INDUS DYEING & MANUFACTURING COMPANY LIMITED

ANNUAL REPORT 2023

CONTENTS

COMPANY PROFILE

Board of Directors

1.	Mr. Naveed Ahmed	Chairman
2.	Mian Shahzad Ahmed	Chief Executive Officer
3.	Mian Imran Ahmed	
4.	Mr. Kashif Riaz	
5.	Mr. Irfan Ahmed	
6.	Mr. Sheikh Shafqat Masood	
7.	Mrs. Fadia Kashif	
8.	Mr. Faisal Hanif	
9.	Mr. Aamir Amin (NIT)	
10.	Ms. Azra Yaqub Vawda	

Audit Committee

1.	Mr. Faisal Hanif	(Chairman)
2.	Mr. Irfan Ahmed	(Member)
3.	Mr. Sheikh Shafqat Masood	(Member)

Human Resources and Remuneration Committee

1.	Mr. Faisal Hanif	(Chairman)
2.	Mrs. Fadia Kashif	(Member)
3.	Mr. Sheikh Shafqat Masood	(Member)

Company Secretary
Mr. Ahmed Faheem Niazi

Chief Financial Officer
Mr. Yasir Anwar

Chief Internal Auditor
Mr. Yaseen Hamidia

Legal Advisor
Mr. M. Yousuf Naseem (Advocates & Solicitors)

Registered1 Office
Office # 508,
5th floor, Beaumont Plaza, UAN: 111-404-404
Civil Lines Quarters, Karachi Tel: 009-221-35693641-60

Symbol of The Company IDYM

Website
http://www.Indus-group.com

Auditors
M/s Yousuf Adil
Chartered Accountants.

Registrar & Share Transfer Office
JWAFFS Registrar Services (Pvt) Ltd
407 -408, Al – Ameera Centre, Tel. 35662023 – 24
Shahrah-e-Iraq, Saddar, Karachi. Fax. 35221192

	Factory Location		
1	P 1 & P 5 S.I.T.E., Hyderabad, Sindh.	Tel.	0223 - 886281 & 84
2	Plot No. 3 & 7, Sector-25 Korangi Industrial Area, Karachi.	Tel:	021 – 35061577-9
3	Muzaffergarh, Bagga Sher, District Multan.	Tel.	0662 - 490202 – 205
4	Indus Lyallpur Limited. 38th Kilometer, Shaikhupura Road, District Faisalabad.	Tel:	041-4689235-6
5	Indus Home Limited. 2.5 Kilometer, Off Manga Raiwind Road, Manga Mandi, Lahore.	UAN Tel.	111-404-405 042-35385021-7
6	Indus Wind Energy Limited. Deh Kohistan 7/3 & 7/4, Tapo Jangshahi, Taluka & District Thatta	UAN Tel	111-404-404 021-3569654 (Ext – 177)

INDUS DYEING & MFG. CO. LIMITED

VISION

To be leading and diversified company, offering a wide range of quality products and services

MISSION

We aim to provide superior products, Financial security, performance and service quality that fully meet the needs of our customers and to maintain the financial strength of the company

CHAIRMAN'S REVIEW

FOR THE YEAR ENDED JUNE 30, 2023

Dear Shareholders,

On behalf of the board of Directors, I am pleased to present to you the annual results of the company for the year ended June 30, 2023. I would like to take this opportunity to invite you for the 66th Annual General Meeting of the Company..

Review of the Boards Performance

An annual review of the Board's performance was done in compliance with the requirement of the code of Corporate governance and the Companies Act, of 2017. The board played a crucial rule in propelling the company forward during an extremely uncertain environment. Going forward the company is taking meaningful initiatives to enhance share holder value.

Review of Company's Performance

For the financial year ended June 30, 2023, the Board's overall performance and effectiveness has been assessed as satisfactory. Sales of the Company have remained stable at Rs. 49 billion however gross profit margins have reduced from 20.94% to 7.40%. The net profit after tax has decreased from Rs. 7.6 billion to Rs.0.70 billion.

Further, I would like to appreciate the hard work of the management in achieving these results during a challenging economic landscape. The management is working towards improving efficiencies in operations, sales and marketing to emerge as a market leader.

