CONTENTS

NADEEM TEXTILE MILLS LIMITED

Vision Statement

To be a dynamic, profitable and growth oriented Company.

Mission Statement

The mission of the Company is to prudently utilize the human resources and plant and machinery in order to achieve high levels of sustainable profitability and growth by:

- offering high class products and services to all our customers.
- Building a long term relationship with our customers, suppliers and other stake holders.
- Continuously upgrading the latest production facilities to achieve higher levels of operational efficiency and develop potential as well as performance.
- Nurturing a work culture that generates creativity, enthusiasm, professionalism and teamwork.
- Maintaining the highest standards of ethics, safety and environment.
- Contributing towards the economic development of the country.
- Being a good corporate citizen by fulfilling our social responsibilities.

COMPANY INFORMATION

Board of Directors	:	Mr. Zahid Mazhar (Chief Executive) Mr. Omer Bin Zahid (Executive Director) Mr. Hassan Bin Zahid (Executive Director) Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan Mr. Waqar Hassan Siddiqui Mr. Nadeem Ahmed Mr. Noor Muhammad
Chief Financial Officer	:	Mr. Omer Bin Zahid
Company Secretary	:	Mr. Abdul Amin
Audit Committee	:	Mr. Waqar Hassan Siddiqui (Chairman) Mrs. Anam Omer (Member) Mrs. Shafia Hassan (Member)
H. R. & Remuneration Committee	:	Mr. Nadeem Ahmed (Chairman) Mrs. Anam Omer (Member) Mrs. Shafia Hassan (Member)
Auditors	:	M/s. Rahman Safaraz Rahim Iqbal Rafiq Chartered Accountants
Legal Advisor	:	Mr. Muhammad Mushtaq Qadri (Advocate)
Bankers	:	Habib Bank Limited Bank Al-Falah Limited Soneri Bank Limited Habib Metropolitan Bank Limited J.S. Bank Limited Samba Bank Limited Askari Bank Limited Dubai Islamic Bank
Head Office / Registered Office	:	A 801-804, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi - Pakistan. Phone: (021) 35220481-8 Fax: (92-21) 35220495-6
Share Registrar	:	M/s Hameed Majeed Associates (Pvt.) Ltd. 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi. Phone : 32424826-32412754 Fax : 32424835 E-mail: majeed@hmaconsultants.com
Mills	:	Unit-1: A-265, S.I.T.E., Nooriabad, District Jamshoro, Sindh. Unit-2: E-11, S.I.T.E., Kotri, Sindh.
URL	:	www.nadeem.com.pk

NADEEM TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38th Annual General Meeting of **Nadeem Textile Mills Limited (the "Company")** will be held on Wednesday, November 27, 2024 at 3:45 p.m. at registered office 801-804, 8th Floor, Lakson Square Building No.3, Block-A, Sarwar Shaheed Road, Karachi, to transact the following business:

Ordinary Business:

1. To confirm the Minutes of Annual General Meeting of the Company held on 27th November, 2023.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2024 together with the Directors' report, Auditors' Reports and Chairman's Review Report thereon.
3. To appoint external auditors for the next term i.e. year 2024-2025 and fix their remuneration. The retiring auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, being eligible, offer themselves for reappointment as auditors of the Company.

4. **Special Business:**

   To ratify the transactions carried out by the Company with related parties as disclosed in the Financial Statements for the year ended June 30, 2024 by passing the following resolutions as ordinary resolutions:

   "RESOLVED that the related parties transactions carried out by the Company with Nadeem International (Pvt.) Ltd. and directors of the company being related parties during the year ended June 30, 2024 be and are hereby approved."

   FURTHER RESOLVED THAT the Company may carry out transactions including, but not limited to, the sale/purchase of yarn, sale/purchase of cotton/fibre, reprocessing of yarns, rent/lease of assets, sale/purchase of machinery and equipment and other necessary goods, including receipt, with related parties from time to time for the financial year 2024-25 and loan received from and return to the related parties.

5. To transact any other business with the permission of the chairman. Moreover, the notice along with statement of material fact have been dispatched to the shareholders by post and uploaded / placed on Company website at www.nadeem.com.pk

Karachi:
5th November, 2024

By order of the Board
Company Secretary

NOTES:

1. The share transfer books of the Company will remain closed from November 21, 2024 to November 27, 2024 (both days inclusive).
2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company.
3. The instrument appointing a proxy, in order to be valid must be received at the Head Office of the Company at A -801-804, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi, not less than forty-eight (48) hours before the time fixed for the meeting.
4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her participant ID number and account/sub account number along-with original Computerized National Identity Card (CNIC) or passport at the time of attending the meeting to prove his/her identity and in case of Proxy must enclose additionally an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.
5. CDC Account Holders will also have to follow the guidelines laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
6. Members are requested to immediately inform of any change in their addresses to our Share Registrar, M/S Hameed Majeed Associates (Pvt.) Ltd., 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
7. **Submission of copies of CNIC and NTN Certificate (Mandatory)**
   Pursuant to the directive of the Securities & Exchange Commission of Pakistan (SECP), Dividend Warrant shall mandatory bear the Computerized National Identity Card (CNIC) numbers of shareholders. Shareholders are therefore requested to fulfill the statutory requirements and submit a copy of their CNIC (if not already provided) to the Company's Share Registrar, Hameed Majeed Associates (Pvt.) Ltd., Karachi, without any delay.
   In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall withhold the Dividend in terms of Clause (a) of proviso under Section 243(2) of the Companies Act 2017, which will be

released by the Share Registrar, only upon submission of a valid copy of the CNIC in compliance with the aforesaid SECP directives.

8. **Unclaimed Dividend**

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar M/s Hameed Majeed Associates (Pvt) Ltd. Karachi Chamber, Hasrat Mohani Road, Karachi to collect / enquire their unclaimed dividend, if any.

In compliance with section 244 of the Companies Act, 2017, after having completed the stipulated procedure all such dividend outstanding for a period of three years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend, shall be delivered to the SECP.

9. **Deposit of Physical Shares into CDC Accounts:**

As per Section 72 of the Companies Act, 2017 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 Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017. The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Ltd.

10. **Ballot Paper**

Postal Poll paper is available for download from the website of Nadeem Textile Mills Ltd. at www.nadeem.com.pk Shareholder may download the ballot paper from website or use an original / photocopy printed in annual reports.

11. **Placement of Financial Statements on Website:**

The Financial Statements of the Company for the year ended June 30, 2024 along with reports have been placed on the website of the Company: **http://www.nadeem.com.pk**.

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

This statement sets out the material facts concerning the Special Business, given as agenda item no. 6 of the Notice to be transacted at the 37th Annual General Meeting of the Company.

ITEMS NO. 5 OF THE AGENDA:

Nadeem Textile Mills Limited is engaged in manufacture and sale of yarn. The Company in the normal course of business carries out transactions with its associated entities. Summary of transactions carried out during the year with the associated entities is as follow:

S. No.	Name of Associated Undertaking	Nature of Transactions	Rupees
1	Nadeem International (Pvt) Ltd.	Loan Received	11,700,000
2	Nadeem International (Pvt) Ltd.	Loan Re-Paid	15,450,000
3	Nadeem International (Pvt) Ltd.	Balance outstanding	34,450,000
4	Mr. Zahid Mazhar	Loan Received	13,000,000
5	Mr. Zahid Mazhar	Balance outstanding	95,000,000
6	Mr. Hassan Bin Zahid	Loan Re-paid	11,500,000
7	Mr. Hassan Bin Zahid	Balance outstanding	4,300,000
8	Mrs. Naila Zahid	Loan received	40,000,000
9	Mrs. Naila Zahid	Balance outstanding	40,000,000

Mr. Zahid Mazhar, Mr. Omer Bin Zahid, Mr. Hassan Bin Zahid and Mrs. Naila Zahid are Directors of Nadeem Textile Mills Limited and are also Directors of Nadeem International (Private) Limited.

All related party transactions, during the year 2023, were reviewed and approved by the Audit Committee and the Board in their respective meetings. The transactions with related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method.

The above concerned Directors abstained while the Board approved the above transactions in accordance with the requirement of relevant provision of the Companies Act, 2017 and listed Companies (Code of Corporate Governance) Regulations 2017.

The above transactions with related parties are an ongoing process and will also remain continued in future.

None of the Directors other than the above concerned directors have any direct or indirect interest in the above mentioned associated entities and have no interest in the above business, other than shareholders of the Company.

NADEEM TEXTILE MILLS LIMITED
CHAIRMAN'S REVIEW REPORT
FOR THE YEAR ENDED JUNE 30, 2024

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual results of the Company for the year ended June 30, 2024.

The board of directors is responsible for managing the company and developing all major policies and strategies. It operates in compliance with relevant laws and regulations, with its obligations, rights, responsibilities, and duties clearly defined by these guidelines.

BOARD COMPOSITION AND PERFORMANCE

The Board of Directors comprises of both young and experienced professionals who have valuable expertise in textiles. This diverse team plays a crucial role in guiding the company toward its goals while maintaining high standards of corporate governance in a challenging business environment. The Board is dedicated to its strategic role in helping the company achieve key objectives and improve returns for shareholders.

To support its efforts, the Board has established an "Audit Committee" and a "Human Resource and Remuneration Committee." These committees have effectively carried out their responsibilities according to the approved code of corporate governance. We are committed to continuing our implementation of best governance practices.

The Board thoroughly reviews all quarterly, half-yearly, and annual financial results, providing regular guidance to management. It also monitors management performance closely, with a focus on key risk areas.

Throughout the year, the Board successfully fulfilled its responsibilities as outlined in the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations 2019.

BOARD PERFORMANCE AND EFFECTIVENESS

The Company follows the highest standards of corporate governance and meets all requirements of the Companies Act, 2017, as well as the Listed Companies (Code of Corporate Governance) Regulations, 2019, regarding the structure, meetings, and procedures of the Board of Directors and its Committees.

The Board has established a system for evaluating its performance each year, in line with the Listed Companies (Code of Corporate Governance) Regulations 2019. This evaluation process ensures that we meet all legal and regulatory requirements related to procedures, meetings, and the Board's responsibilities.

The Board has been crucial in helping the Company achieve its goals by providing oversight, guidance, and strategic direction while also monitoring performance. Important issues, such as planning, risk management, policy development, and financial management were discussed in detail by the Board or its committees to support effective decision-making.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I want to sincerely thank all our employees for their hard work and contributions to the Company's success. I also appreciate our shareholders, customers, suppliers, bankers, and other stakeholders for their ongoing trust and support.

for and on Behalf of the Board of Directors

Naila Zahid

NAILA ZAHID
Chairperson

Karachi
Dated: November 05, 2024

ندیم ٹیکسٹائل ملز لمیٹڈ

چیئرمین کی جائزہ رپورٹ

محترم ممبران،

۳۰ جون ۲۰۲۴ کو اختتام پذیر ہونے والے سال کے لئے بورڈ آف ڈائریکٹرز کی طرف سے چیئرمین کی جائزہ رپورٹ پیش کرنا میرے لئے باعث مسرت ہے۔

بورڈ آف ڈائریکٹرز کمپنی کے انتظامات اور تمام اہم پالیسیوں اور حکمت عملیوں کی تشکیل کا ذمہ دار ہے۔ یہ قوانین اور ضوابط کی مکمل پابندی کرتا ہے، جیسا کہ ان کے فرائض، حقوق، ذمہ داریاں اور فرائض ان ہدایات کے ذریعے واضح کی گئی ہیں۔

بورڈ کی تشکیل اور کارکردگی

بورڈ آف ڈائریکٹرز نوجوان اور تجربہ کار پیشہ ور افراد پر مشتمل ہے جو ٹیکسٹائل کے شعبے میں مہارت رکھتے ہیں۔ یہ متنوع ٹیم کمپنی کو اس کے مقاصد کی طرف رہنمائی کرنے میں ایک اہم کردار ادا کرتی ہے اور ایک مسابقتی کاروباری ماحول میں اعلیٰ معیار کی کارپوریٹ گورننس کو برقرار رکھتی ہے۔ بورڈ اہم مقاصد کے حصول اور حصص یافتگان کے لیے منافع میں بہتری لانے میں کمپنی کی مدد کرنے میں اپنی حکمت عملی سے بخوبی واقف ہے۔

بورڈ نے آڈٹ کمیٹی اور افرادی وسائل اور معاوضہ کمیٹی تشکیل دی ہے۔ ان کمیٹیوں نے اپنی ذمہ داری کو کارپوریٹ گورننس کے ضابطے اور بورڈ آف ڈائریکٹرز کے منظور شدہ ٹرم آف ریفرنس کے مطابق موثر انداز میں انجام دیا ہے۔ ہم گورننس کے بہترین طریقوں کو اپنانے اور ان پر عمل درآمد کے لئے اپنی کوششیں جاری رکھیں گے۔

بورڈ تمام سہ ماہی، ششماہی اور سالانہ مالی نتائج کا مکمل جائزہ لیتا ہے اور انتظامیہ کو باقاعدگی سے رہنمائی فراہم کرتا ہے۔ یہ اہم خطرات والے شعبوں پر خصوصی توجہ کے ساتھ انتظامیہ کی کارکردگی کا بھی قریب سے جائزہ لیتا ہے۔

زیر نظر سال کے دوران بورڈ نے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ 2019) میں بیان کردہ اپنی ذمہ داریوں کو کامیابی سے پورا کیا۔

بورڈ کی کارکردگی اور اقدار

کمپنی اعلیٰ معیار کی کارپوریٹ گورننس کی پیروی کرتی ہے اور بورڈ آف ڈائریکٹرز کی تشکیل، میٹنگز اور طریقہ کار کے حوالے سے کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس ضابطہ 2019) کی تمام شرائط کو پورا کرتی ہے، جو کہ بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی ساخت، میٹنگز اور طریقہ کار کے حوالے سے ہیں۔

بورڈ نے لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ 2019) کے تحت ہر سال اپنی کارکردگی کا جائزہ لینے کے لیے ایک نظام قائم کیا ہے۔ یہ جائزہ اس بات کو یقینی بناتا ہے کہ اہم طریقہ کار، میٹنگز، اور بورڈ کی ذمہ داریوں سے متعلق تمام قانونی اور ضابطہ جاتی تقاضوں کو پورا کریں۔

بورڈ نے کمپنی کے اہداف کے حصول میں مدد فراہم کرنے کے لئے نگرانی، رہنمائی اور حکمت عملی کے ذریعے اہم کردار ادا کیا ہے، جبکہ کارکردگی کی بھی نگرانی کی ہے۔ اہم مسائل جیسے منصوبہ بندی، رسک مینجمنٹ، پالیسی کی ترقی، اور مالیاتی انتظام کو موثر فیصلہ سازی کی حمایت کے لیے تفصیل سے بورڈ یا اس کی کمیٹیوں میں بحث کی گئی ہے۔

اعتراف

بورڈ آف ڈائریکٹرز کی جانب سے، میں کمپنی کی کامیابی میں ان کی محنت اور خدمات کے لیے اپنے تمام ملازمین کا دل سے شکریہ ادا کرنا چاہتی ہوں۔ میں اپنے حصص یافتگان، گاہکوں، سپلائرز، بینکرز، اور دیگر اسٹیک ہولڈرز کے مسلسل اعتماد اور تعاون کا بھی شکریہ ادا کرتی ہوں۔

کراچی 05 نومبر 2024

منجانب بورڈ آف ڈائریکٹرز

Naila Zahid

نائلہ زاہد

چیئرپرسن

NADEEM TEXTILE MILLS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED JUNE 30, 2024

Dear Shareholders,

The Directors of the Company hereby present the audited financial statements of the Company for the year ended June 30, 2024, together with the Auditor's Report thereon.

FINANCIAL HIGHLIGHTS

During the fiscal year ended June 30, 2024, the Company achieved sales turnover of Rs. 11.39 billion depicting an increase of 6.79% as compared to the turnover of 10.67 billion reported in the previous year. The Company incurred a net loss after tax of Rs. 961.78 million during the period. This loss is primarily due to the increase in the cost of raw materials, fuel & power, very high rates of interests, minimum wage rate, and other expenses. Most of the companies from the Textile sector have also reported losses for the year ended June 30, 2024

The following table summarizes the Company's financial results for the year ended June 30, 2024, along with comparative figures for the previous year:

	Rupees in Million	
	2024	2023
Sales	11,391.09	10,666.65
Gross profit	65.62	510.00
Gross profit % to Sales	0.57%	4.78%
Profit / (Loss) before tax	(894.81)	(584.06)
Profit / (Loss) after tax	(961.78)	(569.29)

KEY FINANCIAL INDICATORS

- Sales increased by Rs.724.44 million, an increase of 6.79%.
- The gross profit margin decreased to 0.57%, from 4.78% in the previous year.
- Net loss after tax was 8.44%, compared to net loss after tax of 5.34% in the previous year.

BREAK-UP VALUE AND EARNING PER SHARE

The break-up value per share as at June 30, 2024, was Rs. 126.94, compared to Rs. 172.75 as at June 30, 2023. The loss per share for the year ended June 30, 2024, increased to Rs. (45.22), from Rs. (26.39) for the year ended June 30, 2023.

DIVIDEND

The Board of Directors of the company has not recommended any dividend for the year to ensure a steady cash flow for the smooth operation of the company.

OVERVIEW

The economic environment of the country remained very challenging throughout the financial year 2024, leading to subdued business activities, low foreign reserves, rising interest rates, high inflation, and a balance of payments crisis.

The year ending 30th June 2024 was one of the most difficult years for the textile industry of Pakistan. On the one hand, due to the global recession there was massive decline in the demand of textile products which resulted in reduction of sales volume. On the other hand, SBP raised the interest rate to a historically high figure of 22%. On top of this, there was a manifold rise in the cost of energy. All of this compelled the company to curtail its production activities. Due to these factors your company like most of the companies from the textile sector has ended up in a loss this year. However, we forecast better times ahead and are confident that next year will be a profitable year.

OPERATING PERFORMANCE
The Company produced 19.83 million Kgs. 20/s count of spun yarn during the year as compared to 19.45 million Kgs. of previous year, showing an increase of 1.95%.

