,251	None	Mirza Hummayun S/o Abdul Rasheed Street no. 2 Hajveri Town Faisalabad
	3,000,000	2,303,134	696,866	800,000	103,134	None	Farah Alam Ieghari D/o Noor illahi Ieghari Lahore
	662,300	519,644	142,656	500,000	357,344	Employee	Anwar Ul Haq S/o Muhammad Shafi Lahore
	682,300	535,336	146,964	500,000	353,036	Employee	Ahsan Danish S/o Nishan Ali House no. 43 street no. 5 Alfaisal Town Lahore
	<u>6,154,300</u>	<u>4,114,170</u>	<u>2,040,130</u>	<u>3,540,000</u>	<u>1,499,870</u>		

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

Location	Usage of immovable	Total Area
a) 32-KM, Sheikhpura Road, Faisalabad.	Spinning unit and power	660,752
b) 32-KM, Tandlianwala Road, Faisalabad.	Weaving unit	628,899
c) Raja Bolay, Tehsil Cantt, District Lahore.	Godown	1,971,094
d) Plot # 6, M-3 Industrial Estate, Faisalabad.	Spinning unit and power	756,856
e) 20, Bilal Road, Civil Lines, Faisalabad.	Office	49,550
f) Small industrial Estate Road, Faisalabad.	Export house	11,707

3.7 Capital work in progress

	Civil work	Plant and machinery	Total
	-----Rupees-----		
Balance as at July 1, 2022	498,929,688	1,229,439,690	1,728,369,377
Additions	233,873,481	130,673,264	364,546,745
Transfer to operating assets	-	(103,141,497)	(103,141,497)
Balance as at June 30, 2023	732,803,168	1,256,971,457	1,989,774,625
Additions	389,442,532	2,650,391,462	3,039,833,994
Transfer to operating assets	-	(368,853,135)	(368,853,135)
Balance as at June 30, 2024	1,122,245,700	3,538,509,784	4,660,755,484

3.8 It represents land held for future expansion.

3.9 Particulars of immovable property (i.e. non- operating land) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area
a) Raja Bolay, Tehsil Cantt, District Lahore.	Land held for future expansion	69,404
b) Deve Khurd Kalan, Tehsil Model Town, District Lahore.	Land held for future expansion	14,974

3.10 This represents the amount paid against the purchase of land for future expansion

	Note	2024 Rupees	2023 Rupees
4. Long term security deposits			
Against Utilities		4,975,784	4,975,784
Security Deposit	4.1	<u>3,500,000</u>	<u>15,500,000</u>
		<u><u>8,475,784</u></u>	<u><u>20,475,784</u></u>

4.1 This represent Security deposits paid to Mehreen Fahad (director) against hiring of office premises.

	Note	2024 Rupees	2023 Rupees
5. Stores, spares and loose tools			
Stores			
in hand		139,998,405	120,797,330
in transit		29,523,376	49,993,452
Spares	5.1	183,328,985	158,759,059
Loose tools		<u>341,931</u>	<u>493,622</u>
		<u><u>353,192,697</u></u>	<u><u>330,043,463</u></u>

5.1 Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	Note	2024 Rupees	2023 Rupees
6. Stock in trade			
Raw materials			
in hand	6.1	<u>1,277,122,997</u>	<u>2,878,817,974</u>
In Transit		<u>1,610,388,814</u>	<u>407,142,600</u>
		2,887,511,811	3,285,960,574
Work in process		326,794,669	283,644,737
Finished goods	6.1	739,581,751	735,193,538
Waste		<u>32,586,305</u>	<u>83,264,887</u>
		<u><u>3,986,474,536</u></u>	<u><u>4,388,063,736</u></u>

6.1 Stock in trade amounting to Rs.3,189.17 million (2023: Rs. 3,149.59 million) was pledged as security with the banking companies.

	Note	2024 Rupees	2023 Rupees
7. Trade debts			
Considered good			
Secured			
Foreign	7.1	79,064,718	604,802
Unsecured			
Foreign	7.1	583,310,725	620,449,049
Local		3,135,230,647	3,144,392,545
		3,718,541,372	3,764,841,594
Considered doubtful			
Unsecured			
Foreign	7.1	22,600,585	22,600,585
Less: Provision for doubtful debts		(22,600,585)	(22,600,585)
		-	-
Local		69,585,176	69,585,176
Less: Provision for doubtful debts		(69,585,176)	(69,585,176)
		-	-
		<u>3,797,606,090</u>	<u>3,765,446,396</u>

7.1 Following are the details of debtors in relation to export sales:

Jurisdiction	Category	2024 Rupees	2023 Rupees
Africa	Cash against documents	18,273,909	-
Europe	Letter of credit	79,064,718	604,802
	Cash against documents	71,484,390	19,089,625
		150,549,108	19,694,427
North America	Cash against documents	398,008,474	298,878,757
South America	Cash against documents	118,144,538	325,081,252
		<u>684,976,028</u>	<u>643,654,436</u>

8. Loans, advances and deposit

Considered good			
Advances			
Employees		410,000	14,591,498
Suppliers		287,294,728	208,469,710
Income tax		63,200,000	66,000,000
Letters of credit fee and expenses		119,577,062	115,322,999
		<u>470,481,790</u>	<u>404,384,206</u>

9. Prepayments

Prepaid tax	247,581,973	264,194,713
Prepaid Insurance	2,875,393	918,170
	<u>250,457,366</u>	<u>265,112,883</u>

	Note	2024 Rupees	2023 Rupees
10. Other receivables			
Considered good			
Export rebate / duty drawback		24,417,322	34,705,471
Receivable from Associated Undertaking	10.1	800,000	6,121,921
Insurance claim receivable		10,643,000	-
Other		184,670	5,719,802
		<u>36,044,992</u>	<u>46,547,194</u>

10.1 It represents receivable in respect of expenses incurred for Zahidjee Towers (Private) Limited, a related party. It is unsecured .

	Note	2024 Rupees	2023 Rupees
11. Short term investment			
Investment in ordinary shares	11.1	<u>159,864,144</u>	<u>100,660,852</u>

11.1 Financial assets at fair value through profit or loss

Quoted securities

Habib Metropolitan Bank Limited

2,022,854 (2023: 2,022,854) Ordinary shares of Rs.10/- each 59,573,050 78,992,449

JS Bank Limited

100,000 (2023: 100,000) Ordinary shares of Rs.10/- each 467,000 400,000

Askari Bank Limited

(2023:1,972,000) Ordinary shares of Rs.10/- each - 29,282,400

The Bank of Punjab

(2023: 1,132,313) Ordinary shares of Rs.10/- each - 5,579,212

MCB Bank Limited

88,000 (2023: 88,000) Ordinary shares of Rs.10/- each 10,120,000 10,822,240

70,160,050 125,076,301

Adjustment in fair value - net

89,704,094 (24,415,449)

159,864,144 100,660,852

11.2 The fair value of short term investment is based on prices quoted in active markets which is level 1 of fair value hierarchy.