On behalf of the board, I would like to thank all stakeholders for their continued confidence in the Company and for their support, dedication and hard work

October 04, 2023

Chairman

Naveed Ahmed

Directors' Review

FOR THE YEAR ENDED JUNE 30, 2023

The Directors of Indus Dyeing and Manufacturing Company Limited are pleased to present the Annual Report together with the audited Financial Statements for the year ended June 30, 2023 before the Sixty-Six Annual General Meeting of the Company.

The consolidated financial highlights of the Company are as under:

	For the year ended June 30	
	2023	2022
	(Rupees in 000)	
Sales	**81,565,482**	75,267,958
Gross profit	**8,924,777**	14,537,203
Other operating income	**699,726**	816,320
Finance cost	**(3,564,483)**	(1,663,165)
Provision for taxation	**(1,022,527)**	(847,326)
Profit for the year after taxation	**1,992,117**	9,982,593
Earnings per shar–e basic and diluted (net)	**36.74**	184.11

DIVIDEND

The Board of Directors in their meeting held on June 02, 2023, have declared interim cash dividend @ 20% i.e Rs. 2/- per share already paid as a final cash dividend for the year ended June 30, 2023.

EARNING PER SHARE

The consolidated earnings per share are Rs. 36.15 as compared to Rs. 184.11 per share last year. Earnings per share of the Company on a stand-alone basis are Rs. 13.06 per share as compared to Rs. 141.78 per share last year.

CHANGE IN NATURE OF BUSINESS

There is no change in the nature of Company's business during the period.

BUSINESS OVERVIEW

The company's performance is satisfactory with a growth in sales. During the year under review group sales of the company have increased by 8.65% over the last year and have earned net profit after tax of Rs. 1,960 million over last year profits of Rs. 9,982 million.

FUTURE OUTLOOK

Pakistan's textile and garment exports have been experiencing numerous challenges during the last fiscal period. The global economic slowdown has adversely affected textile exports for major supplier countries, including Pakistan. Additionally, political unrest within the country has also disrupted economic activities.

The value of textile and garment exports from Pakistan decreased by 14.63 per cent in fiscal year 2022-23 (July-June). During this period, Pakistan earned $16.501 billion from textile and apparel exports, compared to $19.329 billion in 2021-22. Meanwhile, the value of textile machinery imports by Pakistan in July-22 to June-23 decreased significantly by 57.03 per cent year-on-year to $328.62 million, showing a drop in new investments.

Inflation expectations began to recede in fiscal year 2023 and increased market confidence following the

International Monetary Fund (IMF) Stand-By Arrangement (SBA) and subsequent foreign capital inflows may help in anchoring them further, but they continue to remain exceptionally above desirable levels. Keeping this in mind, the policy rate can be expected to at least stay at the current level of 22 percent in the near term.

Production in the textiles sector has been down by over 30 percent since March-23, production capacity in the automobile sector has remained highly underutilized, and business leaders are now warning that over 50 percent of industry across the country is headed towards closure.

It is projected that the profitability in the coming months will be impacted due to increase in commodity prices, power cost, minimum wage increases, markup rates, etc. On the cost side, better supply-chain management for raw materials and innovation in production processes shall remain pivotal parts of the strategy. The management is confident that the company shall be able to compete with these challenges with its experience, operational performance and strategy.

CORPORATE SOCIAL RESPONSIBILITY

The management works towards empowering people by helping them develop the skills they need to succeed in a global economy. The company equips communities with information, technology and the capacity to achieve improved health, education and livelihood outcomes.

Key to this approach are employees of the company who generously give of their time, experience and talent to serve communities; company encourages and facilitate them to do so.

POST BALANCE SHEET EVENTS

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's report.

RELATED PARTY TRANSACTION

The company has presented all related party transactions before the audit committee and the Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in Note 39 of the annexed financial statements for the year ended June 30, 2023.

CORPORATE GOVERNANCE, FINANCIAL REPORTING AND INTERANAL CONTROL SYSTEM

The Company is committed to good corporate governance and compliance with best practices. The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their Listing Regulations have been duly complied with. A Statement to this effect is annexed with the Report.
We are pleased to report that:

- The financial statements, prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows 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 any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored. Emphasis is being done on control procedures to ensure that the policies of the company are adhered with and in case of any anomaly, rectification is done timely.