PRESENT AND FUTURE OUTLOOK
Pakistan's textile industry faced multiple challenges this year. Inflation surged to a record 38 percent in May 2023, causing the State Bank of Pakistan (SBP) to raise the policy rate to an all-time high of 22 percent in June 2023. Additionally, there has been a sharp rise in energy prices. These challenges led in disappointing financial outcomes. However, some economic improvements appeared in the second half of the year. Inflationary pressures began to ease, the PKR strengthened against the dollar, and interest rates trended downward. As inflation continues to decline, we anticipate further rate cuts from the SBP, which would further reduce borrowing costs and improve profitability.

We recognize the current challenges and are making every effort to strengthen our financial position in the coming years. Management assures that proactive measures have been taken to address the issues that impacted the company's performance this year.

Cotton crop variety, quality, and production have been on a decline over the past few years. Climate change, reduced acreage, lower yield per hectare, and ineffective government policies have severely impacted cotton production. Currently, Pakistan's annual cotton output is 8.4 million bales, and the government has set a cotton crop production target of 10.8 million bales for the upcoming season, aiming to revive the cotton sector. Achieving this goal would not only benefit the country's textile industry but also play a significant role in saving and earning foreign exchange.

EXPANSION AND MODERNIZATION
The Company has a policy of continuous BMR to improve technology and manufacturing processes. However, due to difficult economic conditions, the Company spent only on the crucial capital items that were necessary to run the operations smoothly. The following machinery were added during the year:

1 Set Tiamen Draw Frame Breaker
2 Sets Savio Pulsar Autoconer
1 Set MTU gas Genset 1.5MW

HUMAN RESOURCE
The management strongly values teamwork and recognizes the essential role of employees in meeting the company's goals.

To support this, the company has formed a Human Resource and Remuneration Committee (HR&R Committee) with three members, as listed in the company information. Following the committee's recommendations, management has built a team of skilled professionals and consistently enhances its workforce by providing training opportunities and recruiting qualified staff.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE
The Statement of Compliance with the Code of Corporate Governance is annexed.

STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK
The Board is committed to maintain a high standard of corporate governance. The Board has reviewed the Code of Corporate Governance and declares that:

- The financial statements, together with the notes thereon have been drawn up in conformity with the Companies Act 2017. These statements present fairly the Company's state of affairs, results of its operations, cash flow, comprehensive income and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- The International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of Internal Control is sound in design and has been effectively implemented and monitored. The process of review and monitoring continues with the object to improve it further.
- There is no significant doubt upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The key operating and financial data for the last six years in a summarized form is annexed.
- Information about taxes and levies is given in the notes to the accounts.
- The Company entered in arm-length transactions with other members of the group. These transactions are in compliance with the directives issued by the Securities & Exchange Commission of Pakistan in this regard.
- All the directors of the company are registered as tax-payer and none of the company's directors is in default of payment of any dues to a banking company, DFI, NBFI or Stock Exchange.
- None of the directors of the company is serving on the Board of 7 or more listed companies.
- The company operates an unfunded gratuity covering all its employees who have completed their qualifying period. Provision is made annually to cover current obligations under the scheme. The company has adopted the revised IAS 19.
- Trading in the shares of the Company during the year by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children are mentioned in the annexed pattern of shareholding.

CORPORATE SOCIAL RESPONSIBILITY

The company is strongly committed to corporate social responsibility. We aim to make a positive impact on society and the environment by fostering a healthy work environment and complying fully with tax regulations.

i. **Health, Safety and Environment:**
We are committed to providing a safe and healthy working environment for our employees. The company regularly contributes to the health and retirement benefits available to our workers.

ii. **Business Ethics:**
The Management is committed to conducting all business activities with integrity, honesty, and full compliance with applicable laws and regulations. A Code of Conduct has been developed and approved by the Board of Directors to provide guidance on these matters.

iii. **Energy Savings:**
Management is committed to energy conservation. We have implemented a number of preventive measures, such as installing energy-efficient devices, and we educate our employees on various energy conservation methods to reduce unnecessary energy consumption.

BOARD MEETINGS

During the period under review, 4 meetings of the Board of Directors were held and the following were in attendance:

	Name of Directors	No. of Meetings Attended
1.	Mr. Zahid Mazhar	4
2.	Mr. Omer Bin Zahid	4
3.	Mr. Hassan Bin Zahid	4
4.	Mrs. Naila Zahid	4
5.	Mrs. Anam Omer	4
6.	Mrs. Shafia Hassan	4
7.	Mr. Waqar Hassan Siddiqui	4
8.	Mr. Nadeem Ahmed	4
9.	Mr. Noor Muhammad	4

COMPOSITION OF BOARD

Directors	Numbers
(a) Male	06
(b) Female	03

Composition	Numbers
(a) Independent Director	03
(b) Other Non-Executive Directors	03
(c) Executive Directors	03

ASSOCIATED COMPANIES
The Company has one of associated company namely "Nadeem International (Pvt.) Ltd."

All transactions with related parties were conducted at arm's length and in full compliance with the best practices of transfer pricing outlined in the Listing Regulations. The Board of Directors approved these transactions based on recommendations from the Audit Committee.

AUDIT COMMITTEE
In line with the Code of Corporate Governance, the company has formed an audit committee consisting of three members, as listed in the company information. This committee has set up an internal audit function to oversee and assess the effectiveness and application of internal controls at all levels.

STATUTORY AUDITORS
The Company's auditors, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, will retire at the conclusion of the Annual General Meeting. They are eligible for reappointment and have offered to serve as auditors for the next term.

The Board of Directors recommends their reappointment as auditors of the Company for the year ending June 30, 2025, as suggested by the Audit Committee.

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

CHAIRMAN'S REVIEW
The Directors of the Company endorse the contents of the Chairman's review, which is deemed to be a part of the Director's report.

ACKNOWLEDGMENT
The Board of Directors would like to thank our shareholders, valued clients, and bankers for their ongoing support and cooperation throughout the year. The Directors also extend their sincere appreciation to the Company's staff and workers for their continued hard work and commitment.

for and on Behalf of the Board of Directors

Karachi:
Dated: November 05 , 2024

ZAHID MAZHAR
Chief Executive

OMER BIN ZAHID
Director

ندیم ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز رپورٹ

محترم ممبران!

کمپنی کے ڈائریکٹرز ۳۰ جون ۲۰۲۴ کو اختتام پذیر ہونے والے مالی سال کے لئے اپنی رپورٹ معہ کمپنی کے آڈٹ شدہ مالیاتی نتائج اور اس پر آڈیٹرز کی رپورٹ پیش کرتے ہیں۔

اہم مالیاتی نتائج

۳۰ جون ۲۰۲۴ کو اختتام پذیر ہونے والے مالی سال کے دوران کمپنی نے 11.39 بلین روپے کی فروخت کی جس میں گذشتہ مالی سال کے 10.67 بلین روپے کی فروخت کے مقابلے میں 6.79 فیصد کا اضافہ ہوا۔ اس عرصے کے دوران کمپنی کو 961.78 ملین روپے کا بعد از ٹیکس نقصان ہوا جس کی بنیادی وجہ خام مال، ایندھن اور بجلی، شرح سود، کم از کم اجرت کی شرح اور دیگر اخراجات میں اضافہ ہے۔ ٹیکسٹائل کے شعبے کی زیادہ تر کمپنیوں نے بھی ۳۰ جون ۲۰۲۴ کو ختم ہونے والے مالی سال کے لئے نقصانات کی اطلاع دی ہے۔

30 جون 2024 کو اختتام پذیر سال کے لئے کمپنی کے مالیاتی نتائج اور پچھلے سال کے تقابلی اعداد و شمار مختصر طور پر درج ذیل ہیں۔

------ روپے ملین میں ------

	30 جون 2024 کو ختم ہونے والا مالی سال	30 جون 2023 کو ختم ہونے والا مالی سال
فروخت	11,391.09	10,666.65
کل منافع / (نقصان)	65.62	510.00
کل منافع / (نقصان) (فروخت کی شرح فیصد)	0.57%	4.78%
خالص منافع / (نقصان) قبل از ٹیکس	(894.81)	(584.06)
خالص منافع / (نقصان) بعد از ٹیکس	(961.78)	(569.29)

اہم مالیاتی انڈیکیٹرز

مالی سال کے دوران کمپنی کی فروخت میں 724.44 ملین روپے کا اضافہ ہوا جو کہ 6.79 فیصد اضافے کو ظاہر کرتا ہے۔

مجموعی منافع 0.57 فیصد رہا جبکہ پچھلے سال کا مجموعی منافع 4.78 فیصد تھا۔

بعد از ٹیکس نقصان 8.44 فیصد رہا جب کہ پچھلے سال کا بعد از ٹیکس نقصان 5.34 فیصد تھا۔

بریک اپ ویلیو اور فی حصص آمدن

۳۰ جون ۲۰۲۴ کو فی حصص بریک اپ ویلیو 128.94 روپے رہ گئی جو کہ ۳۰ جون ۲۰۲۳ کو 172.75 روپے تھی۔ ۳۰ جون ۲۰۲۴ کو اختتام پذیر سال کے لئے فی حصص نقصان (45.22) روپے تھا جو کہ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے لئے (26.39) روپے تھا۔

ڈیویڈنڈ

کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کے ہموار آپریشن کے لئے ورکنگ کیپٹل / نقد رقم کے استحکام کو یقینی بنانے کے لئے اس سال کوئی ڈیویڈنڈ تجویز نہیں کیا ہے۔

جائزہ

پورے مالی سال ۲۰۲۴ کے دوران ملک کا معاشی ماحول انتہائی چیلنجنگ رہا جس کی وجہ سے کاروباری سرگرمیاں کم ہوئیں اور زرمبادلہ کے ذخائر میں کمی، بلند افراط زر، اور ادائیگیوں کے توازن کا بحران پیدا ہوا۔

۳۰ جون ۲۰۲۴ کو ختم ہونے والا سال پاکستان کی ٹیکسٹائل انڈسٹری کے لئے مشکل ترین سالوں میں سے ایک تھا۔ ایک طرف عالمی کساد بازاری کے باعث ٹیکسٹائل کی مصنوعات کی مانگ میں بڑے پیمانے پر کمی ہوئی جس کے نتیجے میں فروخت کا حجم کم ہو گیا۔ دوسری جانب اسٹیٹ بینک نے شرح سود کو بڑھا کر 22 فیصد کی تاریخی بلندی تک پہنچا دیا۔ مزید برآں توانائی کی قیمت میں بھی کافی اضافہ ہوا۔ ان تمام عوامل کے باعث کمپنی کو اپنی پیداواری سرگرمیاں کم کرنی پڑیں جس کے باعث آپ کی کمپنی اس سال خسارے میں چلی گئی ہے۔ ہم آگے بہتر وقت کی پیشن گوئی کرتے ہیں اور پر امید ہیں کہ اگلا سال ایک منافع بخش سال ہوگا۔

پیداواری کارکردگی

کمپنی نے سال کے دوران 19.83 ملین کلوگرام 20/s دھاگے کی پیداوار کی جو کہ پچھلے سال کے 19.45 ملین کلوگرام کے مقابلے میں 1.95 فیصد کے اضافے کو ظاہر کرتا ہے۔

موجودہ اور مستقبل کے نقطہ نظر

پاکستان کی ٹیکسٹائل صنعت نے اس سال متعدد چیلنجوں کا سامنا کیا۔ مئی 2023 میں افراط زر ریکارڈ 38 فیصد تک پہنچ گیا، جس کی وجہ سے اسٹیٹ بینک آف پاکستان نے جون 2023 میں پالیسی شرح کو تاریخ کی بلند ترین سطح 22 فیصد تک بڑھا دیا۔ اس کے علاوہ توانائی کی قیمتوں میں بھی تیزی سے اضافہ ہوا ہے۔ ان چیلنجوں کی وجہ سے مالی نتائج متاثر ہوئے ہیں۔ تاہم سال کے دوسرے نصف میں کچھ معاشی بہتری نظر آئی۔ افراط زر کے دباؤ میں کمی آنا شروع ہوئی، ڈالر کے مقابلے میں پاکستانی روپیہ مضبوط ہوا، اور شرح سود کم ہونا شروع ہوئی۔ جیسے جیسے افراط زر کم ہوتا رہے گا، ہم شرح سود میں مزید کمی کی توقع کرتے ہیں، جس سے قرض لینے کے اخراجات کم ہوں گے اور منافع میں بہتری آئے گی۔

ہم موجودہ چیلنجوں کو تسلیم کرتے ہیں اور آنے والے سالوں میں اپنی مالی حیثیت کو مضبوط بنانے کے لیے ہر ممکن کوشش کر رہے ہیں۔ انتظامیہ نے یقین دہانی کرائی ہے کہ کمپنی کی کارکردگی کو متاثر کرنے والے مسائل کو حل کرنے کے لیے فعال اقدامات کیے گئے ہیں۔

کپاس کی فصل کی کم معیار اور پیداوار پچھلے چند سالوں میں کمی کی جانب رہی ہیں۔ موسمیاتی تبدیلی، کم زرعی ترقی، کم پیداوار اور غیر موثر سرکاری پالیسیاں کپاس کی پیداوار کو بری طرح متاثر کر رہی ہیں۔ اس وقت پاکستان کی سالانہ کپاس کی پیداوار 8.4 ملین گانٹھیں ہے، اور حکومت نے آنے والے سیزن کے لیے کپاس کی فصل کی پیداوار کا ہدف 10.8 ملین گانٹھیں مقرر کیا ہے، جس کا مقصد کپاس کے شعبے کو بحال کرنا ہے۔ اس مقصد کو حاصل کرنا نہ صرف ملک کی ٹیکسٹائل صنعت کے لیے فائدہ مند ہوگا بلکہ غیر ملکی زرمبادلہ کی بچت اور آمدنی میں بھی اہم کردار ادا کرے گا۔

توسیع اور جدت

کمپنی کے پاس ٹیکنالوجی اور مینوفیکچرنگ کے شعبے کو بہتر بنانے کے لئے BMR کی ایک مستقل پالیسی ہے۔ مشکل معاشی حالات کے باعث کمپنی نے صرف ان اہم مشینری پر سرمایہ کاری کی ہے جو پیداوار کو ہموار طریقے سے چلانے کے لئے ضروری تھیں۔ کمپنی نے سال کے دوران مندرجہ ذیل مشینوں کا اضافہ کیا ہے۔

1 سیٹ کامبر ڈرا فریم کم

2 سیٹ ساویو بلوئر آٹو کونر

1 سیٹ ایم ٹی یو گیس جینسیٹ 1.5MW

افرادی وسائل

کمپنی انتظامیہ ٹیم ورک اور کمپنی کے مطلوبہ نتائج کے حصول کے لئے افرادی قوت کے اہم کردار پر یقین رکھتی ہے۔

کمپنی نے ایک افرادی وسائل اور معاوضہ کمیٹی قائم کی ہے جو کہ تین اراکین پر مشتمل ہے جن کے نام کمپنی کی معلومات کے صفحے پر درج ہیں۔ اس کمیٹی کی سفارشات پر کمپنی اپنے ملازمین کی مسلسل تربیت اور زیادہ تعلیم یافتہ عملے کی بھرتی کے ذریعے اپنی افرادی قوت میں بہتری لا رہی ہے۔

کوڈ آف کارپوریٹ گورننس

بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے پرعزم ہے۔

کوڈ آف کارپوریٹ گورننس کے فریم ورک کے مطابق مالیاتی رپورٹ کے ضمن میں ڈائریکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں:

☆ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے تمام معاملات کو واضح انداز میں پیش کرتے ہیں جیسے سرگرمیوں کے نتائج، رقم کی آمدورفت اور کاروباری سرمایہ میں ہونے والی تبدیلیاں۔

☆ حسابات داری کے مناسب کھاتے رکھے جاتے ہیں۔

☆ مالیاتی گوشواروں کی تیاری کے لئے ہمیشہ مناسب اور متعلقہ اکاؤنٹنگ پالیسیوں میں ہونے والی کسی بھی تبدیلی کو مالیاتی گوشواروں میں ظاہر کیا جاتا ہے۔ حسابداری کے گوشوارے ہمیشہ احتیاطی منطقی اندازوں اور اعداد و شمار پر مشتمل ہوتے ہیں۔

☆ پاکستان میں لاگو انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز کو مالیاتی گوشواروں کی تیاری کے لئے بروئے کار لایا جاتا ہے اور ان میں ہونے والی کسی بھی تبدیلی کو مناسب طور پر ظاہر کیا جاتا ہے اور اس کی وضاحت کی جاتی ہے۔

☆ اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے رو بہ عمل ہے جس کی مسلسل نگرانی کی جاتی ہے۔

☆ کمپنی کے قائم رہنے کے حوالے سے کسی بھی قسم کا کوئی خدشہ نہیں پایا جاتا۔

☆ کارپوریٹ گورننس کے درج کردہ اصولوں سے کسی قسم کا انحراف نہیں کیا جا رہا۔

☆ گزشتہ چھ برس کے مالی اور انتظامی امور سے متعلق اعداد و شمار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔

☆ واجب الادا ٹیکسوں اور دیگر دوسری ادائیگیوں کے بارے میں معلومات گوشوارے کے نوٹس میں دی گئی ہیں۔

☆ گروپ کے ممبران کے ساتھ لین دین ضابطے کے مطابق ہے۔ تمام سودوں میں سیکیورٹی اینڈ ایکسچینج کمیشن کی ہدایات کو ملحوظ خاطر رکھا گیا ہے۔

☆ کمپنی کے تمام ڈائریکٹرز بشمول چیف ایگزیکٹو اور ان کے اہل خانہ میں سے کوئی بھی کسی بینکنگ کمپنی، NBFI, DFI یا اسٹاک ایکسچینج کا ممبر نہیں ہے۔

☆ کمپنی کا کوئی بھی ڈائریکٹر 7 سے زیادہ لسٹڈ کمپنیوں کے بورڈ میں اپنی خدمات پیش نہیں کر رہا۔

☆ کمپنی اپنے تمام ملازمین جو کہ اپنی اہلیت کی مدت پوری کر چکے ہوں کے لئے ایک ان فنڈڈ گریجویٹی اسکیم چلاتی ہے جس کی پروویژن سالانہ کی بنیاد پر کی جاتی ہے۔ کمپنی نے اس سلسلے میں نظرثانی شدہ IAS-19 کو اپنایا ہے۔