	2024 Rupees	2023 Rupees
12. Tax refunds due from Government		
Income tax	254,382,802	103,239,535
Sales tax	243,197,538	108,902,635
	<u>497,580,340</u>	<u>212,142,170</u>

	Note	2024 Rupees	2023 Rupees
13. Cash and bank balances			
Cash in hand		19,194,305	50,477,872
Cash at banks			
In current accounts		247,897,788	185,017,061
In PLS accounts	13.1	215,433,200	94,688,675
In Deposit accounts	13.2	3,656,598,636	3,351,949,125
		<u>4,139,123,929</u>	<u>3,682,132,733</u>

13.1 Effective profit rate in respect of PLS accounts was 12.61% to 22.50% per annum (2023 : 6.70% to 19.73% per annum).

13.2 It represents the investment in Term deposit receipts carrying profit at the rates ranging from 15.60% to 19.51% per annum (2023: 4.90% to 21.78% per annum).

	Note	2024 Rupees	2023 Rupees
14. Trade and other payables			
Creditors		1,356,494,215	776,029,158
Accrued liabilities		650,030,986	550,664,902
Advance from customers		409,722,651	134,514,320
Payable to provident fund		9,258,234	-
Workers' profit participation fund	14.1	44,583,265	351,544,123
Workers' welfare fund		30,399,890	46,055,954
Withholding taxes		164,857,142	133,382,931
Sales tax payable		-	67,516,343
		<u>2,665,346,383</u>	<u>2,059,707,731</u>

14.1 Workers' profit participation fund

Opening balance		351,544,123	225,565,006
Interest on funds utilised in the Company's business		24,173,233	40,195,684
		<u>375,717,356</u>	<u>265,760,690</u>
Paid to workers on behalf of the fund		(375,717,356)	-
		-	265,760,690
Allocation for the year		44,583,265	85,783,433
		<u>44,583,265</u>	<u>351,544,123</u>

15. Interest / mark up payable

Interest / mark up payable on:			
Short term borrowings		90,792,181	72,874,950
Long term finance		155,936,855	19,761,717
		<u>246,729,036</u>	<u>92,636,667</u>

	Note	2024 Rupees	2023 Rupees
16. Short term borrowings			
Secured			
From banking companies			
Export finances	16.2	-	50,000,000
Running finances	16.2	46,833,953	221,952,684
Cash finances	16.3	2,702,278,823	2,775,347,017
Un-secured			
From directors and associates	16.4	260,300,000	-
		<u>3,009,412,776</u>	<u>3,047,299,701</u>

16.1 The aggregate unavailed short term borrowing facilities available to the Company are Rs. 8,590.89 million (2023 : Rs. 4,802.08 million).

16.2 These are secured against first joint parri passu charge and ranking charge over present and future current assets of the Company, lien on export documents and by personal guarantee of directors of the Company. These are subject to mark up at the rates of one month KIBOR plus 1% (2023: one month KIBOR plus 1%) and SBP rate plus 2% per annum (2023: SBP rate plus 2% per annum).

The effective rate of mark up charged during the year ranges from 21.52% to 23.77% per annum (2023: 15.16% to 22.70% per annum).

16.3 These are secured against pledge of cotton, polyester, manmade fibers, yarn and grey cloth. These are further secured by personal guarantee of directors of the Company. These are subject to mark up at the rates of one month KIBOR plus 0.75% to 1.5% per annum, three months KIBOR plus 1% to 1.25% per annum, six month KIBOR plus 0.9% to 1% and nine month KIBOR plus 1% (2023: one month KIBOR plus 0.75% to 1.5% per annum, three months KIBOR plus 0.75% to 1.5% per annum, six month KIBOR plus 1% and nine month KIBOR plus 1%).

The effective rate of mark up charged during the year ranges from 17.37% to 25.68% per annum (2023: 12.89% to 23.30%).

16.4 These are interest free and obtained for meeting working capital requirements of the company.

	Note	2024 Rupees	2023 Rupees
17. Long term finance			
Secured			
From banking companies			
Under mark up arrangements			
Term finances	17.2	2,063,067,824	1,087,580,715
Demand finances	17.2	1,015,637,367	209,416,186
Temporary Economic Refinance Facility (TERF)	17.2	2,360,962,962	2,762,884,056
		<u>5,439,668,153</u>	<u>4,059,880,957</u>
Less : Current portion			
Payable within one year		(858,822,983)	(706,279,169)
		<u>4,580,845,170</u>	<u>3,353,601,788</u>

17.1 Reconciliation of long term financing:

Balance as at July 01,	4,059,880,957	4,787,650,743
Obtained during the year	2,049,279,090	235,000,000
	<u>6,109,160,047</u>	<u>5,022,650,743</u>
Paid during the year	(669,491,894)	(962,769,786)
Balance as at June 30,	<u>5,439,668,153</u>	<u>4,059,880,957</u>