- The board is satisfied that the company is a going concern, Auditors have emphasized the matter of going concern in their report however these financial statements have been prepared on going concern assumption for reasons more fully disclosed in the financial statements.

- Key operating and financial data for the last six year is annexed.

- There are no statuary payments on account of taxes, duties, levies and charge which are outstanding as on June 30, 2023 except for those disclosed in financial statements.

COMPOSITION OF BOARD

The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2019 applicable on listed entities which is given below:

	Total Number of Directors	
1	Male	08
2	Female	02

	Composition	
1	Independent Director	03
2	Executive Director	03
3	Non-Executive Director	04

The names of the directors as at June 30, 2023 are as follows:

S.No	Name	Position	Remarks
1	Mr. Naveed Ahmed	Chairman	-
2	Mian Shahzad Ahmed	Chief Executive	-
3	Mian Imran Ahmed	Director	-
4	Mr. Irfan Ahmed	Director	-
5	Mr. Kashif Riaz	Director	-
6	Mr. Sheikh Shafqat Masood	Director	-
7	Mr. Faisal Hanif	Director	-
8	Ms. Azra Yaqub Vawda	Director	-
9	Mr. Aamir Amin	Director	Nominee N.I.T
10	Mrs. Fadia Kashif	Director	-

BOARD OF DIRECTORS

During the period under the review the transfer in shares through gift of the company by the CEO, Directors, spouses and Minor as follows:

S.No	Name	Shares Transfer
1	Mian Imran Ahmed	(1,474,288)
2	Mr. Kashif Riaz	(5,442,000)

Board & Sub Committee Meetings

During the year meetings of the Board were held and attendance by each director is as follows.

Board of Directors		
S.No	**Name of Directors**	**Attended**
1	Mr. Naveed Ahmed	7/7
2	Mian Shahzad Ahmed	7/7
3	Mian Imran Ahmed	7/7
4	Mr. Irfan Ahmed	7/7
5	Mr. Kashif Riaz	7/7
6	Mr. Sheikh Shafqat Masood	7/7
7	Mr. Faisal Hanif	7/7
8	Mr. Aamir Amin	7/7
9	Ms. Azra Yaqub Vawda	7/7
10	Mrs. Fadia Kashif	7/7

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Committee constitutes of

S.No	Name	Position
1	Mr. Faisal Hanif	Chairman
2	Mrs. Fadia Kashif	Member
3	Mr. Sheikh Shafqat Masood	Member

One (1) Meeting were held during the financial year from July 2022 to June 2023. All three members were present in the meeting.

AUDIT COMMITTEE

The Board of Directors constituted a fully functional Audit Committee comprising three members: one being an Independent Director and two being Non-Executive Directors. The term of reference of the committee, inter alia, consists of ensuring transparent internal audits, accounting and control systems, adequate reporting structure as well as determining appropriate measures to safeguard the Company's assets.

AUDIT COMMITTEE MEETINGS

Four (4) meetings were held during year. All of the members are Non-Executive Directors including the Chairman. Committee constitutes of and status of attendance during the year by:

Audit Committee 4 - Meetings		
S.No	**Name of Directors**	**Attended**
1	Mr. Faisal Hanif	4/4
2	Mr. Irfan Ahmed	4/4
3	Mr. Sheikh Shafqat Masood	4/4

The Board has a formal remuneration policy for its Directors (Executive/Non-Executive) duly approved by the Board of Directors. The policy has been designed as a component of HR strategy and both are required to support business strategy. The Board believes that the policy is appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the company as well as to create congruence between Directors, executives and shareholders.

APPOINTMENT OF AUDITORS

Messer's Yousaf Adil Chartered Accountants is a reputable Chartered Accountants firm completed its tenure of appointment with the company and being eligible has offered its services for another term. The Board of Directors of Company, based on the recommendation of the audit committee of the board, has proposed Yousuf Adil for reappointment as auditors of the company for the ensuring year.

ENVIRONMENT, HEALTH AND SAFETY.

Your Company is committed towards protecting a sound climate for everyone by complying with all environmental policies at the production facilities.

INTERNAL AUDIT FUNCTION

The board have set up efficient and energetic internal control system with operational, financial and compliance controls to carry on the business of the company. Internal audit findings are reviewed by the Audit Committee, and where necessary, action is taken on the basis of recommendations contained in the internal audit reports.