☆ سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کی طرف سے کئے گئے کمپنی کے حصص کے تمام سودے منسلک پیٹرن آف شیئر ہولڈنگ میں درج ہیں۔

کمپنی کی سماجی ذمہ داریاں

کمپنی اپنی سماجی ذمہ داریوں کے بارے میں پرعزم ہے۔ کمپنی کام کے بہتر ماحول کو فروغ دینے اور قانون کے مطابق قومی خزانے میں باقاعدگی سے ٹیکس ادا کرنے کے ذریعہ معاشرے اور ماحولیات کی بہتری پر یقین رکھتی ہے۔

۱) صحت، حفاظت اور ماحولیات

اپنے ملازمین کو محفوظ اور صحت مند ماحول کی فراہمی کو یقینی بنانے کے لئے ہم مسلسل کوشاں ہیں۔ کمپنی باقاعدگی سے کمپنی کے کارکنوں کے لئے صحت کی سہولیات اور ریٹائرمنٹ کے فوائد میں اپنا کردار ادا کرتی ہے۔

۲) کاروباری اخلاقیات

انتظامیہ اپنی کاروباری سرگرمیوں کو جاری رکھنے کے لئے دیانتداری اور قوانین اور قواعد و ضوابط کی پاسداری پر یقین رکھتی ہے۔ بورڈ نے اس سلسلے میں ایک ضابطہ اخلاق تیار کیا ہے جس میں تمام پالیسیوں کا تفصیلی ذکر ہے۔

۳) توانائی کی بچت

مینجمنٹ توانائی کے تحفظ پر خصوصی توجہ دیتی ہے اور توانائی کو بچانے والے آلات کی تنصیب جیسے اقدامات اختیار کئے ہیں۔ محنت کشوں کو توانائی کے غیر ضروری استعمال کو کم کرنے کے لئے توانائی کے مختلف طریقوں سے آگاہ کیا جاتا ہے۔

بورڈ کے اجلاس

زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے جس میں مندرجہ ذیل افراد حاضر تھے۔

	ڈائریکٹرز کے نام	اجلاس میں حاضری
۱	جناب زاہد مظہر	4
۲	جناب عمران زاہد	4
۳	جناب حسن بن زاہد	4
۴	محترمہ عائشہ زاہد	4
۵	محترمہ انجم عمر	4
۶	محترمہ شافیہ حسن	4
۷	جناب وقار حسن صدیقی	4
۸	جناب ندیم احمد	4
۹	جناب نور محمد	4

بورڈ کے اراکین

ڈائریکٹرز	تعداد
مرد	6
خواتین	3

ترتیب	تعداد
آزاد ڈائریکٹرز	3
دیگر غیر انتظامی ڈائریکٹرز	3
انتظامی ڈائریکٹرز	3

متعلقہ کمپنیاں

عریبہ انٹرنیشنل (پرائیویٹ) لمیٹڈ کمپنی کی واحد متعلقہ کمپنی ہے۔

متعلقہ کمپنیوں کے ساتھ لین دین قابلِ رسائی قیمتوں کی بنیاد پر کی گئی ہیں۔ کمپنی نے ٹرانسفر پرائسنگ کے لئے لسٹڈ ریگولیشنز کے ضوابط کو مدِنظر رکھا ہے۔ متعلقہ کمپنیوں کی لین دین کو بورڈ نے آڈٹ کمیٹی کی سفارشات پر منظور کیا تھا۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے تقاضوں کو پورا کرنے کے لئے کمپنی نے تین ارکان پر مشتمل ایک آڈٹ کمیٹی قائم کی ہے جن کے نام کمپنی کی معلومات کے صفحے پر درج ہیں۔ آڈٹ کمیٹی نے نگرانی اور اندرونی کنٹرول کے نظام کا جائزہ لینے کے لئے ہر ممکن احتراز آڈٹ کے نظام کو بحال کیا ہے۔

آڈیٹرز

سالانہ اجلاس عام کے اختتام پر کمپنی کے آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق چارٹرڈ اکاؤنٹنٹس کی خدمات کا عرصہ مکمل ہو چکا ہے اور اپنی اہلیت کی بنیاد پر انہوں نے دوبارہ تعیناتی کی خدمات پیش کی ہیں۔

بورڈ آف ڈائریکٹرز نے یہ سفارش کی ہے کہ آڈٹ کمیٹی کی تجویز کے مطابق انہیں اگلے مالی سال ۳۰ جون ۲۰۲۳ کے لئے بھی کمپنی کا آڈیٹر مقرر کیا جائے۔

حصص یافتگان کی تفصیل

حصص یافتگان کی تفصیل برائے ۳۰ جون ۲۰۲۲ اس رپورٹ کے ساتھ منسلک ہے۔

چیئرمین کا جائزہ

کمپنی کے ڈائریکٹرز چیئرمین کے جائزے کے مندرجات کی توثیق کرتے ہیں جسے ڈائریکٹرز رپورٹ کا حصہ سمجھا جاتا ہے۔

اظہار تشکر

کمپنی کے ڈائریکٹرز اپنے حصص یافتگان، قابلِ قدر گاہکوں اور بینکاروں کا تہہ دل سے مشکور ہیں جنہوں نے کمپنی کے معاملات میں تعاون کیا۔ ڈائریکٹرز کمپنی کے عملے اور کارکنوں کی مسلسل کوششوں اور لگن کا اعتراف کرنے میں خوشی محسوس کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

کراچی:
مورخہ: ۵ نومبر ۲۰۲۲

زاہد مظہر
چیف ایگزیکٹو

عمر حسن زاہد
ڈائریکٹر

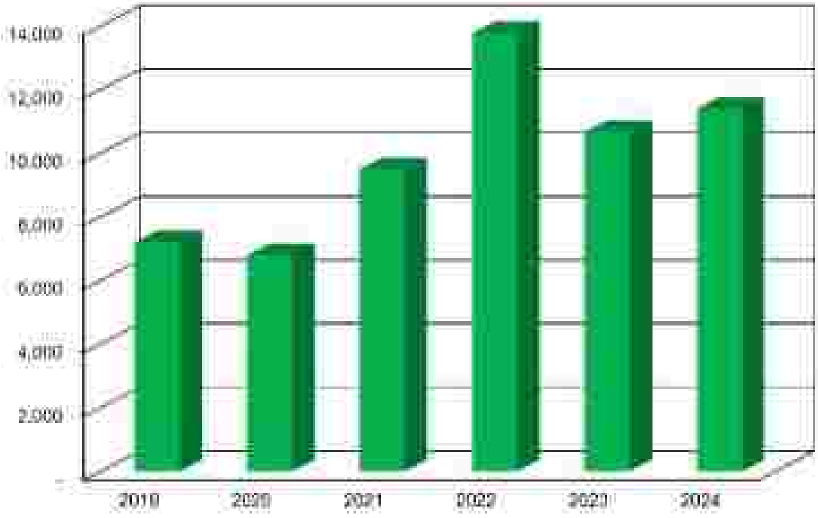
NADEEM TEXTILE MILLS LIMITED

Key Operating & Financial Data
For the Period From July 2018 To June 2024

PERIODS	Jul - Jun 2023-2024	Jul - Jun 2022-2023	Jul - Jun 2021-2022	Jul - Jun 2020-2021	Jul - Jun 2019-2020	Jul - Jun 2018-2019
Net Sales Revenue	11,391,093,506	10,666,912,889	13,775,887,794	9,494,360,590	6,792,767,434	7,186,097,611
Cost Of Goods Sold	11,325,471,765	10,155,946,606	11,457,286,298	8,166,931,512	6,179,618,395	6,431,415,146
Gross Profit	**65,621,741**	**510,966,283**	**2,318,601,496**	**1,327,429,078**	**613,149,039**	**754,682,465**
Operating Profit	(298,393,270)	155,491,530	1,946,501,880	1,364,253,193	443,112,207	479,109,855
Profit(Loss) Before Tax	(894,815,883)	(184,066,958)	1,384,030,600	758,174,989	100,021,813	322,830,886
Profit(Loss) After Tax	(961,780,894)	(588,977,446)	1,213,384,141	638,868,623	17,544,745	280,160,181
Paid Up Capital	212,667,390	212,667,390	215,119,890	215,119,890	192,119,890	192,119,890
Current Assets	3,938,793,071	4,501,240,392	5,192,573,808	3,228,525,784	3,608,809,283	2,528,356,301
Current Liabilities	4,175,368,172	3,894,962,728	3,662,665,703	2,301,107,605	3,310,004,583	2,486,387,791

TURNOVER

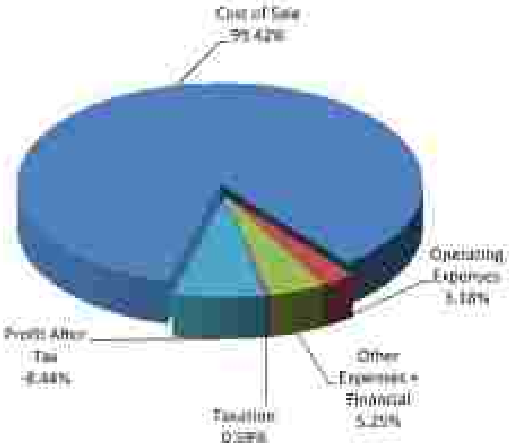
Year	Sales in (M)
2024	11,391
2023	10,667
2022	13,776
2021	9,494
2020	6,793
2019	7,186



APPLICATION OF REVENUE

FOR THE YEAR ENDED JUNE 30, 204

	RUPEES	PERCENTAGE
Cost of Sale	11,325,471,765	99.42%
Operating Expenses	362,015,011	3.18%
Other Epenses + Financial	598,422,413	5.25%
Taxation	66,965,011	0.59%
Profit / (Loss) After Tax	(961,780,894)	-8.44%
TOTAL	**11,391,093,506**	**100.00%**



NADEEM TEXTILE MILLS LIMITED
STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (Code of Corporate Governance) Regulation, 2019 For the year ended June 30, 2024

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

1. The total number of directors is nine (including the Chief Executive Officer), as follows:
   a. Male 6
   b. Female 3

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Noor Muhammad Mr. Waqar Hassan Siddiqui Mr. Nadeem Ahmed
Executive Directors	Mr. Zahid Mazhar (CEO) Mr. Omer Bin Zahid Mr. Hassan Bin Zahid
Non-Executive Directors	Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan
Female Directors	Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan

The independent directors meet the criteria of independence under the Companies Act, 2017 ("the Act").

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

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by 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 Chairperson, and in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of the meetings of the Board.

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

9. Out of nine directors, six directors have either obtained certificate of Director's training program or are exempt from the requirement of Director's Training program as per the Listed Companies (Code of Corporate Governance) regulations 2019. During the year, no Director's training program was arranged.

10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the Board and complied with relevant requirements of the Regulations.

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:

Committee	Name of members and Chairman
(a) Audit Committee	Mr. Waqar Hassan Siddiqui (Chairman)
	Mrs. Anam Omer
	Mrs. Shafia Hassan
(b) HR&R Committee	Mr. Nadeem Ahmed (Chairman)
	Mrs. Anam Omer
	Mrs. Shafia Hassan

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

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

Committee	Frequency of meetings
(a) Audit Committee	Quarterly
(b) HR&R Committee	Annually

15. The Board has setup an effective internal audit function manned by competent personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief 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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the CCG Regulations have been complied with.

for and on behalf of the board of Directors

Naila Zahid

NAILA ZAHID
Chairperson

ZAHID MAZHAR
Chief Executive

Karachi:
Date: November 05, 2024

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.,
Karachi-74400, PAKISTAN
Tel. No. : (021) 4549345-9
E-mail : info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of M/s. Nadeem Textile Mills Limited

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

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

Rehman

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi.
Date: November 05, 2024
UDIN:CR202410213NSzY4unmO

Russell Bedford
taking you further

Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.,
Karachi-74400, PAKISTAN
Tel. No. : (021) 4549345-9
E-mail : info@rsrir.com
Website: www.rsrir.com
Other Offices at
Lahore - Rawalpindi / Islamabad

INDEPENDENT AUDITORS' REPORT
To the members of Nadeem Textile Mills Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 loss, total comprehensive loss, changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, we have determined that there are no key audit matters to communicate in our report.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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;

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

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

(d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Rahman

Karachi:
Date: November 05, 2024
UDIN: AR202410213ulbS81ynd

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

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

	Note	2024	(Restated) 2023	(Restated) 2022
			Rupees	
ASSETS				
Non-current assets				
Property, plant and equipment	4	3,579,775,573	3,646,539,873	3,437,590,070
Long term deposits	5	33,303,456	33,031,245	21,119,188
		3,613,079,029	3,679,571,118	3,458,709,258
Current assets				
Stores, spares and loose tools	7	245,746,781	225,979,175	148,838,619
Stock-in-trade	8	1,555,022,575	2,131,080,589	1,875,631,314
Trade debts	9	1,504,000,691	1,661,921,437	2,641,925,967
Investments	10	172,307,921	158,867,171	112,113,452
Loans, advances, deposits and prepayments	11	147,587,572	76,090,504	118,404,750
Other receivables	12	35,856,465	34,645,635	39,831,004
Tax refunds due from government	13	74,030,149	112,544,688	42,437,110
Cash and bank balances	14	182,240,917	150,111,183	173,991,392
		3,916,793,071	4,551,240,382	5,152,573,608
Total assets		7,529,872,100	8,230,811,500	8,611,282,806
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized capital				
33,000,000 ordinary (2023: 33,000,000) shares of Rs. 10/- each		330,000,000	330,000,000	250,000,000
Issued, subscribed and paid up capital	15	212,667,350	212,667,350	215,119,850
Revenue reserve				
Unappropriated profits		573,452,787	1,533,752,877	2,210,687,393
Capital reserves				
Revaluation surplus on property, plant and equipment - net of deferred tax	16	1,184,716,919	1,198,656,838	1,213,330,437
Contribution from associated undertaking	17	340,000,000	340,000,000	-
Share premium		388,683,536	388,683,536	274,197,289
		1,913,400,455	1,927,340,374	1,487,527,726
		2,699,520,592	3,673,760,601	3,913,334,969
Non-current liabilities				
Long term financing	18	448,453,463	602,365,548	366,765,949
Staff retirement benefits - gratuity	19	141,602,143	112,655,943	96,599,104
Deferred taxation - net	6	64,927,730	147,068,680	266,073,631
Loan from related parties	20	-	-	404,205,204
Deferred income - Government grant		-	-	1,638,146
		654,983,336	862,090,171	1,135,282,134
Current liabilities				
Loans from directors	21	139,300,000	97,800,000	10,000,000
Trade and other payables	22	1,371,067,429	1,263,544,922	1,443,401,894
Accrued mark-up	23	130,469,647	130,953,609	64,877,060
Short term borrowings - secured	24	2,352,411,500	2,085,566,551	1,866,383,279
Unclaimed dividend		1,506,408	1,506,408	1,491,024
Taxation - net		8,398,485	-	-
Current portion of long term financing	18	137,764,703	79,391,158	122,212,526
Current portion of loan from related parties	20	34,450,000	38,200,000	55,100,000
		4,175,368,172	3,694,960,728	3,562,665,703
Contingency and commitments	25			
Total equity and liabilities		7,529,872,100	8,230,811,500	8,611,282,806

The annexed notes from 1 to 44 form an integral part of these financial statements.

Zahid Mazhar	Omer Bin Zahid	Omer Bin Zahid
Chief Executive	Director	Chief Financial Officer

Karachi: November 05, 2024

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

	Note	2024	(Restated) 2023
		Rupees	
Sales - net	26	**11,391,093,507**	10,666,652,889
Cost of sales	27	**(11,325,471,764)**	(10,156,646,606)
Gross profit		**65,621,743**	510,006,283
Administrative expenses	28	**(186,026,693)**	(175,166,360)
Distribution costs	29	**(175,988,320)**	(181,348,392)
		(362,015,013)	(356,514,752)
Operating (loss) / profit		**(296,393,270)**	153,491,531
Other income	30	**95,376,161**	43,452,671
Other expenses	31	**(17,299,649)**	(117,548,405)
Finance costs	32	**(676,498,925)**	(663,462,755)
		(598,422,413)	(737,558,489)
Loss before levies and taxation		**(894,815,683)**	(584,066,958)
Levies	33	**(146,199,863)**	(122,333,714)
Loss after levies and taxation		**(1,041,015,546)**	(706,400,672)
Taxation	34	**79,234,852**	137,110,633
Loss after taxation		**(961,780,694)**	(569,290,039)
Loss per share - basic and diluted	35	**(45.22)**	(26.39)

The annexed notes from 1 to 44 form an integral part of these financial statements.

Zahid Mazhar Chief Executive	**Omer Bin Zahid** Director	**Omer Bin Zahid** Chief Financial Officer

Karachi: November 05, 2024

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

	2024	(Restated) 2023
	Rupees	
Loss after taxation	**(961,780,694)**	(569,290,039)
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Loss on remeasurement of the defined benefit obligation	**(15,365,413)**	(16,917,019)
Deferred tax income on above	**2,906,098**	2,043,853
	(12,459,315)	(14,873,166)
Total comprehensive loss for the year	**(974,240,009)**	(584,163,205)

The annexed notes from 1 to 44 form an integral part of these financial statements.