17.2 The terms of repayment of finances are as under;

Nature of loans	Balance Rupees	Number of installments		Payment rests	Commencement date	Ending date	Markup rate
		Total Balance					
Term finances							
I	106,072,000	24	16	Quarterly	30-Jun-21	7-Jun-28	SBP+1.75%
II	142,553,335	24	16	Quarterly	14-Jun-21	7-Jun-28	SBP+1.75%
III	114,623,434	24	10	Quarterly	22-Jan-21	22-Oct-26	SBP + 2%
IV	10,356,007	24	10	Quarterly	14-Feb-21	14-Nov-26	3MK+2%
V	60,198,672	36	23	Quarterly	26-May-21	26-Feb-30	SBP + 1.5%
VI	77,546,529	36	25	Quarterly	2-Dec-21	2-Sep-30	SBP + 1.5%
VII	6,357,650	20	13	Quarterly	15-Dec-22	15-Sep-27	SBP + 2%
VIII	5,350,270	36	22	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
IX	14,171,054	36	22	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
X	4,995,216	36	22	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
XI	8,443,108	36	22	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
XII	68,517,162	36	22	Quarterly	30-Jan-21	30-Oct-29	SBP + 1.5%
XIII	11,529,000	36	18	Quarterly	24-Jan-20	24-Oct-28	SBP + 1%
XIV	4,806,496	36	18	Quarterly	24-Jan-20	24-Oct-28	SBP + 1%
XV	18,231,998	36	18	Quarterly	14-Feb-20	14-Nov-28	SBP + 1%
XVI	9,556,803	36	13	Quarterly	5-Dec-18	5-Sep-27	SBP + 1%
XVII	1,519,909	36	13	Quarterly	5-Dec-18	5-Sep-27	SBP + 1%
XVIII	2,293,788	36	13	Quarterly	5-Dec-18	5-Sep-27	SBP + 1%
XIX	17,833,106	36	13	Quarterly	5-Dec-18	5-Sep-27	SBP + 1%
XX	8,319,644	36	13	Quarterly	27-Dec-18	27-Sep-27	SBP + 1%
XXI	1,446,962	36	13	Quarterly	27-Dec-18	27-Sep-27	SBP + 1%
XXII	38,403,447	36	13	Quarterly	27-Dec-18	27-Sep-27	SBP + 1%
XXIII	17,460,803	36	13	Quarterly	27-Dec-18	27-Sep-27	SBP + 1%
XXIV	22,105,616	36	14	Quarterly	6-Mar-19	6-Dec-27	SBP + 1%
XXV	19,789,000	36	16	Quarterly	7-Aug-19	7-May-28	SBP + 1%
XXVI	9,837,100	30	13	Quarterly	16-Dec-22	16-Sep-27	SBP + 2%
XXVII	32,931,600	30	13	Quarterly	16-Dec-22	16-Sep-27	SBP + 2%
XXVIII	200,000,000	16	16	Quarterly	17-Aug-23	17-Aug-28	3MK+1.5%
XXIX	28,437,500	16	13	Quarterly	6-Sep-22	6-Sep-27	SBP + 1.5%
XXX	134,429,300	20	20	Quarterly	17-Aug-23	17-Aug-30	3MK+1.5%
XXXI	123,732,000	20	20	Quarterly	17-Aug-23	17-Aug-30	3MK+1.5%
XXXII	241,838,700	20	20	Quarterly	17-Aug-23	17-Aug-30	3MK+1.5%
XXVIII	499,380,615	16	16	Quarterly	1-Jul-23	30-Sep-28	3MK+1.5%
		2,063,067,824					
Demand Finances							
I	1,520,419	36	15	Quarterly	23-Apr-19	23-Jan-28	SBP + 2%
II	1,477,790	36	14	Quarterly	1-Mar-19	1-Dec-27	SBP + 2%
III	2,500,964	36	14	Quarterly	12-Feb-19	12-Nov-27	SBP + 2%
IV	19,790,720	36	16	Quarterly	12-Jul-19	12-Apr-28	SBP + 2%
V	29,254,743	36	15	Quarterly	1-Apr-19	1-Jan-28	SBP + 2%
VI	26,273,340	36	16	Quarterly	1-Jul-19	1-Apr-28	SBP + 2%
VII	5,453,650	36	15	Quarterly	27-May-19	27-Feb-28	SBP + 2%
VIII	3,249,020	36	15	Quarterly	12-Jul-19	12-Apr-28	SBP + 2%
IX	7,120,895	36	15	Quarterly	6-May-19	6-Feb-28	SBP + 2%
X	22,239,676	36	15	Quarterly	6-May-19	6-Feb-28	SBP + 2%
XI	43,531,669	36	15	Quarterly	7-Apr-19	7-Jan-28	SBP + 2%
XII	1,899,614	35	14	Quarterly	25-May-19	25-Nov-27	SBP + 2%
XIII	1,426,392	36	15	Quarterly	1-Jul-19	18-Jun-28	3MK+1.5%
XIV	514,941,926	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XV	110,000,000	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XVI	35,152,500	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
Nature of loans	Balance Rupees	Number of installments		Payment rests	Commencement date	Ending date	Markup rate
		Total Balance					

Demand Finances

XVII	2,259,200	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XVIII	16,695,105	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XIX	26,001,500	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XX	49,300,800	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XXI	20,517,894	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XXII	39,522,700	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XXIII	1,557,920	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XXIV	20,835,930	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
XXV	13,113,000	20	20	Quarterly	1-Jul-23	30-Sep-30	3MK+1.5%
	1,015,637,367						

TERF

I	409,365,000	20	17	Quarterly	30-Dec-23	30-Sep-28	SBP+ 3%
II	38,377,500	20	17	Quarterly	7-Oct-23	7-Jul-28	SBP+ 3%
III	29,324,970	20	17	Quarterly	20-Sep-21	20-Sep-28	SBP+ 2%
IV	55,938,388	20	17	Quarterly	29-Jul-21	29-Jul-28	SBP+ 2%
V	113,528,487	20	17	Quarterly	13-Aug-21	13-Aug-28	SBP+ 2%
VI	4,812,211	20	17	Quarterly	14-Jul-21	14-Jul-28	SBP+ 2%
VII	55,153,929	20	17	Quarterly	14-Jul-21	14-Jul-28	SBP+ 2%
VIII	82,575,384	20	17	Quarterly	15-Jul-21	15-Jul-28	SBP+ 2%
IX	83,238,892	20	17	Quarterly	19-Jul-21	19-Jul-28	SBP+ 2%
X	14,920,928	20	19	Quarterly	29-Jul-21	1-Oct-28	SBP + 3.5%
XI	314,294,843	20	19	Quarterly	1-Dec-22	1-Mar-29	SBP+ 3.5%
XII	1,256,929	20	19	Quarterly	1-Apr-22	1-Jan-29	SBP+ 3.5%
XIII	42,074,550	20	19	Quarterly	1-Apr-22	1-Apr-29	SBP+ 3.5%
XIV	24,552,750	20	19	Quarterly	1-Apr-22	1-Jan-29	SBP+ 3.5%
XV	79,312,500	20	20	Quarterly	10-Jun-22	10-Jun-29	SBP + 2.5%
XVI	126,429,335	24	16	Quarterly	16-Jun-21	16-Jun-28	SBP+ 2.5%
XVII	63,209,335	24	16	Quarterly	16-Jun-21	16-Jun-28	SBP+ 2.5%
XVIII	4,099,900	20	13	Quarterly	29-Sep-21	29-Sep-27	SBP+2.5%
XIX	2,882,729	20	13	Quarterly	13-Aug-21	13-Aug-27	SBP+2.5%
XX	7,178,343	20	12	Quarterly	31-May-21	31-May-27	SBP+2.5%
XXI	39,279,600	20	12	Quarterly	15-Jun-21	15-Jun-27	SBP+2.5%
XXII	124,937,400	20	12	Quarterly	15-Jun-21	15-Jun-27	SBP+2.5%
XXIII	4,978,400	20	16	Quarterly	26-Aug-21	7-Jun-28	SBP+2.75%
XXIV	678,400	20	16	Quarterly	26-Aug-21	7-Jun-28	SBP+2.75%
XXV	87,600,000	20	16	Quarterly	6-Aug-21	7-Jun-28	SBP+2.75%
XXVI	12,928,000	20	16	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXVII	16,783,200	20	16	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXVIII	17,271,200	20	16	Quarterly	19-Jul-21	7-Jun-28	SBP+2.75%
XXIX	10,506,400	20	16	Quarterly	7-Jul-21	7-Jun-28	SBP+2.75%
XXX	9,444,000	20	16	Quarterly	30-Jun-21	7-Jun-28	SBP+2.75%
XXXI	24,245,600	20	16	Quarterly	22-Jun-21	7-Jun-28	SBP+2.75%
XXXII	27,720,800	20	16	Quarterly	7-Jun-21	7-Jun-28	SBP+2.75%
XXXIII	21,799,200	20	16	Quarterly	7-Jun-21	7-Jun-28	SBP+2.75%
XXXIV	87,252,667	20	16	Quarterly	3-May-21	3-May-28	SBP+2.75%
XXXV	146,967,125	20	17	Quarterly	13-Aug-21	13-May-28	SBP+2.75%
XXXVI	40,924,440	20	17	Quarterly	12-Aug-21	12-May-28	SBP+2.75%
XXXVII	6,129,085	20	16	Quarterly	16-Jul-21	3-May-28	SBP+2.75%
XXXVIII	128,990,542	20	16	Quarterly	26-May-21	26-May-28	SBP+2.75%
	2,360,962,962						