Zahid Mazhar	**Omer Bin Zahid**	**Omer Bin Zahid**
Chief Executive	Director	Chief Financial Officer

Karachi: November 05, 2024

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

	Note	2024	2023
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) / profit before taxation		(894,815,683)	(584,066,958)
Adjustments for non cash and other items:			
- Depreciation expense	4.1.6	251,902,342	245,763,859
- Provision for staff gratuity	19.2	56,695,264	53,644,735
- Provision for gas tariff difference	22	20,631,059	49,878,230
- Provision for anti-dumping duty	22	-	7,180,484
- Profit on saving accounts	30	(26,456,065)	(20,424,024)
- Profit on Term Deposits Receipts (TDRs)	30	(30,602,630)	(19,888,639)
- Gain on sale of property, plant and equipment	30	(651,086)	(7,649,075)
- Bad debts recovered	30	(24,535,145)	(1,550,000)
- Loss on sale of property, plant and equipment	31	-	6,059,067
- Provision for Workers' Welfare Fund	33	5,430,991	-
- Provision against slow moving store items	31	650,500	1,324,934
- Provision for expected credit losses	31	4,249,980	36,831,558
- Markup costs	32	609,419,262	558,315,491
		866,734,472	909,486,610
Operating profit before working capital changes		(28,081,211)	325,419,652
(Increase) / decrease in current assets			
- Stores, spares and loose tools		(20,418,108)	(74,360,333)
- Stock in trade		576,058,014	(256,049,275)
- Trade debts		178,205,911	968,822,692
- Loans and advances		(71,497,068)	42,413,389
- Other receivables		(2,327,129)	16,284,000
- Sales tax refundable		(17,348,492)	(25,075,083)
		642,673,128	672,035,390
Increase / (decrease) in current liabilities			
- Trade and other payables		136,288,258	(191,203,647)
Cash generated from operations		750,880,175	806,251,395
Long term deposits placed		(272,211)	(11,912,057)
Income tax paid		(84,905,830)	(147,264,300)
Gratuity paid	19.1	(43,112,477)	(56,689,735)
Markup paid		(609,837,859)	(479,579,544)
Workers' Profit Participation Fund paid	22.5	(1,623,925)	(88,762,727)
Workers' Welfare Fund paid	22.6	(30,411,557)	(1,842,548)
Net cash generated from operating activities		(19,283,684)	21,200,484
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(194,585,956)	(455,017,287)
Short term investments obtained		(13,440,750)	(180,641,125)
Cash and bank balances acquired in merger		-	2,348,175
Proceeds realized from disposal of short term investments		-	149,267,171
Profit received on saving accounts and TDRs		51,984,715	29,214,031
Proceeds from disposal of property, plant and equipment		10,099,000	39,216,364
Net cash used in investing activities		(145,942,991)	(415,612,671)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance obtained		-	314,210,799
Long term finance repaid		(95,538,540)	(121,432,568)
Loan obtained from director		53,000,000	111,000,000
Loan repaid to director		(11,500,000)	(27,800,000)
Loan repaid to related parties		(15,450,000)	(21,800,000)
Loan obtained from a related party		-	-
Short term borrowings excluding running finance		235,323,698	184,478,949
Dividend paid		-	(107,429,526)
Net cash generated from financing activities		165,835,158	335,927,654
Net decrease in cash and cash equivalents		608,483	(58,584,533)
Cash and cash equivalents at beginning of the year		(334,784,546)	(276,200,013)
Cash and cash equivalents at end of the year	38	(334,176,063)	(334,784,546)

The annexed notes from 1 to 44 form an integral part of these financial statements.

Zahid Mazhar	Omer Bin Zahid	Omer Bin Zahid
Chief Executive	Director	Chief Financial Officer

Karachi: November 05, 2024

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

		Revenue reserve	Capital reserves			
	Issued, subscribed and paid up capital	Unappropriated profits	Share premium	Revaluation surplus on property, plant and equipment - net of deferred tax	Contribution from associated undertaking	Total
	Rupees					
Balance as at June 30, 2022 (as previously reported)	215,119,850	2,359,779,547	274,197,289	1,278,283,722	-	4,127,380,408
Effect of the change in accounting policy (refer note 45)	-	(149,092,154)	-	(64,953,285)	-	(214,045,439)
Balance as at June 30, 2022 (restated)	215,119,850	2,210,687,393	274,197,289	1,213,330,437	-	3,913,334,969
Transactions pursuant to the merger of NPGL with & into the Company						
- Shares held as treasury shares	(36,045,000)	-	-	-	-	(36,045,000)
- Shares issued to NPGL shareholders	33,592,500	-	-	-	-	33,592,500
- Increase in share premium	-	-	114,486,247	-	-	114,486,247
	(2,452,500)	-	114,486,247	-	-	112,033,747
Contribution from associated undertaking	-	-	-	-	340,000,000	340,000,000
Transfer to unappropriated profit on account of incremental depreciation - net of deferred tax (restated)	-	14,673,599	-	(14,673,599)	-	-
Total comprehensive income for the year ended June 30, 2023						
- Loss after taxation	-	(569,290,039)	-	-	-	(569,290,039)
- Other comprehensive income	-	(14,873,166)	-	-	-	(14,873,166)
	-	(584,163,205)	-	-	-	(584,163,205)
Transactions with owners						
Final dividend @ 60% for the year ended June 30, 2022	-	(107,444,910)	-	-	-	(107,444,910)
Balance as at June 30, 2023 (restated)	**212,667,350**	**1,533,752,877**	**388,683,536**	**1,198,656,838**	**340,000,000**	**3,673,760,601**
Transfer to unappropriated profit on account of incremental depreciation - net of deferred tax	-	**13,939,919**	-	**(13,939,919)**	-	-
Total comprehensive income for the year ended June 30, 2024						
- Loss after taxation	-	**(961,780,694)**	-	-	-	**(961,780,694)**
- Other comprehensive income	-	**(12,459,315)**	-	-	-	**(12,459,315)**
	-	**(974,240,009)**	-	-	-	**(974,240,009)**
Balance as at June 30, 2024	**212,667,350**	**573,452,787**	**388,683,536**	**1,184,716,919**	**340,000,000**	**2,699,520,592**

The annexed notes from 1 to 44 form an integral part of these financial statements.

Zahid Mazhar	**Omer Bin Zahid**	**Omer Bin Zahid**
Chief Executive	Director	Chief Financial Officer

Karachi: November 05, 2024

NADEEM TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. INTRODUCTION

1.1 Legal status of the Company

Nadeem Textile Mills Limited ('the Company') was incorporated in Pakistan on July 15, 1984 as a public limited company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017 on May 30, 2017) and its shares are listed on Pakistan Stock Exchange Limited.

1.2 Location of the registered office and the manufacturing facilities

Registered office:

The registered office of the Company is situated at 801-804, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi.

Manufacturing facilities:

The Company's manufacturing facilities are situated as follows:

- **Unit 1:** A-265, S.I.T.E., Nooriabad, District Dadu, Sindh
- **Unit 2:** E-11, S.I.T.E., Kotri, District Dadu, Sindh

1.3 Principal business activity

The main business of the Company is manufacturing and sale of yarn.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of, and directives issued under, the Companies Act, 2017.

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

2.2 Basis of measurement

Items in these financial statements have been measured at their historical cost except for leasehold land, factory building and office premises which are carried at revalued amounts less accumulated depreciation therein.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policy are as follows:

		Note
-	Revaluation of certain items of property, plant and equipment	3.1
-	Useful life and residual values of property, plant and equipment	3.1
-	Provision for staff retirement benefits	3.9
-	Provision for taxation	3.11

2.5 New accounting pronouncements

2.5.1 Amendments to existing standards that became effective during the year

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

- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

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

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

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

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

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

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Group company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after January 01, 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease liability in a sale and leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after January 01, 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from lease liability in a sale and leaseback for an earlier period, the entity shall disclose that fact.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for accompany to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after January 01, 2024, with early application permitted.

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', - lack of exchangeability (effective for annual reporting periods beginning on or after January 01, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 01, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

- The International Accounting Standards (the IASB or the Board) issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial instruments. The amendments:
  - Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged or cancelled or expired or the liability otherwise qualified for derecognition. They also introduce an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
  - Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-Linked features and other similar contingent features.
  - Clarify the treatment of non-recourse assets and contractually linked instruments (CLI).
  - Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income (FVTOCI).
- Annual Improvements - Volume Eleven:
  - Hedge Accounting by a First-time Adopter (Amendments to IFRS 1) - Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. The amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
  - Gain or loss on derecognition (Amendments to IFRS 7) - Paragraph B38 of IFRS 7 has been amended to update the language on unobservable inputs and to include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.
  - Introduction (Amendments to Guidance on implementing IFRS 7) - Paragraph IG1 of the Guidance on implementing IFRS 7 has been amended to clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
  - Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7) - Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.

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

- Lessee Derecognition of Lease Liabilities (Amendments to IFRS 9) - Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 Leases and an extinguishment of a lease liability in accordance with IFRS 9.

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

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

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

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment loss, if any, except lease hold land, factory building and office premises which are stated at revalued amount less accumulated depreciation and impairment loss, if any.

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

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

Depreciation is charged to the statement of profit or loss applying written down value method whereby the cost or revalued amount of an asset is written off over its useful life at the rates specified in note 4.1 the financial statements. Depreciation on additions is charged from the day in which asset is available for use and on disposals up to the day immediately preceding that of disposal.

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment at year end did not require any adjustment as its impact is considered insignificant.

Any revaluation increase arising on the revaluation of assets 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, factory building and office premises 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 to the extent of incremental depreciation charged is transferred to unappropriated profit.

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

3.2 Stores, spares and loose tools

These are valued at cost less the provision for slow-moving or obsolete items, if any, except for the items in transit which are stated at cost (comprising invoice value and other directly attributable costs incurred thereon). The cost of the items consumed and those held in stock at the reporting date is determined using average cost method.

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

3.3 Stock in trade

Basis of valuation

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

Determination of cost

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

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

The **costs of conversion** of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities (which is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance). However, in periods of abnormally high production, the amount of fixed overhead allocated to each unit of production is decreased so that inventories are not measured above cost. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

The cost of the items consumed or sold and those held in stock at the reporting date is determined using the average cost formula.

Determination of net realizable value

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

The Company estimates the net realisable value of inventories based on the most reliable evidence available, at the reporting date, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the reporting period to the extent that such events confirm conditions existing at the end of the reporting period.

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

3.4 Trade debts

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

3.5 Cash and cash equivalents

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

3.6 Financial assets

3.6.1 Classification and initial measurement

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

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

(a) Financial assets measured at amortized cost.

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

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

(b) Fair value through other comprehensive income (FVOCI);

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

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

(c) Fair value through profit or loss (FVTPL); and

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

Such financial assets are initially measured at fair value.

3.6.2 Subsequent measurement

(a) *Financial assets measured at amortized cost*

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

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

(b) *Financial assets at FVOCI*

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

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

Financial assets at FVTPL

These assets are subsequently measured at fair value.

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

3.6.3 Impairment

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

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

For other financial assets, the Company applies the IFRS 9 'General Approach' to measuring expected credit losses whereby the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

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

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

3.6.4 De-recognition

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

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

3.7 Financial liabilities

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

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

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

3.8 Offsetting of financial assets and financial liabilities

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

3.9 Staff retirement benefits

A defined benefit plan is a post-employment benefit plan under which an entity regularly pays contributions into a separate fund but will continue to have legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. As a consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets will be insufficient to meet expected benefits) fall, in substance, on the entity. The Company operates an unfunded gratuity scheme for its employees which is classified as a defined benefit plan.

The Company's obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit Method.

Remeasurements of the defined benefit liability (i.e. the actuarial gains or losses) are recognised immediately in other comprehensive income. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate to the defined benefit liability at the beginning of the annual reporting period, taking into account any changes in the defined benefit liability during the period as a result of contributions and benefit payments. Interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

3.10 Provisions and contingent liabilities

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses.

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

Contingent liabilities

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

3.11 Levies and Taxation

Levies

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

In these financial statements, levy includes minimum tax under section 113 of the Income Tax Ordinance,2001 over the normal tax liability computed there under, Workers' Welfare Fund expense and Workers' Profit Participation Fund expense.

Current tax

The portion of the income tax charge that is based on the 'taxable income' for a reporting period (as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder) is classified as a 'current tax'. Any excess charge over the said amount is now classified as a 'levy' in the statement of profit or loss.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the unconsolidated financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognized only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that is no longer probable that the related tax benefit will be realised.

Judgement and estimates

Significant judgement is required in determining the income tax expenses and corresponding provision for tax. There may be transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.12 Revenue recognition

Revenue from local sales

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

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

Revenue from export sales

Revenue from sale of goods to foreign customers is recognized when those customers obtain control of the exported goods which is when the goods are loaded onto the shipping vessel and, as an acknowledgement thereof, a bill of lading is issued by the shipping company.

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

3.13 Other income

Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.15 Foreign currency transactions and translation

Transactions in foreign currencies are converted into Rupees at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the rate of exchange ruling at the balance sheet date. All exchange differences arising on transaction are charged to profit or loss in that period.

3.16 Dividend distribution

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

			2024	2023
4.	**PROPERTY, PLANT AND EQUIPMENT**	*Note*	**Rupees**	
	Operating fixed assets	*4.1*	**3,556,228,184**	3,576,148,225
	Capital work in progress	*4.2*	**23,547,389**	70,391,648
			3,579,775,573	3,646,539,873

4.1 Operating fixed assets

	Leasehold land	Freehold land	Factory building	Non factory building	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
	Rupees									
As at June 30, 2022										
Gross carrying amount	885,000,000	80,000,000	491,954,160	394,282,545	2,791,205,740	15,002,875	6,065,619	9,420,238	100,789,083	4,771,795,374
Accumulated depreciation	-	-	(176,540,754)	(100,711,924)	(1,286,029,326)	(8,550,299)	(2,931,233)	(5,083,818)	(48,528,718)	(1,630,025,880)
Net book value	885,000,000	80,000,000	315,413,406	293,570,621	1,505,176,410	6,452,576	3,134,386	4,336,420	52,260,365	3,141,769,888
Movement during the year ended June 30, 2023										
Opening net book value	885,000,000	80,000,000	315,413,406	293,570,621	1,505,176,410	6,452,576	3,134,386	4,336,420	52,260,365	3,141,769,888
Additions										
- Transferred spare parts	-	-	1,516,786	-	29,252,758	21,414	-	351,613	-	47,102,571
- Transfer from CWIP	-	-	-	-	521,178,859	-	-	-	-	521,178,859
- Other	-	-	8,821,127	-	372,949,044	394,625	1,640,417	1,115,876	25,000,000	410,119,964
	-	-	[illegible]	-	[illegible]	[illegible]	1,640,417	1,467,489	25,000,000	[illegible]
Disposals										
- Cost	-	-	-	-	(123,854,624)	-	-	-	(7,379,600)	(131,234,224)
- Accumulated depreciation	-	-	-	-	88,828,979	-	-	-	4,374,889	93,203,868
	-	-	-	-	(34,825,645)	-	-	-	(2,984,711)	(37,810,356)
Depreciation for the year	-	-	(10,674,100)	(14,687,577)	(209,228,866)	(672,612)	(574,770)	(418,820)	(12,033,902)	(248,290,649)
Closing net book value	885,000,000	80,000,000	314,977,471	279,063,050	1,951,301,939	6,105,801	2,199,629	5,265,183	52,235,152	3,576,148,225

	Leasehold land	Freehold land	Factory building	Non factory building	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
	Rupees									
As at June 30, 2023										
Gross carrying amount	885,000,000	80,000,000	508,192,193	394,303,545	3,350,729,480	15,329,312	5,687,256	10,876,825	108,629,383	5,358,519,762
Accumulated depreciation	-	-	(193,214,722)	(115,239,255)	(1,399,428,780)	(9,223,511)	(3,487,627)	(5,611,642)	(56,394,231)	(1,782,587,573)
Net book value	885,000,000	80,000,000	314,977,471	279,063,050	1,951,301,939	6,105,801	2,199,629	5,265,183	52,235,152	3,576,148,225
Movement during the year ended June 30, 2024										
Opening net book value	**885,000,000**	**80,000,000**	**314,977,471**	**279,063,050**	**1,951,301,939**	**6,105,801**	**2,199,629**	**5,265,183**	**52,235,152**	**3,576,148,225**
Additions										
- Transfer from CWIP	-	-	**1,345,562**	**520,824**	**105,444,410**	-	-	-	-	**107,310,796**
- Other	-	-	-	-	**121,899,971**	**200,000**	**36,300**	**963,448**	**11,213,000**	**134,312,719**
	-	-	**1,345,562**	**520,824**	**227,344,381**	**200,000**	**36,300**	**963,448**	**11,213,000**	**241,623,515**
Disposals										
- Cost	-	-	-	-	**(36,876,900)**	-	-	-	**(3,959,375)**	**(42,834,283)**
- Accumulated depreciation	-	-	-	-	**29,921,580**	-	-	-	**3,466,784**	**33,388,369**
	-	-	-	-	**(6,955,320)**	-	-	-	**(492,591)**	**(9,447,914)**
Depreciation for the year	-	-	**(15,749,459)**	**(13,953,515)**	**(209,343,916)**	**(617,441)**	**(660,638)**	**(620,984)**	**(10,985,979)**	**(251,002,332)**
Closing net book value	**885,000,000**	**80,000,000**	**300,573,574**	**265,630,359**	**1,962,347,081**	**5,688,360**	**1,575,291**	**5,607,647**	**51,999,582**	**3,556,228,185**
As at June 30, 2024										
Gross carrying amount	**885,000,000**	**80,000,000**	**509,537,755**	**394,829,369**	**3,538,196,161**	**15,529,212**	**5,723,756**	**11,840,273**	**115,871,108**	**5,557,329,634**
Accumulated depreciation	-	-	**(208,964,181)**	**(129,193,970)**	**(1,575,849,130)**	**(9,840,352)**	**(4,148,465)**	**(6,233,626)**	**(63,871,526)**	**(2,001,103,450)**
Net book value	**885,000,000**	**80,000,000**	**300,573,574**	**265,630,359**	**1,962,347,081**	**5,688,360**	**1,575,291**	**5,607,647**	**51,999,582**	**3,556,228,184**
Annual rate of depreciation			5%	5%	10%	10%	30%	10%	20%	

4.1.1 Leasehold land of the Company are located at A-265 S.I.T.E. Nooriabad, Sindh and E-11, S.I.T.E., Kotri Sindh with an area of 67,760 and 38,720 square yards respectively

4.1.2 The Company measure its land, buildings and office premises using revaluation model. The latest revaluation of land, building, and office premises was carried out by an independent valuer M/s. Joseph Lobo as on April 01, 2021 on the basis of present market values for similar sized land in the vicinity and replacement values of similar type of buildings adjusted for depreciation factor for the existing assets in use.

4.1.3 Forced sales value of leasehold land, buildings and office premises based on the valuation conducted in April 2021 by independent valuer were as follows:

	Fair value	Forced sale value
	Rupees	
Freehold land	80,000,000	60,000,000
Leasehold land	885,000,000	663,200,100
Factory building	328,599,766	246,387,750
Office premises	325,217,121	243,842,900

4.1.4 Had the leasehold land, factory building and office premises been carried under the cost model of accounting, their carrying amount at the reporting date would have been as follows:

	2024	2023
	Rupees	
Freehold land	**2,942,589**	2,942,589
Leasehold land	**43,441,451**	43,441,451
Factory building	**105,108,481**	89,215,826
Office premises	**99,162,222**	98,335,758
	250,654,743	233,935,624

4.1.5 The particulars of the assets disposed off during the year are as follows:

Particulars of the asset	Cost	Accumulated depreciation	WDV	Sales proceeds	(Gain) / loss on disposal	Buyer name	Relationship with the buyer	Mode of disposal
	Rupees							
Savio Orion Machine Obsolete	10,601,067	9,592,275	1,008,792	811,500	197,292	Hasan & Co.	No relation	Negotiation
Savio Orion Machine Model 2000	9,130,941	8,316,850	814,091	700,000	114,091	Hasan & Co.	No relation	Negotiation
Savio Orion Machine Model 2004 (64Spindle)	12,789,900	11,029,057	1,760,843	1,440,000	320,843	Hasan & Co.	No relation	Negotiation
Vigo Champ	3,915,875	3,429,567	486,308	2,000,000	(1,513,692)	Gurami Automobiles	No relation	Negotiation
Unique Motorcycle	43,500	37,217	6,283	21,000	(14,717)	Ahmed Ali	No relation	Negotiation
1Set Waukesha L5794 Model 2003	6,000,000	747,945	5,252,055	5,000,000	252,055	Gul Com Spares & Services	No relation	Negotiation
Complete Scutcher 1979	355,000	235,458	119,542	126,500	(6,958)	Hasan & Co.	No relation	Negotiation
Total	42,836,283	33,388,369	9,447,914	10,099,000	(651,086)			

4.1.6 Depreciation charge for the year is allocated as under:

	Note	2024	2023
		Rupees	
Cost of sales	*27*	**225,093,585**	216,900,612
Administrative expenses	*28*	**26,808,757**	28,863,247
		251,902,342	245,763,859

4.2 Capital work in progress

	Plant and Machinery	Civil Works	Total
	Rupees		
Movement during the year ended June 30, 2023			
Opening balance	134,606,341	1,972,503	136,578,844
Additions during the year	455,191,663	-	455,191,663
	589,798,004	1,972,503	591,770,507
Transfer to operating fixed assets	(521,378,859)	-	(521,378,859)
Closing balance	68,419,145	1,972,503	70,391,648
Movement during the year ended June 30, 2024			
Opening balance	**68,419,145**	**1,972,503**	**70,391,648**
Additions during the year	**37,652,654**	**22,619,883**	**60,272,537**
	106,071,799	**24,592,386**	**130,664,185**
Transfer to operating fixed assets	**(105,444,410)**	**(1,672,386)**	**(107,116,796)**
Closing balance	**627,389**	**22,920,000**	**23,547,389**

5. LONG TERM DEPOSITS

	Note	2024	2023
		Rupees	
Long term advances		**437,500**	437,500
Long term security deposits	*5.1*	**32,865,956**	32,593,745
		33,303,456	33,031,245

5.1 Long term security deposits

	2024	2023
WAPDA	**17,409,760**	17,409,760
HESCO	**5,118,100**	5,118,100
SSGC	**7,041,168**	6,768,957
Pakistan State Oil Limited	**450,000**	450,000
Others	**2,846,928**	2,846,928
	32,865,956	32,593,745

6. DEFERRED TAXATION - net

<u>For the year ended June 30, 2024</u>	Note	Opening balance (restated)	Charge / (reversal) recognized in profit or loss	Charge / (income) recognized in other comprehensive income	Closing balance
		Rupees			
Taxable temporary differences					
- Accelerated tax depreciation		264,527,518	11,371,880	-	275,899,398
- Surplus on revaluation of fixed assets		114,382,894	(5,693,770)	-	108,689,124
		378,910,412	5,678,110	-	384,588,522
Deductible temporary differences					
- Excess of minimum tax carried forward		(88,311,978)	(4,551,189)	-	(92,863,167)
- Provisions for slow moving store items		(2,382,419)	(188,646)	-	(2,571,065)
- Unused tax losses		(95,839,938)	(84,923,386)	-	(180,763,324)
- Provisions for expected credit losses		(12,637,754)	10,239,139	-	(2,398,615)
- Staff retirement benefits		(32,669,643)	(5,488,880)	(2,906,098)	(41,064,621)
		(231,841,732)	(84,912,962)	(2,906,098)	(319,660,792)
		147,068,680	(79,234,852)	(2,906,098)	64,927,730

For the year ended June 30, 2023	Opening balance (restated)	Charge / (reversal) recognized in profit or loss (restated)	Charge / (income) recognized in other comprehensive income	Closing balance (restated)
	Rupees			
Taxable temporary differences				
- Accelerated tax depreciation	215,791,503	48,736,013	-	264,527,516
- Surplus on revaluation of fixed assets	120,376,335	(5,993,441)	-	114,382,894
- SBP loan for salaries and wages	253,550	(253,550)	-	-
- Provisions for slow-moving stores	648,598	(3,031,017)	-	(2,382,419)
	337,069,986	39,458,005	-	376,527,991
Deductible temporary differences				
- Excess of minimum tax carried forward	(37,600,488)	(50,711,490)	-	(88,311,978)
- Deferred government grant	(475,062)	475,062	-	-
- Unused tax losses	-	(95,839,938)	-	(95,839,938)
- Provisions for expected credit losses	(4,907,044)	(7,730,710)	-	(12,637,754)
- Staff retirement benefits	(28,013,763)	(2,612,027)	(2,043,853)	(32,669,643)
	(70,996,357)	(156,419,103)	(2,043,853)	(229,459,313)
	266,073,631	(116,961,098)	(2,043,853)	147,068,680

7. STORES, SPARES AND LOOSE TOOLS	Note	2024	2023
		Rupees	
Stores in hand		**143,111,851**	159,028,265
Spares in hand		**109,880,347**	74,289,500
Loose tools		**1,620,324**	876,649
		254,612,522	234,194,414
Less: Provision against slow moving store items		**(8,865,741)**	(8,215,239)
		245,746,781	225,979,175

8. STOCK IN TRADE	Note	2024	2023
Raw material in hand		**517,595,937**	585,319,746
Raw material in transit		**502,827,124**	175,971,767
		1,020,423,061	761,291,513
Work- in- process		**96,935,774**	98,450,984
Finished goods		**386,945,027**	1,220,096,730
Waste		**50,718,713**	51,241,362
	8.1	**1,555,022,575**	2,131,080,589

8.1 This includes stocks amounting to Rs. 450 million (2023: Rs. 1,130 million) pledged with banks as security with banks against finance facilities.

9. TRADE DEBTS	Note	2024	2023
		Rupees	
Local trade debts - unsecured		**1,512,271,776**	876,505,299
Indirect export debts - unsecured		**-**	835,942,837
		1,512,271,776	1,712,448,136
Less: Provision for expected credit losses	*9.1*	**(8,271,085)**	(50,526,699)
		1,504,000,691	1,661,921,437

9.1	Movement in provision for expected credit losses	Note	2024	2023
			Rupees	
	Opening balance		**50,526,699**	16,920,840
	Reversal during the year	*30*	**(24,535,145)**	(1,550,000)
	Charge for the year	*31*	**4,249,980**	36,831,559
	Write-off during the year		**(21,970,449)**	(1,675,700)
	Closing balance		**8,271,085**	50,526,699

10.	INVESTMENTS			
	Term Deposits Receipts (TDRs)	*10.1*	**172,307,921**	158,867,171

10.1 These TDRs were deposited as margin against bank guarantees issued by different banks as disclosed in note No. 25.2. This carries markup at a rate of 16.25% - 20% per annum (2023: 8.25% - 14.95%). These TDRs shall mature between 6 to 36 months.

11.	LOANS, ADVANCES AND PREPAYMENTS	Note	2024	2023
			Rupees	
	Loans to staff and workers	*11.1*	**1,060,403**	3,110,603
	Advance to suppliers		**30,340,207**	71,695,009
	Deposit with Nazir High Court of Sindh	*22.2.3*	**115,272,757**	-
	Prepayments		**914,205**	1,284,892
			147,587,572	76,090,504

11.1 These represent interest-free loans provided to employees in accordance with the Company policy. The loans are secured against their retirement benefits and are recoverable in equal monthly installments.

12.	OTHER RECEIVABLES	Note	2024	2023
			Rupees	
	Interest income receivable		**22,190,102**	17,116,122
	Others		**13,666,363**	17,529,513
			35,856,465	34,645,635
13.	**TAX REFUNDS DUE FROM GOVERNMENT**			
	Income tax refundable	*13.1*	-	55,863,031
	Sales tax refundables		**74,030,149**	56,681,657
			74,030,149	112,544,688
13.1	**Income tax refundable / (payable)**			
	Opening balance		**55,863,031**	10,830,536
	Add: taxes deducted at source		**76,507,356**	167,366,209
			132,370,387	178,196,745
	Levies	*33*	**(140,768,872)**	(122,333,714)
	Current tax	*34*	-	-
			(140,768,872)	(122,333,714)
	Closing balance		**(8,398,485)**	55,863,031

13.1.1 Status of income tax assessments

The income tax assessments of the Company have been finalized up to, and including, the tax year 2023. Tax returns filed by the Company are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 unless selected for re-assessment or audit by the taxation authorities. However, at any time during a period of five years from the date of filing of a return, the taxation authorities may select an income tax return filed by the Company for the purpose of re-assessment.

		Note	2024	2023
14.	**CASH AND BANK BALANCES**		Rupees	
	Cash in hand		**41,540,670**	2,185,870
	Cash at bank - current accounts		**22,509,762**	61,994,412
	Cash at bank - deposit accounts	14.1 &14.2	**118,190,485**	85,930,900
			140,700,247	147,925,312
			182,240,917	150,111,183

14.1 These carry markup rate ranging from 14.25% to 20% per annum on daily product basis (2023: 12.25% to 19.5% per annum).

14.2 At the reporting date, the Company has issued cheques amounting to Rs. 116.384 million in its account with Soneri Bank. These cheques are not yet cleared and are presented as part of cash and bank balances in the financial statements.

15. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024	2023		2024	2023
Number of shares			Rupees	
		Ordinary shares of Rs.10 each issued:		
11,407,485	11,407,485	- for consideration paid in cash	**114,074,850**	114,074,850
6,500,000	6,500,000	- as bonus shares	**65,000,000**	65,000,000
3,359,250	3,359,250	- as a result of merger of Nadeem Power Generation (Private) Limited with and into the Company	**33,592,500**	33,592,500
21,266,735	21,266,735		**212,667,350**	212,667,350

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

16. **SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT -net**	2024	(Restated) 2023
	Rupees	
On leasehold land		
Gross surplus		
Opening balance	**918,615,960**	918,615,960
On factory and non-factory building		
Gross surplus		
Opening balance	**394,423,771**	415,090,812
Incremental depreciation transferred to retained earnings	**(19,633,689)**	(20,667,041)
	374,790,082	394,423,771
Related deferred tax charge		
Opening balance	**(114,382,893)**	(120,376,335)
Incremental depreciation transferred to retained earnings	**5,693,770**	5,993,442
	(108,689,123)	(114,382,893)
	266,100,959	280,040,878
Total surplus on revaluation - net of deferred tax charge	**1,184,716,919**	1,198,656,838

17. CONTRIBUTION FROM ASSOCIATED UNDERTAKING

During the year ended June 30, 2023, the associated Company, M/s Nadeem International (Pvt) Limited, and the Company agreed that the loan would be interest free and can be repayable at the discretion of the Company. Hence, the loan was treated as a "Capital Contribution" in accordance with Technical Release -32 issued by the Institute of Chartered Accountants of Pakistan.

		Note	2024	2023
18.	**LONG TERM FINANCING**		Rupees	
	Long Term Finance Facility (LTFF)			
	- Bank Al Falah Limited	*18.1*	**88,852,000**	111,060,000
	- Habib Bank Limited	*18.2*	**101,376,581**	123,043,206
	- Askari Bank Limited	*18.3*	**39,439,400**	39,439,400
	- JS Bank Limited	*18.4*	**31,905,000**	61,653,500
			261,572,981	335,196,106
	Term Loans			
	- Askari Bank Limited	*18.5*	**160,560,599**	160,560,600
	- Soneri Bank Limited	*18.6*	**105,263,158**	125,000,000
	- Habib Metro Bank Limited	*18.7*	**58,821,428**	61,000,000
			324,645,185	346,560,600
			586,218,166	681,756,706
	Less: Current portion shown under current liabilities		**(137,764,703)**	(79,391,158)
	Non-current maturity		**448,453,463**	602,365,548

18.1 Long Term Financing Facility (LTFF) from M/s. Bank Al Falah Limited

This represents the amount availed for purchase of 2 MTU gas generators. It is secured by having the exclusive charge over the imported machinery along with 25% margin and ranking charge of Rs. 25 million over the existing plant and machinery located Nooriabad unit, District Jamshoro, Sindh with the tenor of 8 years (including 1-year grace period commencing from the date of first disbursement) at the mark-up rate of 4.5% to be repaid in 16 equal semi-annually installments.

18.2 Long Term Financing Facility (LTFF) from M/s. Habib Bank Limited

This represents the amount availed for purchase of new plant and machinery (Spinning system, carding machine and bale plucker). It is secured by exclusive hypothecation charge over specific plant and machinery for Rs. 130 million with 25% margin over the plant and machinery amounting to Rs. 44 million with the tenor of 7 years (including 1-year grace period commencing from the date of first disbursement) at the mark-up rate of 4.5% to be repaid in 24 equal quarterly installments.

18.3 Long Term Financing Facility (LTFF) from M/s. Askari Bank Limited

This represents the amount availed under LTFF obtained from M/s. Askari Bank Limited. The facility has been obtained for procurement of machinery in relation to the BMR of existing plant and machinery of the Company, and is secured by first exclusive and specific charge over the machinery being imported under the letter of credit (to be located at the Company's manufacturing facilities in Nooriabad and Kotri, District Jamshoro, Sindh with 25% margin) with the tenor of 7 years (including 2-year grace period commencing from the date of first disbursement) at the mark-up rate of 7% to be repaid in 20 equal quarterly installments.

18.4 Long Term Financing Facility (LTFF) from M/s. JS Bank Limited

This represents the amount availed under LTFF obtained for procurement of machinery in relation to the BMR of existing plant and machinery of the Company. It is secured by first exclusive and specific charge over the machinery being imported under the letter of credit (to be located at the Company's manufacturing facilities in Nooriabad and Kotri, District Jamshoro, Sindh with 20% margin) with the tenor of 5 years at the mark-up rate of 5% to be repaid in 20 equal quarterly installments.

18.5 Term Loan from M/s. Askari Bank Limited

This represents the amount availed under a term finance facility (will be converted in SBP-LTFF) obtained from M/s. Askari Bank Limited. The facility has been obtained for procurement of machinery in relation to the BMR of existing plant and machinery of the Company, and is secured by first exclusive and specific charge over the machinery being imported under the letter of credit (to be located at the Company's manufacturing facilities in Nooriabad and Kotri, District Jamshoro, Sindh with 25% margin) with the tenor of 7 years (including 2-year grace period commencing from the date of first disbursement) at the mark-up rate of 3-Month KIBOR + 2.25% to be repaid in 20 equal quarterly installments (to be commenced after the aforesaid grace period).

18.6 Term Loan from M/s. Soneri Bank Limited

This represents the amount availed under a term finance facility (will be converted in SBP-LTFF) obtained from M/s. Soneri Bank Limited. The facility has been obtained for two brand new Gas Gensets MTU 16V4000GS of 1521 KW, and is secured by first exclusive and specific charge over the machinery being imported under the letter of credit (to be located at the Company's manufacturing facilities in Nooriabad and Kotri, District Jamshoro, Sindh with 25% margin) with the tenor of 7 years (including 1-year grace period commencing from the date of first disbursement) at the mark-up rate of 3-Month KIBOR + 3% to be repaid in 28 equal quarterly installments (to be commenced after the aforesaid grace period).

18.7 Term Loan from M/s. Habib Metropolitan Bank Limited

This represents the amount availed for purchase of five Carding Machine. It is secured by having the exclusive charge on machinery along with margin of 40% for Rs. 167 million with the tenor of 8 years (including 1-year grace period commencing from the date of first disbursement) at the mark-up rate of 3-Month KIBOR + 2% to be repaid in 32 equal quarterly installments (to be commenced after the aforesaid grace period).

19. STAFF RETIREMENT BENEFITS - GRATUITY

As disclosed in note 3.9 to these financial statements, the Company operates an unfunded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2024, using the Projected Unit Credit Method.