The loans are secured against first joint parri passu charge and ranking charge over present and future fixed assets of the Company. These are further secured by the personal guarantee of directors of the Company.

Effective markup rates charged during the year ranges from 3.00% to 24.66% per annum (2023: 3.00% to 24.91%).

	2024 Rupees	2023 Rupees
18. Staff retirement gratuity	<u>-</u>	<u>21,985,109</u>

18.1 The amount included in the statement of financial position is as follows:

Present value of defined benefits obligation	-	21,985,109
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18.2 Movement in the net liability recognised

Opening liability	21,985,109	-
Net expenses recognised	-	21,985,109
Benefits due but not paid	<u>(21,985,109)</u>	-
Closing liability	<u>-</u>	<u>21,985,109</u>

18.3 The Company was operating an unfunded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the scheme. The company discontinued the staff retirement gratuity in September 2023 and started the provident fund scheme in replacement.

	2024 Rupees	2023 Rupees
19. Deferred taxation		
Opening balance	1,301,530,462	1,385,918,367
Provision/(Reversal) of deferred tax related to:		
Incremental depreciation on revalued assets	(125,196,770)	(100,434,978)
Surplus realised on disposal of revalued assets	(1,845,870)	-
Provision / (Reversal) of deferred tax on surplus	193,896,799	(49,090,023)
(Reversed) / Provided during the year	<u>(237,443,992)</u>	<u>65,137,096</u>
	<u>1,130,940,629</u>	<u>1,301,530,462</u>

19.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	1,555,836,235	1,301,530,462
Deferred tax asset:		
Carry forward tax credits and losses	<u>(424,895,606)</u>	-
	<u>1,130,940,629</u>	<u>1,301,530,462</u>

20. CONTINGENCIES AND COMMITMENTS

Contingencies

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Sales tax			
Appellate Tribunal Inland Revenue	<p>The assessing officer of Inland Revenue passed orders in respect of tax period July-2011 to June-2016, November-2013 and July-2011 to April-2012 and created demand of Rs. 9,405,301/- (2023: Rs. 9,405,301/-), Rs. 439,654/- (2023: Rs. 439,654/-) and Rs. 232,667/- (2023: Rs. 232,667/-) respectively. Currently the cases are pending for adjudication before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements. Subsequently the demand of Rs 232,667/- and Rs. 439,654 related to period July-2011 to June-2016, November-2013 has been decided in favour of the company.</p>	Company vs. Federal Board of Revenue	June 10, 2015 June 30, 2017 November 10, 2017 June 14, 2018
Appellate Tribunal Inland Revenue	<p>The assessing officer of Inland Revenue passed orders in original in respect of tax periods from August-2013 to July-2015 and July-2010 to June-2011 and created demand of Rs. 8,806,053/- (2023: Rs. 8,806,053/-). Being aggrieved by the orders the company filed appeals before the CIR(A) against the ONOs. The CIR(A) partially set aside the demand of Rs. 1,545,923/- (2023: Rs. 1,545,923/-) and disposed off the appeals. The company filed the appeals before ATIR for the remaining demand. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.</p>	Company vs. Federal Board of Revenue	March 22, 2014 August 22, 2016
Appellate Tribunal Inland Revenue	<p>The assessing officer of Inland Revenue passed order in respect of tax period July-2021 to November-2021 and created a sales tax demand of 20,773,259/- and also imposed penalty of Rs.1,038,663/- . CIR (Appeals) partially set aside demand of 7,949,830 and dispose off the appeals. The company filed the appeal before Appellate Tribunal Inland Revenue (ATIR) for remaining demand. Currently the case is pending before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.</p>	Company vs Federal Board of Revenue	22-Mar-22

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
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Appellate Tribunal Inland Revenue	Deputy Commissioner Inland Revenue passed order in respect of tax period July 2016 to November 2021 and created a sales tax demand of Rs 254,552,830/- along with default surcharge and penalty amounting to Rs. 12,727,642/-. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements. This case has been decided in favour of the company.	Company vs Federal Board of Revenue	31-Oct-22
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Other

Appellate Tribunal Lahore	The Director Social Security issued an order based on reassessment of number of employees and demanded Rs. 4,192,808/- (2023: Rs. 4,192,808/-) contribution regarding prior years. Currently the case is pending for adjudication before Appellate Tribunal Lahore. The management, based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Director Social Security	October 25, 2016
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Custom Appellate Tribunal. Lahore	The custom officer of Excise and Customs department passed order in respect of year ended June 30, 2019 and created demand of Rs. 7,997,509 which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/- (2023 Rs.7,997,509/- which includes penalty of Rs. 100,000/- and default surcharge of Rs. 25,000/-). Currently the case is pending for adjudication before Custom Appellate Tribunal Lahore. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favour of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Assistant collector (DTRE) MCC. Faisalabad	June 26, 2018
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	2024 Rupees	2023 Rupees
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	215,127,000	112,788,000
Faisalabad Electric Supply Company Limited for supply of electricity.	72,747,000	72,747,000
Excise and taxation department against imposition of infrastructure cess	401,626,000	203,826,000
Indemnity bonds issued in favour of collector of customs / sales tax, Faisalabad to avail exemption of sales tax and custom duty on imported raw material / machinery.	700,000,000	-

Commitments

Under letters of credit for:		
Plant and machinery	203,688,184	2,209,209,712
Raw material and spare parts	3,138,039,980	2,855,342,849

Under contracts for purchase of land	300,463,688	304,023,750
Under contracts for civil work	4,321,000	722,317,922

21. Share capital

21.1 Authorised capital

2024	2023		2024	2023
Number of shares			Rupees	
<u>220,000,000</u>	<u>220,000,000</u>	Ordinary shares of Rs. 10/- each.	<u>2,200,000,000</u>	<u>2,200,000,000</u>

21.2 Issued, subscribed and paid up capital

2024	2023		2024	2023
Number of shares			Rupees	
89,462,580	89,462,580	Ordinary shares of Rs. 10/- each fully paid in cash.	894,625,800	894,625,800
23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the	230,416,040	230,416,040
78,916,915	78,916,915	Ordinary shares of Rs.10/- each issued as fully paid bonus shares.	789,169,150	789,169,150
<u>191,421,099</u>	<u>191,421,099</u>		<u>1,914,210,990</u>	<u>1,914,210,990</u>

2024	2023
Rupees	Rupees

22. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Surplus on revaluation of property, plant and equipment at the beginning of the year	4,788,314,216	5,130,086,723
Transferred to unappropriated profit in respect of :		
Incremental depreciation	(321,017,359)	(341,772,507)
Surplus realised on disposal	(4,733,001)	-
	<u>(325,750,360)</u>	<u>(341,772,507)</u>
Surplus on revaluation of property, plant and equipment as at June 30,	4,462,563,856	4,788,314,216
Related deferred tax liability on:		
Revaluation at the beginning of the year	903,914,800	1,053,439,801
Deferred tax relating to:		
Incremental depreciation	(125,196,770)	(100,434,978)
Surplus realised on disposal	(1,845,870)	-
Deferred tax provided / (reversed) during the year	193,896,799	(49,090,023)
	<u>970,768,959</u>	<u>903,914,800</u>
	<u>3,491,794,897</u>	<u>3,884,399,416</u>

22.1 Latest revaluation of freehold land, building on freehold land and plant and machinery was carried out by independent valuers M/S Joseph Lobo (Pvt) Limited as at December 20, 2021. Freehold land, building on freehold land and plant and machinery were revalued on market value basis. The valuation is based on unobservable inputs which is Level 3 of fair value hierarchy.

	Note	2024 Rupees	2023 Rupees
23. Revenue reserves			
General reserves	23.1	300,000,000	300,000,000
Unappropriated profit		9,939,880,679	9,297,522,146
		<u>10,239,880,679</u>	<u>9,597,522,146</u>

23.1 These reserves are available for distribution to shareholders.

24. Sales

Export			
Cloth / made ups	24.1	3,242,398,828	4,096,615,219
Local			
Yarn		32,245,917,293	26,652,356,786
Cloth		42,929,935	25,954,700
Waste and left over		2,469,499,675	1,849,587,596
Conversion receipts		48,259,299	4,483,461
		<u>34,806,606,202</u>	<u>28,532,382,543</u>
		<u>38,049,005,030</u>	<u>32,628,997,762</u>
Add: Export rebate / duty drawback		13,472,590	17,364,767
		<u>38,062,477,620</u>	<u>32,646,362,529</u>
Less: Commission and claims		320,660,545	328,989,284
		<u>37,741,817,075</u>	<u>32,317,373,245</u>

24.1 It includes exchange gain of Rs. 76,533,775/- (2023: Rs. 130,504,679/-).

	Note	2024 Rupees	2023 Rupees
25. Cost of sales			
Cost of goods manufactured	25.1	35,862,724,330	29,925,809,324
Finished goods			
Opening stock		818,458,425	598,853,613
Closing stock		(772,168,057)	(818,458,425)
		<u>46,290,368</u>	<u>(219,604,812)</u>
		<u>35,909,014,698</u>	<u>29,706,204,512</u>

25.1 Cost of goods manufactured

Raw material consumed	25.1.1	28,876,815,849	24,485,193,998
Packing material consumed		290,314,955	284,274,439
Salaries, wages and benefits		1,304,930,129	1,059,435,142
Retirement benefits		38,484,947	31,501,962
Stores and spares consumed		602,862,815	465,717,669
Fuel and power		3,717,435,542	2,497,342,531
Repairs and maintenance		21,934,513	15,214,539
Insurance		23,814,800	25,063,939
Depreciation	3.2	1,020,163,908	1,107,919,723
Other		9,116,804	9,234,455
		<u>35,905,874,262</u>	<u>29,980,898,397</u>
Work in process			
Opening stock		283,644,737	228,555,664
Closing stock		(326,794,669)	(283,644,737)
		<u>(43,149,932)</u>	<u>(55,089,073)</u>
		<u>35,862,724,330</u>	<u>29,925,809,324</u>