			2024	2023
			Rupees	
19.1	**Movement in defined benefit obligation**			
	Opening defined benefit obligation		**112,653,943**	96,599,184
	Amount transferred upon merger		**-**	2,182,750
	Current service cost		**41,141,173**	38,684,919
	Past service cost		**750,714**	2,160,414
	Interest cost		**14,803,377**	12,799,392
	Benefits paid		**(43,112,477)**	(56,689,735)
	Remeasurements	*19.3*	**15,365,413**	16,917,019
	Closing defined benefit obligation		**141,602,143**	112,653,943

		2024	2023
		Rupees	
19.2	**Expense recognized in the statement of profit or loss**		
	Current service cost	**41,141,173**	38,684,919
	Past service cost	**750,714**	2,160,414
	Interest cost on defined benefit obligation	**14,803,377**	12,799,392
		56,695,264	53,644,725
19.3	**Remeasurement losses / (gains) recognised in other comprehensive income**		
	Actuarial losses / (gains) on defined benefit obligation due to:		
	- Changes in financial assumptions	**(4,193,344)**	5,746,053
	- Experience adjustments	**19,558,757**	11,170,966
		15,365,413	16,917,019
19.4	**Sensitivity analysis on defined benefit obligation**		
	Discount rate + 100 bps	**134,846,624**	107,271,626
	Discount rate - 100 bps	**149,211,300**	118,711,415
	Salary increment rate + 100 bps	**149,249,282**	118,711,415
	Salary increment rate -100 bps	**134,699,387**	107,182,807
19.5	**Principal actuarial assumptions used**		
	Discount rate used for interest cost in profit and loss	**16.25%**	13.25%
	Discount rate used for year end obligation	**14.75%**	16.25%
	Rate of increase in salaries - next 1 year	**10.00%**	15.25%
	Rate of increase in salaries - future years	**13.75%**	15.25%
	Mortality rates	**SLIC 2001-2005**	SLIC 2001-2005

19.6 As of June 30, 2024 the weighted average duration of the defined benefit plan was 5 years (2023: 5 years).

20. LOAN FROM RELATED PARTIES

	Note	2024	2023
		Rupees	
Loan from Nadeem International (Private) Limited			
Opening balance		**38,200,000**	400,000,000
Transfer to capital reserves	*17*	**-**	(340,000,000)
Received during the year		**11,700,000**	-
Repayment during the year		**(15,450,000)**	(21,800,000)
		34,450,000	38,200,000
Less : Current maturity shown under current liabilities		**(34,450,000)**	(38,200,000)
		-	-

21. LOANS FROM DIRECTORS

	Note	2024	2023
Opening balance		**97,800,000**	10,000,000
Loans received during the year		**53,000,000**	111,600,000
		150,800,000	121,600,000
Loans repaid during the year		**(11,500,000)**	(23,800,000)
Closing balance	*21.1*	**139,300,000**	97,800,000

21.1 These loans are interest-free and repayable on-demand.

22. TRADE AND OTHER PAYABLES

	Note	2024	2023
		Rupees	
Creditors:			
- local		**691,726,112**	692,442,806
- foreign		**23,560,806**	95,862,105
		715,286,918	788,304,912
Accrued expenses	*22.1*	**348,656,084**	188,273,513
Provision for gas tariff difference	*22.2*	**210,825,478**	190,194,419
Provision for anti-dumping duty	*22.3*	**19,053,287**	19,053,287
Provision against Excise and Taxation charges		**10,017,753**	10,017,753
Advance from customers	*22.4*	**25,852,768**	14,227,836
Worker's Profit Participation Fund payable	*22.5*	**-**	1,558,479
Worker's Welfare Fund payable	*22.6*	**3,832,456**	28,813,022
Withholding income tax payable		**34,640,362**	18,309,845
Withholding sales tax payable		**2,902,323**	2,791,856
		1,371,067,429	1,261,544,922

22.1 Accrued expenses

	2024	2023
Gas charges	**217,391,484**	51,262,970
Salaries and wages	**56,455,422**	45,267,689
Commission to sale agents	**62,597,242**	71,898,772
Others	**12,211,936**	19,844,082
	348,656,084	188,273,513

22.2 Provision for gas tariff difference

	Note	2024	2023
Provision in respect of:			
- Suit No. 129 of 2017	*22.2.1*	**105,750,000**	105,750,000
- Suits No. 1790 of 2020 and 1798 of 2020	*22.2.2*	**7,386,701**	84,444,419
- Suit No. 2123 of 2023	*22.2.3*	**97,688,777**	-
		210,825,478	190,194,419

22.2.1 On August 31, 2015, the Oil and Gas Regulatory Authority (OGRA) issued S.R.O. 876(I)/2015 whereby, with effect from September 01, 2015, the sale price of natural gas for gas consumers falling under the category 'Industrial' was increased to Rs. 600 per MMBTU (as against the previously applicable tariff of Rs. 488.23 per MMBTU notified vide S.R.O. 01(I)/2013 dated January 01, 2013). The said notification was widely challenged by companies operating in the textile industry (including the Company vide Suit No. 129 of 2017) before the Honourable High Court of Sindh ('the Court'). In its interim order dated January 18, 2017, the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 488.23 per MMBTU and the differential amount of Rs. 111.77 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, until September 2018, the Company continued to pay its monthly gas bills at the rate of Rs. 488.23 per MMBTU and recognized a provision for the differential liability which, as at June 30, 2023, amounted to **Rs. 105.75 million (2023: Rs. 105.75 million)**.

On September 06, 2024, the Sindh High Court passed a judgment whereby the impugned notification was declared as void ab initio. However, the provision has not been reversed as the said judgement has been suspended for the period of thirty days as mentioned in the said order and it is probable that the defendants may file appeal against the said judgement before the Apex Court.

22.2.2 On October 23, 2020, the OGRA issued S.R.O. No. 1107(I)/2020 whereby, with effect from September 01, 2020, the sale price of natural gas for the aforesaid class of gas consumers was increased to Rs. 819 per MMBTU (as against the previously applicable tariff of Rs. 786 per MMBTU). The said notification was also widely challenged by companies operating in the textile industry (including the Company vide Suit No. 1790 of 2020 & Suit No. 1798 of 2020) before the Court. In its interim order dated May 25, 2021 the Court held that, till further orders of the Court, the plaintiffs (i.e. the gas consumers) shall continue to deposit their monthly bills at the rate of Rs. 786 per MMBTU and the differential amount of Rs. 33 per MMBTU shall be secured by providing post-dated cheques to the Nazir of the Court. Accordingly, for the period from March 2021 to January 2023, the Company has recognized a provision for the differential rate of Rs. 33 per MMBTU which, as at June 30, 2023, amounted to **Rs. 42.23 million (2023: Rs. 42.23 million)**.

On February 18, 2023, the Court announced its final verdict in Suit No. 1790 of 2020 and Suit No. 1798 of 2020 (and several other connected suits on similar matters) upholding the validity of the aforesaid notification (i.e. S.R.O. 1107(I)/2020 dated October 23, 2020 issued by the OGRA). The said decision also discusses, at length, the issue of incremental tariff chargeable to gas consumers falling under the category 'Captive Power' and made it explicit that that the Company would fall into such category of gas consumers and, thus, would be subjected to the incremental tariff of Rs. 852 per MMBTU as specified in the S.R.O. 1107(I)/2020. In view of that development, the Company recognized a further provision of **Rs. 42.23 million**, **representing** the difference between the tariff chargeable at the aforesaid rate of Rs. 852 per MMBTU and the rate of Rs. 819 per MMBTU chargeable to 'Industrial' gas consumers, for the period from March 2021 to January 2023.

During the year ended June 30, 2024, the Company paid an amount of Rs. 77.05 million to Sui Southern Gas Company (along with monthly gas bills) in respect of the said provision.

22.2.3 On 08 November 2023, the Oil and Gas Regulatory Authority (OGRA) issued notification bearing No. OGRA-10-3 (8)/2023 increased the gas rate retrospectively from 1 November 2023 to Rs. 2,400 per MMBTU (as against the previously applicable tariff of Rs.1,100 per MMBTU). The Company along with others filed petition in the Honourable Sindh High Court against the notification challenging the increase of gas rate and its retrospective implication from 1 November 2023. As directed by the High Court , the plaintiffs (i.e. the gas consumers) shall continue to pay their monthly bills at the rate of Rs. 1,100 per MMBTU and the differential amount of 115.272 million inclusive of sales tax has been deposited with the Nazir High Court @ Rs.1,300 per MMBTU . Accordingly, the Company continued to pay its monthly gas bills at the rate of Rs. 1,100 per MMBTU to Sui Southern Gas Company Limited (SSGC). In relation to the amount deposited above with the Nazir High Court , the Company has recorded a provision of Rs. 97.68 million excluding sales tax.

22.3 Provision for anti-dumping duty

Pursuant to the powers conferred to it under section 50(1) of the Anti-Dumping Act, 2015, the National Tariff Commission (the "Commission"), in order to prevent material injury to the domestic industry, vide its notification no. A.D.C No. 59/2022/NTC/PSF dated February 04, 2022 ('the impugned notification'), imposed, for a period of five years, an anti-dumping duty on the import of 'Polyester Staple Fiber' (PSF) [classified under PCT Heading 5503.2010] from certain exporting countries. As per the said notification, the amount of duty payable is to be determined by applying the specified rates on the import assessed value of PSF.

Being aggrieved by the said notification, the Company, on February 11, 2022, filed an appeal bearing no. 459/2022 before the Anti-Dumping Appellate Tribunal, Islamabad ('ADAT') on the grounds that the duty has been determined and imposed in sheer violation of various provisions of the Anti-Dumping Act, 2015 and that the Commission has failed to properly appreciate the facts. Consequently, in the appeal, the Company prayed that the said notification be declared as legally invalid and be set aside. In addition, the Company also submitted a stay application to ADAT (identified as M.A Stay 234/2022 and dated February 11, 2022) seeking that the operation of the impugned notification be suspended until the final disposition of the appeal.

In order to prevent the concerned authorities from taking any coercive measures for the recovery of the imposed duty prior to any decision by the ADAT, the Company, on February 11, 2022, filed a Writ Petition (W.P. No.508/2022) before the Honourable Islamabad High Court ('the Court') which vide its order dated on February 15, 2022 disposed off the petition by restraining the authorities from taking any coercive action against the Company until a decision is reached by the ADAT either in the aforesaid appeal or the stay application, whichever occurs earlier.

As of the reporting date, both the aforementioned appeal and stay application were pending for adjudication before the ADAT. In view of the aforesaid stay granted by the Court, no payments in relation to the anti-dumping duty have been made by the Company. However, as a matter of prudence, the Company has recognized the full amount of the duty payable which, as at June 30, 2024, amounted to **Rs. 19.053 million (2023: Rs. 19.053 million)**.

22.4 Advance from customers

During the year, the performance obligations underlying the opening contract liability of **Rs. 14.227 million** were satisfied in full. Accordingly, the said liability was recorded as revenue during the year.

Information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of **Rs. 25.096 million** is not presented since the expected duration of all the contracts entered into with the customers is less than one year.

		2024	2023
		Rupees	
22.5	**Workers' Profit Participation Fund payable**		
	Opening balance	**1,558,479**	75,823,742
	Interest charged during the year	**65,446**	14,497,464
		1,623,925	90,321,206
	Payment during the year	**(1,623,925)**	(88,762,727)
		-	1,558,479
22.6	**Workers' Welfare Fund payable**		
	Opening balance	**28,813,022**	32,247,697
	Adjustment	**-**	(1,592,127)
	Interest accrued for the year	**5,430,991**	-
		34,244,013	30,655,570
	Payment during the year	**(30,411,557)**	(1,842,548)
		3,832,456	28,813,022
23.	**ACCRUED MARKUP**		
	Markup accrued on:		
	- Long term financing	**23,521,641**	25,701,930
	- Short term borrowings	**106,948,006**	105,251,759
		130,469,647	130,953,689

		Note	2024	2023
24.	**SHORT TERM BORROWINGS - secured**		Rupees	
	Running Finance (RF)			
	- Samba Bank Limited	*24.1*	**49,354,669**	49,523,344
	- JS Bank Limited	*24.2*	**99,922,762**	99,572,728
	- Bank Al Falah Limited	*24.3*	**42,746,176**	39,350,683
	- Soneri Bank Limited	*24.4*	**199,722,876**	199,871,438
	- Habib Metro Bank Limited	*24.5*	**74,995,517**	48,146,411
	- Askari Bank Limited	*24.6*	**49,674,980**	48,431,125
			516,416,980	484,895,729
	Cash Finance (CF)			
	- JS Bank Limited	*24.7*	**105,121,476**	110,461,718
	- Bank Al Falah Limited		**25,920,000**	-
	- Soneri Bank Limited	*24.8*	**301,380,360**	370,336,640
	- Habib Metro Bank Limited	*24.9*	**109,816,561**	79,225,038
	- Askari Bank Limited	*24.10*	**52,845,871**	46,507,500
	- Habib Bank Limited	*24.11*	**91,000,000**	123,999,999
			686,084,268	730,530,895
	Finance against Imported Merchandise (FIM)			
	- JS Bank Limited	*24.12*	**99,107,169**	122,652,099
	- Bank Al Falah Limited	*24.13*	**208,418,386**	129,174,555
	- Habib Metro Bank Limited	*24.14*	**72,235,995**	29,157,976
	- Habib Bank Limited	*24.15*	**264,845,022**	20,455,298
			644,606,572	301,439,927
	Finance against Packing Credit (FPC)			
	- Habib Metro Bank Limited		-	75,000,000
	- Samba Bank Limited	*24.16*	**119,700,000**	119,700,000
			119,700,000	194,700,000
	Istisna Financing			
	- Dubai Islamic Bank Limited	*24.17*	**370,200,000**	374,000,000
	Post dated cheques discounting			
	- Bank Al Falah Limited		**15,403,680**	-
			2,352,411,500	2,085,566,551

24.1 This represents the amount availed under a running finance facility obtained from M/s. Samba Bank Limited with a limit of Rs. 50 million (2023: Rs. 50 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2% (2023: 1-Month KIBOR plus 2%) per annum and is secured by way of first pari-passu hypothecation charge over all present and future stocks and receivables amounting to Rs. 367 million with 25% margin and first pari-passu charge over the fixed assets (including land and buildings) amounting to Rs. 227 million with 25% margin. The expiry date of the facility is May 31, 2025.

24.2 This represents the amount availed under a running finance facility obtained from M/s. JS Bank Limited with a limit of Rs. 100 million (2023: Rs.100 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2023: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first pari-passu charge over the Company's fixed assets (including land, buildings and plant & machinery) amounting to Rs. 134 million with 25% margin over the market value of fixed assets. The expiry date of the facility is August 08, 2024.

24.3 This represents the amount availed under a running finance facility obtained from M/s. Bank Al Falah Limited with a limit of Rs. 45 million (2023: Rs. 45 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2.25% (2023: 1-Month KIBOR plus 2.25%) per annum and is secured by way first pari-passu charge over the Company's fixed assets (including land, buildings and plant & machinery) amounting to Rs. 75 million with 25% margin . The expiry date of the facility is October 31, 2024.

24.4 This represents the amount availed under a running finance facility obtained from M/s. Soneri Bank Limited with a limit of Rs. 200 million (2023: Rs. 200 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2023: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first pari-passu charge over fixed assets (including land, buildings and plant & machinery) amounting to Rs. 269 million .The expiry date of the facility is March 31, 2025.

24.5 This represents the amount availed under a running finance facility obtained from M/s. Habib Metro Bank Limited with a limit of Rs. 75 million (2023: Rs. 75 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2023: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first charge over industrial land located at plot No. A-293 SITE Nooriabad amounting to Rs. 200 million. The expiry date of the facility is December 31, 2024.

24.6 This represents the amount availed under a running finance facility obtained from M/s. Askari Bank Limited with a limit of Rs. 50 million (2023: Rs.50 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2% (2023: 3-Month KIBOR plus 2%) per annum and is secured by way of ranking charge over all present and future stocks and receivables of the company amounting to Rs. 67 million with 25% margin and first pari-passu charge over the fixed assets (including land, buildings and plant & machinery) amounting to Rs. 67 million with 25% margin. The expiry date of the facility is December 31, 2024.

24.7 This represents the amount availed under a cash finance facility obtained from M/s. JS Bank Limited with a limit of Rs. 250 million (2023: Rs. 250 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2023: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, Yarn and Polyester Fibre). The expiry date of the facility is August 08, 2024.

24.8 This represents the amount availed under a cash finance facility obtained from M/s. Soneri Bank Limited with a limit of Rs. 375 million (2023: Rs. 375 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2023: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, Yarn and Polyester Fibre). The expiry date of the facility is March 31, 2025.

24.9 This represents the amount availed under a cash finance facility obtained from M/s. Habib Metro Bank Limited with a limit of Rs. 200 million (2023: Rs. 275 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.25% (2023: 3-Month KIBOR plus 2.25%) per annum and is secured by way of first exclusive charge over pledge of stocks (Raw Cotton) of Rs.223 million with 10% margin. The expiry date of the facility is Dec. 31, 2024.

24.10 This represents the amount availed under a cash finance facility obtained from M/s. Askari Bank Limited with a limit of Rs. 220 million (2023: Rs. 220 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2% (2023: 3-Month KIBOR plus 2%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, Yarn and Polyester Fibre). The expiry date of the facility is December 31, 2024.

24.11 This represents the amount availed under a cash finance facility obtained from M/s. Habib Bank Limited with a limit of Rs. 450 million (2023: Rs. 450 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 1.85% (2023: 1-Month KIBOR plus 1.85%) per annum and is secured by way of first exclusive charge B1256over pledge of stocks, (Raw Cotton, Yarn and Polyester Fibre). The expiry date of the facility is March 31, 2025.

24.12 This represents the amount availed under the finance against imported merchandise obtained from M/s. JS Bank Limited with a limit of Rs. 250 million (2023: Rs. 350 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.15% (2023: 3-Month KIBOR plus 2.15%) per annum and is secured by way of first exclusive charge over pledge of stocks (Raw Cotton and Polyester) . The expiry date of the facility is August 08, 2024.

24.13 This represents the amount availed under the finance against import merchandise obtained from M/s. Bank Al Falah Limited with a limit of Rs. 300 million (2023: Rs. 300 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2.25% (2023: 1-Month KIBOR plus 2.25%) per annum and is secured same as per note No. 26.3. The expiry date of the facility is October 31, 2024.

24.14 This represents the amount availed under the finance against imported merchandise obtained from M/s. Habib Metro Bank Limited with a limit of Rs. 200 million (2023: Rs. 275 million). The facility carries mark-up at the rate of 3-Month KIBOR plus 2.0% (2023: 3-Month KIBOR plus 2.0%) per annum and is secured same as per note No. 26.9. The expiry date of the facility is December 31, 2024.

24.15 This represents the amount availed under the finance against imported merchandise obtained from M/s. Habib Bank Limited with a limit of Rs. 600 million (2023: Rs. 150 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 1.85% (2023: 1-Month KIBOR plus 1.85%) per annum and is secured by way of first exclusive charge over pledge of stocks, (Raw Cotton, and Polyester) . The expiry date of the facility is March 31, 2025.

24.16 This represents the amount availed under the finance against packing credit obtained from M/s. Samba Bank Limited with a limit of Rs. 170 million (2023: Rs. 170 million). The facility carries mark-up at the rate of 1-Month KIBOR plus 2% (2023: 1-Month KIBOR plus 2%) per annum and is secured by way of first pari-passu hypothecation charge over all present and future stocks and receivables amounting to Rs. 367 million with 25% margin and first pari-passu charge over the fixed assets (including land and buildings) amounting to Rs. 227 million with 25% margin. The expiry date of the facility is May 31, 2025

24.17 This represents the amount availed under the istisna financing obtained from M/s. Dubai Islamic Bank Limited with a limit of Rs. 400 million (2023: Rs. 400 million). The facility carries mark-up at the rate of relevant KIBOR plus 2.25% (2023: KIBOR plus 2.25%) per annum and is secured by way of equitable mortgage over land and building on Plot No. E-11, SITE, Kotri amounting to Rs. 375 million with 25% margin, first pari passu charge over plant and machinery at Plot No. E-11, SITE, Kotri amounting to Rs. 158.34 million with 25% margin. The expiry date of the facility is January 31, 2025.

24.18 As of the reporting date, the Company had unutilized facilities for short term borrowings available from above mentioned banks amounting to Rs. 1,048 million (2023: Rs. 1,249 million).

25. CONTINGENCY AND COMMITMENTS

25.1 Contingency

In the matter of GIDC levy under act 2011 and GIDC Act 2015 the Company and other petitioners had been contesting the imposed levy since 2011 and it was in August 13, 2020 that the honorable Supreme Court of Pakistan upheld the constitutionality of the GIDC Act 2015.

Moreover, in para 37 of the above judgment, the Honorable Supreme Court has held that the Cess under GIDC Act, 2015 is leviable to those customers of natural gas who on account of their industrial or commercial dealings pass on its burden to their customer. The Apex Court also restrained the Federal Government from charging further Cess from the date of the judgment and also imposed certain eventualities on the basis of which this Cess would become nullified.

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

As a result, the Company filed Suit 1343 /2020 in the Honorable High Court of Sindh along with several other companies on the ground that the Company falls within the category of gas consumers, who have neither collected GIDC from their clients / customers and even not passed on to the customers through addition in the cost of goods and accordingly, the Company is not liable to pay any amounts pursuant to the above judgment of the Supreme Court. The Company also raised the issue of retrospective applicability of the Act from 2011. The Honorable High Court has granted stay to the Company and other petitioners to the extent of payment of GIDC.

The Company has also filed a Suit No. 1682/2021 and Suit No. 1338/2020 in the Honorable High Court of Sindh at Karachi along with several other petitioners seeking a declaration that after the lapse of time period of six months for laying of the North-South gas pipe line allowed by the Honourable Supreme Court of Pakistan, the Act has now become in-operational and dead for all intents and purposes. Consequently, the Company is not liable to pay any GIDC.

The legal counsel of the Company has given his considered opinion that in view of above two suits the Company will not be subject to pay any amount of Cess and the Company has therefore in view of the above opinion not recorded any provision.

In view of the above, the Company continues to disclose the GIDC amounting to Rs. 368 million as a contingent liability (2023: Rs. 368 million).

		Note	2024	2023
25.2	**Commitments**		**Rupees**	
	Letters of credit issued in respect of:			
	- import of raw materials		**264,433,114**	269,239,437
	- import of machinery		**-**	2,009,700
	Bank guarantees to Excise and Taxation department		**147,475,753**	135,975,753
	Revolving letter of credit issued in favour of SSGC		**91,987,580**	87,219,100
26.	**SALES - net**			
	Local sales	*26.1*	**7,321,667,719**	4,310,669,994
	Export sales - indirect	*26.2*	**3,386,136,961**	4,902,094,607
	Export sales - direct		**575,903,173**	1,320,742,698
	Wastage sales	*26.3*	**107,385,654**	133,145,591
			11,391,093,507	10,666,652,889
26.1	**Local sales**			
	Local sales revenue - gross		**8,409,855,371**	5,202,279,255
	Less: Sales returns		**(62,202,500)**	(146,479,435)
			8,347,652,871	5,055,799,820
	Less: Sales tax		**(1,025,985,152)**	(745,129,826)
			7,321,667,719	4,310,669,994
26.2	**Export sales - indirect**			
	Export sales revenue - gross		**3,871,524,680**	5,833,396,154
	Less: Sales returns		**(60,933,400)**	(84,069,840)
			3,810,591,280	5,749,326,314
	Less: Sales tax		**(424,454,319)**	(847,231,707)
			3,386,136,961	4,902,094,607
26.3	**Wastage sales**			
	Wastage sales - gross		**126,716,769**	156,296,797
	Less: Sales tax		**(19,331,115)**	(23,151,206)
			107,385,654	133,145,591

		Note	2024	2023
			Rupees	
27.	**COST OF SALES**			
	Raw materials consumed	27.1	**7,833,507,259**	8,965,299,329
	Conversion costs incurred:			
	- Fuel and power	27.2	**1,254,343,640**	556,001,697
	- Stores and spares consumed	27.3	**193,232,467**	187,852,059
	- Packing materials consumed	27.4	**143,662,555**	132,182,621
	- Salaries, wages and other benefits	27.5	**780,386,741**	668,581,541
	- Depreciation	4.1.6	**225,093,585**	216,900,612
	- Repair and maintenance		**22,054,029**	18,014,904
	- Insurance		**15,018,220**	15,233,690
	- Other expenses		**22,983,706**	17,940,867
			2,656,774,943	1,812,707,992
			10,490,282,202	10,778,007,321
	Change in work-in-process inventory:			
	- Opening stock		**98,450,984**	115,178,451
	- Closing stock	8	**(96,935,774)**	(98,450,984)
			1,515,210	16,727,467
	Cost of goods manufactured		**10,491,797,412**	10,794,734,788
	Change in finished goods and waste inventories:			
	- Opening stock		**1,271,338,092**	633,249,910
	- Closing stock		**(437,663,740)**	(1,271,338,092)
			833,674,352	(638,088,182)
			11,325,471,764	10,156,646,606
27.1	**Raw materials consumed**			
	Opening		**585,319,746**	620,289,804
	Add: Purchases		**7,765,783,450**	8,930,329,271
			8,351,103,196	9,550,619,075
	Closing stock	8	**(517,595,937)**	(585,319,746)
			7,833,507,259	8,965,299,329
27.2	**Fuel and power**			
	Gas charges		**1,102,856,635**	509,020,161
	Electricity charges		**142,780,014**	36,948,397
	Diesel charges		**8,706,991**	10,033,139
			1,254,343,640	556,001,697
27.3	**Stores and spares consumed**			
	Opening stock		**211,308,104**	121,816,515
	Add: Purchases during the year		**209,117,944**	277,343,649
			420,426,048	399,160,164
	Closing stock		**(227,193,581)**	(211,308,104)
			193,232,467	187,852,059

			2024	2023
27.4	**Packing materials consumed**	*Note*	**Rupees**	
	Opening		**22,886,310**	24,618,646
	Add: Purchases		**148,195,186**	130,450,285
			171,081,496	155,068,931
	Closing stock		**(27,418,941)**	(22,886,310)
			143,662,555	132,182,621

27.5 These include staff retirement benefits amounting to Rs. 52.29 million (2023: Rs. 48.49 million).

			2024	2023
28.	**ADMINISTRATIVE EXPENSES**	*Note*	**Rupees**	
	Salaries and other benefits	*28.1*	**59,620,463**	55,902,192
	Directors' remuneration	*40*	**8,400,000**	6,400,000
	Travelling and conveyance		**14,382,525**	10,324,072
	Legal and professional		**6,084,069**	6,519,304
	Fees and subscription		**6,443,755**	5,571,261
	Rent, rates and taxes		**1,812,121**	1,498,133
	Electricity, gas and water		**9,669,658**	7,285,282
	Repairs and maintenance		**13,803,266**	19,658,839
	Communication expenses		**2,544,099**	2,666,097
	Printing and stationery		**5,190,180**	3,795,220
	Motor vehicle expenses		**24,113,084**	17,195,414
	Advertisement expenses		**144,150**	723,820
	Entertainment expenses		**3,458,133**	4,204,176
	Auditor's remuneration	*28.2*	**1,650,000**	1,500,000
	Depreciation	*4.1.6*	**26,808,757**	28,863,247
	Donation		**-**	1,250,000
	Miscellaneous expenses		**1,902,433**	1,809,304
			186,026,693	175,166,360

28.1 These include staff retirement benefits amounting to Rs. 4.39 million (2023: Rs. 5.16 million).

			2024	2023
28.2	**Auditors' remuneration**	*Note*	**Rupees**	
	Fee for annual audit		**1,200,000**	1,097,000
	Fee for half-yearly review		**308,000**	280,000
	Fee for review of Code of Corporate Governance		**70,000**	57,000
	Other certifications		**60,000**	55,000
	Out-of-pocket expenses		**12,000**	11,000
			1,650,000	1,500,000

29.	**DISTRIBUTION COSTS**			
	Sales commission	*29.1*	**83,759,613**	89,040,724
	Freight and octroi charges		**50,220,658**	38,865,586
	Foreign travelling expense		**11,325,000**	8,821,100
	Export selling expenses		**4,294,517**	6,572,700
	Trailer charges		**2,782,804**	3,236,202
	Ocean freight		**1,956,849**	6,535,440
	Export development charges		**1,428,693**	3,325,890
	Stamp duty on export sales		**1,020,415**	986,361
	Export insurance charges		**561,099**	1,278,645
	Miscellaneous	*29.2*	**18,638,672**	22,685,744
			175,988,320	181,348,392

		Note	2024	2023
			Rupees	
29.1	**Sales commission**			
	Commission charges incurred in relation to:			
	- Local sales		**78,240,199**	75,539,358
	- Export sales		**5,519,414**	13,501,366
			83,759,613	89,040,724

29.2 This includes charges in respect of stamp duty on local sales, letter of credit expenses, sales promotion, export and foreign bank charges and forwarding charges.

		Note	2024	2023
			Rupees	
30.	**OTHER INCOME**			
	Profit on saving accounts		**26,456,065**	20,424,024
	Profit on Term Deposit Receipts (TDRs)		**30,602,630**	19,888,639
			57,058,695	40,312,663
	Reversal of provision for expected credit losses		**24,535,145**	1,550,000
	Realized exchange gain - net		**13,131,235**	-
	Gain on sale of property, plant and equipment - net	*44.3*	**651,086**	1,590,008
			95,376,161	43,452,671
31.	**OTHER EXPENSES**			
	Surcharge on late filing of sales tax returns		**12,399,169**	19,031,369
	Provision for expected credit losses		**4,249,980**	36,831,558
	Provision against slow moving store items		**650,500**	1,324,934
	Realized exchange loss - net		**-**	60,360,544
			17,299,649	117,548,405
32.	**FINANCE COSTS**			
	Markup on short-term borrowings:			
	- Cash finance (CF)		**278,303,512**	227,972,007
	- Running finance (RF)		**120,887,145**	92,292,016
	- Finance against imported merchandise (FIM)		**73,335,931**	107,111,723
	- Finance against packing finance (FPC)		**37,978,525**	37,397,296
			510,505,113	464,773,042
	Markup on long-term financing:			
	- Term finance		**98,848,703**	79,044,984
	Premium on discounting of export bills		**17,811,454**	19,939,197
	Interest on Workers' Profit Participation Fund		**65,446**	14,497,464
			627,230,716	578,254,688
	Bank charges and guarantee commission		**49,268,209**	85,208,068
			676,498,925	663,462,755
33.	**LEVIES**			
	Income tax:			
	- Excess of minimum tax over normal tax		**47,905,705**	55,547,695
	- Final tax		**92,863,167**	66,786,019
			140,768,872	122,333,714
	Workers' Welfare Fund		**5,430,991**	-
			146,199,863	122,333,714

		Note	2024	(Restated) 2023
34.	**TAXATION**	*Note*	Rupees	
	Current - for the year		-	-
	Prior tax charge		-	11,084,991
	Prior tax income		-	(31,234,526)
			-	(20,149,535)
			-	(20,149,535)
	Deferred	*6*	**(79,234,852)**	(116,961,098)
			(79,234,852)	(137,110,633)

34.1 Reconciliation between tax expense and accounting profit

In respect of the years ended June 30, 2023 and June 30, 2024, the numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate as required by IAS 12 '*Income Taxes*' has not been presented in these financial statements since the Company has suffered an accounting loss before tax in both these years and its income subject to taxation under the normal tax regime has attracted the provisions of section 113 of the Income Tax Ordinance, 2001 (Minimum tax).

		2024	2023
35.	**LOSS PER SHARE - BASIC AND DILUTED**	Rupees	
35.1	**Basic loss earnings per share**		
	Loss after taxation	**(961,780,694)**	(569,290,039)
		Number of shares	
	Weighted average number of ordinary shares outstanding	**21,266,735**	21,568,234
		Rupees	
	Loss per share - basic	**(45.22)**	(26.39)

35.2 Diluted loss per share

There is no dilutive effect on the basic loss per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2024 and June 30, 2023.

36. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following:

	Note	2024	2023
		Rupees	
Cash and bank balances	*14*	**182,240,917**	150,111,183
Short term borrowings - running finance	*24*	**(516,416,980)**	(484,895,729)
		(334,176,063)	(334,784,546)

37. FINANCIAL INSTRUMENTS

37.1 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

37.1.1 Credit risk

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

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

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

Maximum exposure to credit risk

	Note	June 30, 2024 Carrying amount	June 30, 2024 Maximum exposure	June 30, 2023 Carrying amount	June 30, 2023 Maximum exposure
		Rupees			
At amortised cost					
- Long term deposits		**33,303,456**	**33,303,456**	33,031,245	33,031,245
- Trade debts	*(a)*	**1,504,000,691**	**1,504,000,691**	1,661,921,437	1,661,921,437
- Investments		**172,307,921**	**172,307,921**	158,867,171	158,867,171
- Loans to staff and workers		**1,060,403**	**1,060,403**	3,110,603	3,110,603
- Other receivables		**35,856,465**	**35,856,465**	34,645,635	34,645,635
- Bank balances	*(b)*	**140,700,247**	**140,700,247**	147,925,312	147,925,312
		1,887,229,183	**1,887,229,183**	2,039,501,403	2,039,501,403

Note (a) - Credit risk exposure on trade debts

To reduce the exposure to credit risk the Company has developed a policy of obtaining advance payments from its customers. The management strictly adheres to this policy.

Export receivables as at year end are not past due. The aging of local trade debts as at the reporting date is as follows:

	June 30, 2024 Gross carrying amount	June 30, 2024 Life time expected credit losses	June 30, 2023 Gross carrying amount	June 30, 2023 Life time expected credit losses
	Rupees			
Not past due	**1,047,021,697**	-	1,607,325,633	-
Past due 1-90 days	**429,501,617**	-	36,115,717	4,333,886
Past due 91-180 days	**8,853,858**	-	8,223,079	2,055,770
Past due 181-270 days	**2,290,067**	-	2,666,004	666,501
Past due 271-360 days	**14,096,579**	-	470,941	235,471
Past due more than 360 days	**10,507,958**	**8,271,085**	57,646,762	43,235,072
	1,512,271,776	**8,271,085**	1,712,448,136	50,526,700

Note (b) - Credit risk exposure on bank balances

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

Banks	Short term rating	Credit rating agency	2024	2023
			Rupees	
Soneri Bank Limited	A1+	Pacra	**124,829,989**	97,371,307
Dubai Islamic Bank Limited	A1+	JCR-VIS	**388,071**	19,413,638
Meezan Bank Limited	A-1	JCR-VIS	**7,100,878**	11,497,907
Habib Bank Limited	A-1+	JCR-VIS	**1,369,148**	5,685,504
JS Bank Limited	A1+	Pacra	**15,108**	5,027,057
National Bank of Pakistan	A1+	Pacra	**821,540**	4,956,880
Bank Al Habib Limited	A1+	Pacra	**2,226,302**	2,992,512
Summit Bank Limited	-	-	**352,887**	352,886
MCB Bank Limited	A1+	Pacra	**99,743**	329,468
Bank Islami Limited	A1	Pacra	**222,638**	99,463
Askari Bank Limited	A1+	Pacra	**98,153**	98,012
Silk Bank Limited	A-2	JCR-VIS	**39,230**	39,230
Bank Al Falah Limited	A1+	Pacra	**3,111,890**	36,577
Habib Metropolitan Bank Limited	A1+	Pacra	**14,970**	14,970
Bank of Punjab Limited	A1+	Pacra	**9,700**	9,700
			140,700,247	147,925,311

Concentration of credit risk

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

	June 30, 2024			June 30, 2023		
	Total exposure	**Concentration**	**% of total exposure**	Total exposure	Concentration	% of total exposure
			Rupees			
Trade debts	**1,504,000,691**	**335,018,438**	**22%**	1,661,921,437	312,673,679	19%
Bank balances	**140,700,247**	**124,829,989**	**89%**	147,925,312	97,371,507	66%
		459,848,427			410,045,186	

37.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

June 30, 2024	Carrying amount	Contractual Cash flows	Repayable on demand	Not later than three months	Three to six months	Six months to one year	One to three years	Later than three years
				Amount in Rs.				
Long term financing including accrued markup	609,739,807	796,413,081	-	40,139,877	64,595,918	104,682,468	485,710,043	101,284,775
Loan from related parties	34,450,000	34,450,000	-	-	-	-	-	-
Loans from directors	139,300,000	139,300,000	139,300,000	-	-	-	-	-
Trade and other payables	1,063,943,082	1,063,943,082	-	-	-	-	-	-
Short term borrowings including accrued markup	2,459,359,586	2,459,359,386	-	2,459,359,386	-	-	-	-
	4,306,792,315	4,493,465,609	139,300,000	2,499,499,283	64,595,918	104,682,468	485,710,043	101,284,775

June 30, 2023	Carrying amount	Contractual Cash flows	Repayable on demand	Not later than three months	Three to six months	Six months to one year	One to three years	Later than three years
				Amount in Rs.				
Long term financing including accrued markup	767,450,636	1,008,174,431	-	34,461,926	54,206,817	95,714,606	574,615,516	249,175,597
Loan from related parties	38,200,000	38,200,000	-	38,200,000	-	-	-	-
Loans from directors	97,800,000	97,800,000	97,800,000	-	-	-	-	-
Trade and other payables	976,576,424	976,576,424	-	976,576,424	-	-	-	-
Short term borrowings including accrued markup	2,190,618,310	2,190,618,310	-	2,190,618,310	-	-	-	-
	4,069,655,370	4,311,571,185	97,800,000	3,240,050,660	54,206,817	95,714,606	574,615,516	249,175,597

37.1.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk.