	Note	2024 Rupees	2023 Rupees
25.1.1 Raw material consumed			
Opening stock		2,878,817,974	2,952,252,684
Purchases including purchase expenses		27,275,120,872	24,411,759,288
		<u>30,153,938,846</u>	<u>27,364,011,972</u>
Closing stock		(1,277,122,997)	(2,878,817,974)
		<u>28,876,815,849</u>	<u>24,485,193,998</u>
26. Trading profit			
Sale of cotton / polyester		144,123,289	406,260,313
Cost of sales		115,658,939	326,006,869
		<u>28,464,350</u>	<u>80,253,444</u>
27. Other income			
Income from financial assets:			
Profit on deposits		920,164,426	455,119,831
Dividend		29,201,101	12,467,984
Gain on disposal of short term investment		26,598,982	-
Adjustment in fair value of short term investment - net		89,704,094	-
Income from Non financial assets:			
Gain on disposal of operating assets - net		-	1,499,870
Balances written back-net		6,510,666	1,266,105
Scrap Sale		757,991	77,793
		<u>1,072,937,260</u>	<u>470,431,583</u>
28. Distribution cost			
Ocean freight		189,860,984	276,150,347
Local freight		78,547,020	63,637,638
Clearing and forwarding		29,692,774	26,988,371
Export development surcharge		2,532,652	3,036,247
Insurance		1,250,385	2,212,600
Other		18,593	14,302
		<u>301,902,408</u>	<u>372,039,505</u>
29. Administrative expenses			
Directors' remuneration		21,600,000	21,600,000
Staff salaries and benefits		118,961,370	95,809,096
Retirement benefits		3,128,072	2,858,825
Postage and telecommunication		3,624,929	3,900,273
Vehicles running and maintenance		32,931,964	20,902,063
Travelling and conveyance		2,606,243	2,367,501
Printing and stationery		1,687,706	1,989,901
Electricity and gas		5,073,977	4,306,250
Fees, subscriptions and periodicals		10,895,676	11,039,879
Advertisement		79,317	-
Insurance		1,157,223	1,479,035
Auditors' remuneration	29.1	1,955,058	1,777,325
Legal and professional		5,113,341	35,310,312
Rent, rates and taxes		12,273,386	337,568
Entertainment		10,259,616	4,881,256
Depreciation	3.2	17,351,323	21,580,953
Other		1,540,701	4,043,432
		<u>250,239,902</u>	<u>234,183,669</u>

	Note	2024 Rupees	2023 Rupees
29.1 Auditors' remuneration			
Audit fee		1,452,000	1,320,000
Fee for the review of half yearly financial information		363,000	330,000
Other Certifications		19,058	17,325
Out of pocket expenses		121,000	110,000
		<u>1,955,058</u>	<u>1,777,325</u>
30. Other operating expenses			
Workers' profit participation fund		44,583,265	85,783,433
Workers' welfare fund		16,941,641	32,597,705
Loss on disposal of operating assets-net		5,550,881	-
Adjustment in fair value of short term investment - net		-	24,415,449
		<u>67,075,786</u>	<u>142,796,587</u>
31. Finance cost			
Interest / mark up on:			
Long term finance		493,830,727	153,528,564
Short term borrowings		930,834,477	595,934,246
Workers' profit participation fund		24,173,233	40,195,684
Bank charges and commission		36,007,062	25,887,980
		<u>1,484,845,499</u>	<u>815,546,474</u>
32. Levies			
Minimum tax differential	32.1	181,463,514	243,432,092
Final Taxes	32.2	56,416,467	48,472,443
		<u>237,879,980</u>	<u>291,904,535</u>
32.1. This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.			
32.2. This represents final taxes paid under section 150 and 37 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.			
33. Provision for taxation			
Current			
for the year		343,496,676	176,410,910
for prior year		(23,667,414)	(49,104,699)
Deferred		(362,640,762)	(35,297,883)
		<u>(42,811,500)</u>	<u>92,008,328</u>
33.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:			
Current tax liability for the year as per applicable tax laws		581,376,656	468,315,445
Portion of current tax liability as per tax laws:			
representing income tax under IAS 12		(343,496,676)	(176,410,910)
representing levy in terms of requirements of IFRIC 21/IAS 37		(237,879,980)	(291,904,535)
Difference		<u>-</u>	<u>-</u>

33.2 Relationship between tax expense and accounting profit

	2024 Rupees	2023 Rupees
Accounting Profit for the year before Levies and income tax	830,140,392	1,597,287,525
Tax on accounting profit at the applicable tax rate of 29%	240,740,714	463,213,382
Tax on Inadmissible Expenses	104,267,211	81,714,734
Tax on Admissible Expenses	(66,160,634)	(78,458,474)
Adjustments of prior years in respect of current tax	-	(49,104,699)
Deferred tax	(362,640,762)	(490,988,998)
Tax effect of final tax	286,885,468	208,098,471
Tax effect of super tax	196,821,145	90,408,937
Minimum tax	181,463,514	243,432,092
Levies and income tax	<u>581,376,656</u>	<u>468,315,445</u>

33.3 The aggregate of minimum / final tax and income tax, amounting to Rs 581,376,656/- (2023: Rs. 468,315,445/-) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

2024 2023

34. Earnings per share - Basic and diluted

Profit for the year (Rupees)	<u>635,071,912</u>	<u>1,213,374,662</u>
Weighted average number of ordinary shares outstanding during the year	<u>191,421,099</u>	<u>191,421,099</u>
Earnings per share - Basic and diluted (Rupees)	<u>3.32</u>	<u>6.34</u>

34.1 There is no dilutive effect on basic earnings per share of the Company.

35. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES

	2024			2023		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
Remuneration	6,144,000	7,680,000	53,227,607	6,144,000	7,680,000	57,361,428
House						
Rent allowance	2,764,800	3,456,000	23,952,423	2,764,800	3,456,000	25,812,643
Medical allowance	614,400	768,000	5,322,761	614,400	768,000	5,736,143
Utilities allowance	76,800	96,000	665,345	76,800	96,000	717,018
	<u>9,600,000</u>	<u>12,000,000</u>	<u>83,168,136</u>	<u>9,600,000</u>	<u>12,000,000</u>	<u>89,627,232</u>
Number of persons	1	1	33	1	1	39

35.1 Chief Executive Officer is entitled to free use of the Company maintained vehicle. The monetary value of running and maintenance is Rs. 4,744,824/- (2023: Rs. 3,954,020/-). The Directors have waived off their meeting fee.

36. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of , associated undertakings, key management personnel and provident fund. Amounts due to / from related parties are shown under the relevant notes to the financial statements. Remuneration to Chief Executive Officer, Director and Executives is disclosed in Note 35. Other significant transaction with related parties are as follows.

Name of the related party	Relationship and Percentage	Transactions during the year	2024 Rupees	2023 Rupees
Muhammad Zahid	Director	Loan obtained	82,300,000	75,385,000
		Loan repaid	-	80,885,000
Zahidjee Textile Mills Limited Staff Provident Fund Trust	Other related party	Contribution for the year	41,613,019	12,375,678
Zahidjee Tower (PVT) LTD	Associated Undertaking	Operational expenses received back	5,321,921	-
Mehreen Fahad	Director	Security Deposits adjusted with rent	12,000,000	-
		Security Deposits received back	-	7,500,000
Aleeza Zahid Tariq	Related Party	Consultancy fee	-	30,000,000
Haji Sharif	Related Party	Loan obtained	100,000,000	-
Muhammad Qasim	Related Party	Loan obtained	78,000,000	-

37. DISCLOSURE WITH REGARD TO PROVIDENT FUND

		2024	2023
Size of the fund	(Rupees)	98,912,000	-
Cost of investment made	(Rupees)	93,471,840	-
Percentage of investment made	(Percentage)	94.50%	0.00%
Fair value of investment	(Rupees)	93,471,840	-

37.1 The company introduced provident fund from September 2023 covering all permanent employees. The figures for 2024 are based on the un-audited financial statements of the provident fund trust. Investment has been made in accordance with the provisions of section 218 of the Companies Act 2017 and conditions specified thereunder.