(a) 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 entered into foreign currencies. The foreign currency risk of the Company is minimal as the export bills are immediately realized via sale to bank. As of the reporting date, the Company was exposed to currency risk on payables that are denominated in US Dollars as follows:

	June 30, 2024		June 30, 2023	
	Rupees	**US Dollars**	Rupees	US Dollar
Foreign trade payables	**23,556,637**	**$ 84,493**	95,862,544	$ 334,412

The following significant exchange rates applied during the year:

	2024		2023	
	Average rate	**Reporting date rate**	Average rates	Reporting date rate
	Rupees			
PKR to US Dollar	**282.73**	**278.80**	246.20	286.66

Sensitivity analysis:

As of the reporting date, 10% strengthening / (weakening) of the Pak Rupee against the US Dollar would have reduced / (increased) the profit before tax of the Company by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	— Rupees —
As at June 30, 2024	**2,355,664**
As at June 30, 2023	9,586,254

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and term deposits with banks.

Fair value sensitivity of fixed-rate financial instruments

As the reporting date, the Company did not hold any fixed-rate financial assets and liabilities. Accordingly, a change in interest rates would not affect the carrying amount of any financial instruments.

Cash flow sensitivity of variable-rate financial instruments

At the reporting date, the profile of the Company's variable-rate financial instruments was as follows:

	Effective interest rate (%)		**Carrying amount (Rs.)**	
	2024	2023	**2024**	2023
Financial assets				
Balances held in saving accounts	**14.25%-20%**	12.25% - 19.50%	**118,190,485**	85,930,900
Financial liabilities				
Long-term financing	**4.5% - 25.91%**	4.5% - 25.08%	**324,645,185**	346,560,100
Short-term borrowings	**22.11%-24.62%**	19.06% - 24.42%	**2,459,359,506**	2,190,818,310

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Increase / (decrease) on loss before tax	
	1% increase in interest rate	**1% decrease in interest rate**
	Rupees	
As at June 30, 2024		
Cash flow sensitivity - Variable-rate financial instruments	**26,658,142**	(26,658,142)
As at June 30, 2023		
Cash flow sensitivity - Variable-rate financial instruments	24,514,475	(24,514,475)

37.2 Financial instruments by category

37.2.1 Financial assets

	2024	2023
	Rupees	
At amortized cost		
Long term deposits	**33,303,456**	33,031,245
Trade debts	**1,504,000,691**	1,661,921,437
Investments	**172,307,921**	158,867,171
Loans to staff and workers	**1,060,403**	3,110,603
Other receivables	**35,856,465**	34,645,635
Cash and bank balances	**182,240,917**	150,111,183
	1,928,769,853	2,041,687,274

37.2.2 Financial liabilities

At amortized cost		
Long term financing	**586,218,166**	681,756,706
Loan from related party	**34,450,000**	38,200,000
Loan from director	**139,300,000**	97,800,000
Trade and other payables	**1,063,943,002**	976,578,424
Accrued mark-up	**130,469,647**	130,953,689
Short term borrowings	**2,352,411,500**	2,085,566,551
	4,306,792,315	4,010,855,370

38. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

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

Level 1: Quoted market price (unadjusted) in an active market.
Level 2: Valuation techniques based on observable inputs.
Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

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

The management considers that the carrying amount of all other assets and liabilities recognised in the financial statements approximate their fair value.

39. CAPITAL MANAGEMENT

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management closely monitors the return on capital along with the level of distributions to ordinary shareholders. The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not subject to any externally imposed capital requirement.

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

	2024	(Restated) 2023
	Rupees	
Borrowings:		
Long term financing	**586,218,166**	681,756,706
	586,218,166	681,756,706
Shareholders' equity:		
Issued, subscribed and paid up capital	**212,667,350**	212,667,350
Contribution from associated undertaking	**340,000,000**	340,000,000
Share premium	**388,683,536**	388,683,536
Unappropriated profits	**573,452,787**	1,533,752,877
	1,514,803,673	2,475,103,763
Total capital managed by the Company	**2,101,021,839**	3,156,860,469

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024				2023			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	Rupees							
Managerial remuneration	6,000,000	2,400,000	11,671,992	20,071,992	3,636,364	2,181,818	11,671,992	17,490,174
Other allowances and reimbursable expenses	600,000	240,000	1,824,727	2,664,727	363,636	218,182	1,984,239	2,566,057
	6,600,000	2,640,000	13,496,719	22,736,719	4,000,000	2,400,000	13,656,231	20,056,231
Number of persons	1	2	8		1	2	8	

40.1 The Chief Executive and two directors are provided with the Company-maintained cars as well as electricity, gas and telephone connections at their residence.

40.2 The Chief Executive and directors have waived their meeting fees.

41. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of M/s. Nadeem International (Private) Limited, key management personnel (including directors) and their close family members. Detail of transactions entered into, and balances held with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Basis of relationship	Transactions during the year and year-end balances	2024	2023
			Rupees	
Nadeem International (Private) Limited	Associated company by virtue of common directorship	*Transactions during the year*		
		Loan received	**11,700,000**	-
		Loan repaid	**15,450,000**	21,800,000
		Weight bridge expenses	**180,000**	180,000
		Contribution from associated undertaking	-	340,000,000
		Balance outstanding		
		Loan payable	**34,450,000**	38,200,000
Mr. Zahid Mazhar	Chief Executive Officer	*Transactions during the year*		
		Loan received	**13,000,000**	72,000,000
		Loan repaid	-	-
		Balance outstanding		
		Loan payable	**95,000,000**	82,000,000
Mr. Omer Bin Zahid	Executive Director/CFO	*Transactions during the year*		
		Loan received	-	19,800,000
		Loan repaid	-	19,800,000
Mr. Hasan Bin Zahid	Executive Director	*Transactions during the year*		
		Loan received	-	19,800,000
		Loan repaid	**11,500,000**	4,000,000
		Balance outstanding		
		Loan payable	**4,300,000**	15,800,000
Ms. Naila Zahid	Chairperson	*Transactions during the year*		
		Loan received	**40,000,000**	-
		Balance outstanding		
		Loan payable	**40,000,000**	-

42. OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment as the Company's asset allocation decisions are based on a single, integrated business strategy, and the company's performance is evaluated on an overall basis.

Entity wide information with respect to IFRS-8 "Operating Segments" are stated below:

(a) Revenue from sales of yarn represents 99.06% (2023: 98.75%) of total revenue whereas remaining represent revenue from sale of waste.

(b) All non current assets of the Company as at June 30, 2024 are located in Pakistan.

(c) 35% sales of the company relate to customer outside Pakistan (direct and indirect export) (2023: 58%)

(d) There is no major customer that amount to more than 10% of the company's revenue excluding sales tax and federal excised duty.

43. CHANGE IN ACCOUNTING POLICY

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as *'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'*. The circular clarifies that any taxes whose calculation is *not* based on **'taxable profit'** (as defined in the International Accounting Standard (IAS) 12 *'Income Taxes'*) do not meet the definition of **'current tax'** as per that standard. Instead, such taxes should be treated as **'levies'** falling within the scope of IFRIC 21 *'Levies'* and the IAS 37 *'Provisions, Contingent Liabilities and Contingent Assets'*.

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby *only* the portion of the income tax charge that is based on the *'taxable income'* for a reporting period *(as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder)* is now classified as a **'current tax'**. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a **'levy'** in the statement of profit or loss. As the said change in accounting policy also has effect on the accounting for deferred income taxes i.e., the deferred tax liabilities / assets have also been restated.

In these financial statements, the said change in accounting policy has been accounted for *retrospectively*. If the said change in accounting policy had, however, not been made, the following items in the statement of profit or loss would have been reported as follows:

	2024	2023
	Rupees	
Loss before levies and taxation	**(894,815,683)**	(584,066,959)
Levies	-	-
Loss before taxation	**(894,815,683)**	(584,066,959)
Taxation:		
- Current	**(140,768,872)**	(122,333,714)
- Prior	-	20,149,535
- Deferred	**3,466,735**	97,273,691
	(137,302,137)	(4,910,488)
Loss after taxation	**(1,032,117,820)**	(588,977,446)
Loss per share - basic and diluted	**(48.53)**	(27.31)

As stated above the aforementioned change in accounting policy has been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 *'Accounting Policies, Changes in Accounting Estimates and Errors'* and all the corresponding figures affected thereby have been restated. Further, since these restatements have material effects on the statement of financial position as at the beginning of the earliest period presented (i.e. June 30, 2022), the said statement has also been presented in these financial statements in accordance with the requirements of the IAS 1 *'Presentation of Financial Statements'*.

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

Effects on the statement of financial position

	June 30, 2023			June 30, 2022		
	As previously reported	As restated	Change	As previously reported	As restated	Change
	Rupees					
Deferred tax asset / (liability)	47,289,353	(147,068,680)	(194,358,033)	(52,028,192)	(266,073,631)	(214,045,439)
Unappropriated profits	1,666,651,399	1,533,752,877	(132,898,522)	2,359,779,547	2,210,687,393	(149,092,154)
Revaluation surplus	1,260,116,348	1,198,656,838	(61,459,510)	1,278,283,722	1,213,330,437	(64,953,285)

Effects on the statement of profit or loss

	For the year ended June 30, 2023		
	As previously reported	As restated	Change
	(Rupees)		
Loss before levies and taxation	(584,066,959)	(706,400,673)	(122,333,714)
Levies			
- Excess of Minimum Tax (MTR) over Normal Tax (NTR)	-	55,547,695	55,547,695
- Tax under Final Tax Regime (FTR)	-	66,786,019	66,786,019
	-	122,333,714	122,333,714
Loss before taxation	**(584,066,959)**	**(584,066,959)**	-
Taxation			
- Current	(122,333,714)	-	(122,333,714)
- Prior	20,149,535	20,149,535	-
- Deferred	97,273,691	116,961,098	(19,687,407)
	(4,910,488)	137,110,633	(142,021,121)
Loss after taxation	**(588,977,447)**	**(446,956,325)**	**(142,021,121)**
Loss per share - basic and diluted	**(27.31)**	**(21.02)**	**(6.68)**

44. GENERAL

44.1 Plant capacity and actual production

	2024	2023
Total number of spindles installed	**77,112**	77,592
Average numbers of spindle worked	**49,612**	51,924
Number of shifts worked per day	**3**	3
Installed capacity after conversion into 20/s count (kgs.)	**28,132,972**	28,304,329
Actual production after conversion into 20/s count (kgs.)	**19,833,585**	19,449,602
Capacity utilisation	**70.50%**	68.72%

44.1.1 The present normal capacity of the Company's manufacturing facilities is to produce 72,563.77 kgs of yarn per day. The above disclosed annual production capacity of 28.30 million kgs of yarn is based on 365 operating days a year.

44.1.2 Actual production is less than the installed capacity due to planned maintenance shutdown and gap between market demand and supply.

44.2 Number of employees

	2024	2023
	(Number)	
Total employees of the Company at the year end	**1,095**	1,145
Average employees of the Company during the year	**1,035**	1,090

44.3 Reclassification of corresponding figures

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

Reclassified from component	Reclassified to component	Rupees
Loss on sale of property, plant and equipment	Gain on sale of property, plant and equipment - net	
(Other expenses)	*(Other income)*	6,059,067

44.4 Date of authorization for issue

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on November 05, 2024.

44.5 Level of rounding

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

Zahid Mazhar	**Omer Bin Zahid**	**Omer Bin Zahid**
Chief Executive	Director	Chief Financial Officer

Karachi: November 05, 2024

NADEEM TEXTILE MILLS LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2024

NUMBERS OF SHAREHOLDERS	SHARE HOLDING FROM TO	TOTAL SHARES HELD	PERCENTAGE
13	Shareholding from 1 to 100 shares	107	0.00
15	Shareholding from 101 to 500 shares	7,283	0.03
1	Shareholding from 501 to 1000 shares	693	0.00
1	Shareholding from 150001 to 155000 shares	153,852	0.72
1	Shareholding from 175001 to 180000 shares	179,477	0.84
1	Shareholding from 505001 to 510000 shares	506,806	2.38
1	Shareholding from 685001 to 690000 shares	686,352	3.23
1	Shareholding from 710001 to 715000 shares	712,934	3.35
1	Shareholding from 715001 to 720000 shares	715,704	3.37
1	Shareholding from 2305001 to 2310000 shares	2,306,349	10.84
1	Shareholding from 2515001 to 2520000 shares	2,518,197	11.84
1	Shareholding from 4140001 to 4145000 shares	4,144,171	19.49
2	Shareholding from 4665001 to 4670000 shares	9,334,810	43.89
41		**21,266,735**	**100**

* Note: The slabs representing NIL holding have been omitted.

SR #	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
1	Directors, Chief Executive Officer their Spouse and minor children	9	17,427,509	81.95
2	Associated Companies, undertaking and related parties	-	-	-
3	NIT & ICP	-	-	-
4	Bank / Financial Institutions, Non Banking Financial Institutions	-	-	-
5	Modarbas and Mutual Funds	-	-	-
6	Shareholders holding 10%	1	2,306,349	10.84
7	General Public			
	Local	31	1,532,877	7.21
	Foreign	-	-	-
8	Other Companies	-	-	-
		41	21,266,735	100.00

Information required under the Code of Corporate Governance

SR #	Categories of Shareholders	Percentage	No. of Shares held
A)	Associated companies undertakings and related parties	0.00	-
B)	DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSES AND MINOR CHILDREN		
	DIRECTORS AND THEIR SPOUSES		
	MR. ZAHID MAZHAR	19.49	4,144,171
	MR. OMER BIN ZAHID	21.94	4,666,020
	MR. HASSAN BIN ZAHID	21.95	4,668,790
	MRS. NAILA ZAHID	11.84	2,518,197
	MRS. ANAM OMER	3.37	715,704
	MRS. SHAFIA HASSAN	3.35	712,934
	MR. NOOR MUHAMMAD	0.00	500
	MR. WAQAR HASSAN SIDDIQUI	0.00	500
	MR. NADEEM AHMED	0.00	693
C)	NIT & ICP	0.00	-
D)	Banks, development financial institutions, non banking financial institutions	0.00	-
E)	MODARABAS AND MUTUAL FUNDS	0.00	-
F)	SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST		
	SARAH ZAHID	10.84	2,306,349
G)	GENERAL PUBLIC		
	i) Local	7.21	1,532,877
	ii) Foreign	0.00	-
H)	OTHER COMPANIES	0.00	-
	TOTAL	100.00	21,266,735
I)	**SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST**		
	MR. ZAHID MAZHAR	19.49	4,144,171
	MR. OMER BIN ZAHID	21.94	4,666,020
	MR. HASSAN BIN ZAHID	21.95	4,668,790
	MRS. NAILA ZAHID	11.84	2,518,197
J)	**DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN**	NIL	NIL

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Form of Proxy

I/We ____

of ____ being

a member of **NADEEM TEXTILE MILLS LIMITED**

ordinary shares as per Registered Folio No./CDC A/C No. (for members who have shares in CDS

hereby appoint Mr./Mrs./Miss ____

of ____

or failing him/her Mr./Mrs./Miss ____

of ____

who is/are member/s of the Company) to act as my/our Proxy and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 27th November, 2024 and/or any adjournment thereof.

Signedl this ______________ day of ______________ 2024.

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of Shares held

Signature on Rs.5/- Revenue Stamp

Witness 1

Signature ______________________
Name ______________________
CNIC No. ______________________
Address ______________________
____

Witness 2

Signature ______________________
Name ______________________
CNIC No. ______________________
Address ______________________
____

Notes:

1. This form of proxy, duly completed and signed, must be deposited at the office of the company's Shares Registrar, not later than 48 hours before meeting.

2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a corporation, its common seal should be affixed to the instrument.

3. A Member entitled to attend and vote at the meeting may appoint any other Member as his/her Proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is a Member.

For CDC Account Holders/Corporate Entities:
In addition to the above following requirements have to be met:

i. The Proxy form shall be witnessed by two persons whose names, address and CNIC Numbers shall be mentioned on the form.
ii. Attested copies of CNIC or Passport or the beneficial owners and proxy shall be furnished with the proxy form.
iii. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
iv. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form.

تشکیل نیابت داری

میں / ہم---

ساکن------------------بحیثیت ندیم ٹیکسٹائل ملز لمیٹڈ کے رکن و حامل-----------------

عام حصص بمطابق شیئرز رجسٹرڈ فولیو نمبر -----------اور / یا سی ڈی سی کے شراکتی آئی ڈی نمبر------------

محترم / محترمہ----------------------------ساکن--------------------------

یا بصورت دیگر محترم / محترمہ-----------------ساکن---------------------------

کو اپنی جگہ بروز بدھ ۲۷ نومبر ۲۰۲۴ کو ہونے والے اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

گواہ:

1 دستخط-----------------------

نام-----------------------

پتہ-----------------------

سی این آئی سی یا پاسپورٹ نمبر-----------

ریونیو ٹکٹ چسپاں کریں

(دستخط کمپنی میں پہلے سے موجود نمونہ کے مطابق ہونے چاہیے)

2 دستخط-----------------------

نام-----------------------

پتہ-----------------------

سی این آئی سی یا پاسپورٹ نمبر-----------

نوٹ:

نیابت داروں کے موثر ہونے کے لئے ضروری ہے کہ ان کی تشکیل اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کو موصول ہو جائے۔

سی ڈی سی شیئر ہولڈرز اور ان کے نیابت داروں سے گزارش ہے کہ وہ اپنے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی کمپنی کو پیش کرنے سے قبل اس پراکسی فارم کے ساتھ منسلک کریں۔