38. NUMBER OF EMPLOYEES

	2024	2023
Total number of employees as at June 30:		
Permanent	1141	1502
Temporary	1707	1182
Average number of total employees during the year	2840	2692

	2024	2023
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39. PLANT CAPACITY AND ACTUAL PRODUCTION

Spinning

Number of spindles installed	133,284	133,344
Number of spindles worked	133,284	133,344
Number of shifts per day	3	3
Installed capacity after conversion into 20/s count (Kgs)	57,322,783	57,347,935
Actual production of yarn after conversion into 20/s count (Kgs)	55,105,922	54,453,588

Weaving

Number of looms installed	280	280
Number of looms worked	280	280
Number of shifts per day	3	3
Annual production capacity converted into 60 picks (Square Meters)	42,536,384	42,536,384
Actual production converted into 60 picks (Square Meters)	38,543,222	37,787,473

39.1 Reasons for shortfall:

- It is difficult to determine precisely the production / rated capacity since it fluctuates widely depending on various factors such as speed, width and quality etc.
- The actual production is planned to meet the market demand.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimise risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

2024	2023
Rupees	Rupees

40.1 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets at amortised cost:

Long term deposits	8,475,784	20,475,784
Trade debts	3,797,606,090	3,765,446,396
Loans, advances and deposit	410,000	14,591,498
Other receivables	11,627,670	11,841,723
Cash and bank balances	4,139,123,929	3,682,132,733
	<u>7,957,243,473</u>	<u>7,494,488,135</u>

Financial asset at fair value:

Short term investments	<u>159,864,144</u>	<u>100,660,852</u>
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Financial liabilities at amortised cost:

Trade and other payables	2,211,040,467	1,573,649,288
Interest / mark up payable	246,729,036	92,636,667
Short term borrowings	3,009,412,776	3,047,299,701
Unclaimed dividend	13,070,334	9,313,318
Long term finance	5,439,668,153	4,059,880,957
	<u>10,919,920,766</u>	<u>8,782,779,931</u>

40.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Company are explained below:

40.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	2024 Rupees	2023 Rupees
Long term deposits	8,475,784	20,475,784
Trade debts	3,797,606,090	3,765,446,396
Loans, advances and deposit	410,000	14,591,498
Other receivables	11,627,670	11,841,723
Short term investment	159,864,144	100,660,852
Bank balances	<u>4,119,929,624</u>	<u>3,631,654,861</u>
	<u><u>8,097,913,312</u></u>	<u><u>7,544,671,114</u></u>

Due to Company's long standing relations with counterparties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Company except trade debts considered doubtful.

For trade debts credit quality of the customer is assessed, taking into consideration its financial position and previous dealings. Individual credit limits are set. The management regularly monitor and review customers credit exposure. The aging of trade debts as at statement of financial position date is as under:

	2024 Rupees	2023 Rupees
Not past due	3,733,751,154	3,505,946,090
Past due	156,040,697	351,686,067
Less: Provision for doubtful debts	(92,185,761)	(92,185,761)
	<u>63,854,936</u>	<u>259,500,306</u>
	<u><u>3,797,606,090</u></u>	<u><u>3,765,446,396</u></u>

Appropriate provision has been made in respect of past due trade debts considered doubtful. The credit risk exposure is limited in respect of bank balances and short term investment as these are placed with local banks having good credit rating from international and local credit rating agencies.

The short term investment and bank balances alongwith credit rating is as follows.

	2024 Rupees	2023 Rupees
Credit Rating		
Short term investment		
A-1+	159,864,144	100,660,852
Bank balances		
AAA	2,826,269,042	3,025,208,080
AA+	138,431,689	43,682,290
AA	593,727,564	487,553,855
Others	561,501,329	75,210,636
	<u>4,119,929,624</u>	<u>3,631,654,861</u>

40.2.2 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

i) Interest rate risk

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

Majority of interest rate risk arises from borrowings from banks and deposits in bank. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period.

Fair value sensitivity analysis for fixed rate

The Company has no fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not effect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

Had the interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, profit for the year and equity would have been lower / higher by Rs.77.78 million (2023: Rs. 78.63 million).

ii Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is exposed to currency risk on foreign debtors. The total foreign currency risk exposure on reporting date amounted to Rs.684.98 million (2023: Rs. 643.65 million).

At June 30, 2024, had the currency been weakened / strengthened by 5% against the U.S dollar and Euro, with all other variables held constant, profit for the year and equity would have been higher / lower by Rs.36.06 million (2023: Rs.46.04 million).

iii Equity price risk

Trading and investing in equity securities give rise to equity price risk. At the financial position date the Company is exposed to equity price risk in respect of investments. The total equity price risk exposure on reporting date amounted to Rs. 159.86 million (2023: Rs. 100.660 million).

At June 30, 2024, had the quoted securities prices been increased / decreased by 5%, with all other variables held constant, short term investments and equity would have been higher / lower by Rs. 7.99 million (2023: Rs. 5.03 million).

40.2.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to maintain sufficient level of liquidity by holding highly liquid assets and maintaining adequate reserve borrowing facilities. This includes maintenance of financial position liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2024 and June 30, 2023:

	2024					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	-----Rupees in thousand-----					
Financial liabilities:						
Trade and other payables	2,211,040	2,211,040	2,211,040	-	-	-
Interest / mark up payable	246,729	246,729	246,729	-	-	-
Short term borrowings	3,009,413	3,970,531	3,970,531	-	-	-
Unclaimed dividend	13,070	13,070	13,070	-	-	-
Long term finance	5,439,668	5,836,085	487,604	487,604	4,525,973	334,903
	<u>10,919,921</u>	<u>12,277,455</u>	<u>6,928,975</u>	<u>487,604</u>	<u>4,525,973</u>	<u>334,903</u>

	2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	-----Rupees in thousand-----					
Financial liabilities:						
Trade and other payables	1,573,649	1,573,649	1,573,649	-	-	-
Interest / mark up payable	92,637	92,637	92,637	-	-	-
Short term borrowings	3,047,300	3,677,779	3,677,779	-	-	-
Unclaimed dividend	9,313	9,313	9,313	-	-	-
Long term finance	4,059,881	4,241,380	428,415	428,415	3,291,227	93,323
	<u>8,782,780</u>	<u>9,594,758</u>	<u>5,781,793</u>	<u>428,415</u>	<u>3,291,227</u>	<u>93,323</u>

The contractual cash flows relating to mark up have been determined on the basis of weighted average mark up rates on borrowings. The Company will manage the liquidity risk from its own source through working capital management. As at the year end, the Company has liquid assets of Rs.8,160.15 million (2023: Rs. 7,152.94 million) and unavailed borrowing facilities of Rs. 8590.89 million (2023: Rs. 4,802.08 million).

40.3 Fair values of financial instruments

The carrying values of all the financial assets and financial liabilities reported in the financial statements approximate their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

40.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's 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 an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay financing from / to financial institutions.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total of long term finance and short term borrowings. Total capital comprises shareholders' equity as shown in the financial position under 'share capital and reserves' and net debt (net of cash and cash equivalent).

The salient information relating to capital risk management of the company as of June 30, 2024 and 2023 were as follows:

	Note	2024 Rupees	2023 Rupees
Total Debt	16 &17	8,449,080,929	7,107,180,658
Less: Cash and bank balances	13	4,139,123,929	3,682,132,733
Net Debt		<u>4,309,957,000</u>	<u>3,425,047,925</u>
Total equity		<u>16,012,145,079</u>	<u>15,762,391,065</u>
Total capital		<u>20,322,102,079</u>	<u>19,187,438,990</u>
Gearing ratio		21.21%	17.85%

41. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 04-October-2024 by the Board of Directors of the Company.

42. GENERAL

42.1 Figures have been rounded off to the nearest Rupee except where mentioned rounding off in Rupees in thousands.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**Pattern of Shareholding
As on June 30,2024**

No. of Shareholders	Shareholding		Total Shares held
	From	To	
191	1	100	5,916
877	101	500	249,412
538	501	1,000	380,448
1,508	1,001	5,000	1,863,893
28	5,001	10,000	198,427
12	10,001	15,000	158,344
3	15,001	20,000	54,054
2	20,001	25,000	40,422
2	30,001	35,000	68,391
1	35,001	40,000	40,000
1	40,001	45,000	45,000
3	45,001	50,000	145,387
2	60,001	65,000	123,166
2	65,001	70,000	136,000
1	75,001	80,000	80,000
1	95,001	100,000	100,000
1	105,001	110,000	107,862
1	120,001	125,000	125,000
1	185,001	190,000	188,492
1	200,001	205,000	202,000
1	560,001	565,000	564,095
1	1,085,001	1,090,000	1,090,000
1	2,240,001	2,245,000	2,244,338
1	40,730,001	40,735,000	40,734,628
1	142,475,001	142,480,000	142,475,824
3,181			191,421,099

**Categories of shareholders
AS ON 30-06-2024**

Categories of Shareholders	Number	Shares held	Percentage
Directors, Chief Executive and their spouse and minor children			
Mr. Muhammad Zahid	1	40,734,628	21.28
Mr. Faisal Masood Afzal	1	1,060	0.00
Mr. Ahmad Zahid	2	143,565,824	75.00
Mrs. Mehreen Fahad	1	500	0.00
Mr. Sajjad Hussain Shah	1	499	0.00
Mr. Shahbaz Haider Agha.	1	500	0.00
Mr. Muhammad Ali	1	500	0.00
Associated Companies, undertakings and related parties	-	-	0.00
NIT AND ICP	-	-	0.00
M/S Industrial Development Bank of Pakistan	1	4,709	0.00
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Modarabas, Pension Fund And Riet Management.	-	-	0.00
Mutual Fund	-	-	0.00
Joint Stock Companies	13	2,356,993	1.20
Ind. / General Public			
Local	3,159	4,755,886	2.52
Foreign.	-	-	-
Total	3,181	191,421,099	100.00

Shareholders holding 5% (or more) 2 184,300,452 96.28

FORM OF PROXY

I/We, _____ of _____, holding Computerized National Identity Card (CNIC)/Passport No. _____ and being a member of Zahidjee Textile Mills Limited, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and on my/our behalf at the (Annual, Extra-ordinary, as the case may be) general meeting of company to be held on the day of and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____

WITNESS:

1. Signature _____
- Name _____
- Address _____
- CNIC No. _____

2. Signature _____
- Name _____
- Address _____
- CNIC No. _____

CDC Account No.

Revenue Stamp of Rs. 5/-

To be signed by the above named shareholder

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

پراکسی فارم

میں / ہم ----- ساکن ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر -----

اور بطور رکن زاهد جی ٹیکسٹائل ملز لمیٹڈ ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر -----

یا اس کی عدم موجودگی میں ----- حامل کمپیوٹرائزڈ کارڈ (CNIC) / پاسپورٹ نمبر ----- کو مورخہ ----- کو

منقعد ہونے والے سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لیے میری / ہماری جانب سے ووٹ ڈالنے کے لیے بطور نمائندہ (پراکسی) تقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔

گواہان کی موجودگی میں میرے / ہمارے / ہماری دستخط / مہر بروز ----- کو ثبت کئے گئے / کی گئی۔

گواہان:

-----	1-	دستخط
-----	نام	-----
-----	پتہ	-----
-----	کمپیوٹرائزڈ شناختی کارڈ نمبر	-----
-----	2-	دستخط
-----	نام	-----
-----	پتہ	-----
-----	کمپیوٹرائزڈ شناختی کارڈ نمبر	-----

پانچ روپے کی اسٹمپ

حصص یافتہ کے دستخط

سی ڈی سی اکاؤنٹ نمبر

نوٹس:

- 1- یہ پراکسی فارم، مکمل اور دستخط شدہ، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے پراکسی کا ممبر ہونا لازمی ہے۔
- 2- پراکسی فارم پر دو گواہان کے نام، پتے اور سی این آئی سی نمبر درج ہونے چاہیے۔
- 3- پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے سی این آئی سی کی تصدیق شدہ نقول جمع کی جائیں گی۔
- 4- اجلاس کے وقت پراکسی کا حامل شخص اپنا اصل شناختی کارڈ فراہم کرے گا۔
- 5- کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹرنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہوں گی۔

ZAHIDJEE TEXTILE MILLS LIMITED

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