SHAREHOLDING PATTERN

The shareholding pattern as at June 30th, 2023 is annexed.

WEB PRESENCE

Annual and periodic financial statements of the company are also available on the website of the company http://www.indus-group.com for information of the shareholders and others.

ACKNOWLEDGEMENT

We acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust shown in our products and the bankers for continued support to the Company.

We are also grateful to our shareholders for their confidence in our management.

On Behalf of Board of Directors

Mian Shahzad Ahmed
Chief Executive Officer

Mian Imran Ahmed
Director

Dated: October 04, 2023
Karachi

Key operating and financial results

	2018	2019	2020	2021	2022	2023
	Rupees in "000"					
Operating data				Restated	Restated	
Turn over	22,263,855	25,131,061	27,342,812	33,337,610	49,913,263	49,730,688
Less : commission	(173,428)	(204,775)	(241,507)	(272,251)	(452,147)	(412,149)
Sales (net)	22,090,427	24,926,286	27,101,305	33,065,359	49,461,116	49,318,539
Gross profit	2,334,642	2,701,831	2,210,426	4,955,614	10,360,461	3,679,328
Profit before tax	1,561,596	2,047,663	1,189,053	3,834,554	8,164,629	1,188,976
Profit after tax	1,378,581	1,724,254	901,929	3,212,295	7,687,322	707,952
Financial data						
Gross assets	19,691,466	22,716,984	22,224,224	26,496,314	38,358,374	45,461,504
Return on equity	12.45%	13.79%	7.03%	20.26%	33.05%	2.97%
Current assets	9,666,805	12,289,316	11,674,462	13,331,374	22,026,240	26,274,353
Shareholders equity	11,070,683	12,503,105	12,830,965	15,853,051	23,261,639	23,832,204
Long term debts and deferred liabilities	1,703,529	2,315,636	3,470,559	4,360,130	5,490,477	6,878,150
Current liabilities	6,917,254	7,898,243	5,922,700	6,283,133	9,606,258	14,751,150
Key ratios						
Gross profit ratio	10.57%	10.84%	8.16%	14.99%	20.95%	7.46%
Net profit	6.24%	6.92%	3.33%	9.71%	15.54%	1.44%
Debt / equity ratio	38:62	38:62	32:68	28:72	29:71	38:62
Current ratio	1.40	1.56	1.97	2.08	2.08	1.78
Earning per share (basic and diluted)	76.28	95.40	49.90	59.24	141.78	13.06
Dividend (percentage)						
- Cash	160% Final	250% Final	300% Interim	100% Interim	50% Interim	20% Interim
- Bonus	-	-	-	200%	-	-
Statistics						
Production (tons)	50,292	52,690	47,285	48,452	50,701	47,878

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS OF INDUS DYEING & MANUFACTURING CO. LIMITED June 30, 2023

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held	Percentage of Total Capital
1,056	1	100	41,548	0.08
672	101	500	172,590	0.32
194	501	1,000	152,420	0.28
211	1,001	5,000	487,435	0.90
30	5,001	15,000	270,072	0.50
11	15,001	50,000	254,675	0.47
4	50,001	100,000	228,822	0.42
5	100,001	500,000	1,409,754	2.60
2	500,001	1,300,000	2,219,148	4.09
10	1,300,001	4,000,000	21,841,107	40.28
4	4,000,001	6,500,000	20,143,224	37.15
1	6,500,001	10,771,000	7,000,401	12.91
2,200			**54,221,196**	**100.00**

Categories of Shareholding

Shareholders	No. of Share Holders	Shares Held	Percentage
Individuals	2,173	18,963,925	34.98
Joint Stock Companies	10	7,938	0.01
Financial Institutions	3	1,529,031	2.82
Insurance Companies	1	1,339,815	2.47
Mutual Fund	1	1,575,885	2.91
Directors, CEO their Spouses & Minor Children	12	30,804,602	56.81
	2,200	**54,221,196**	**100**

INDIVIDUALS	**2,173**		**18,963,925**
JOINT STOCK COMPANIES	**10**		
S.H. BUKHARI SECURITIES (PVT) LIMITED		1,575	
NH CAPITAL (PVT) LIMITED		30	
KAMAL FACTORY (PVT) LTD		4200	
UNITED CAPITAL SECURITIES (PVT) LTD		51	
AZEEM SECURITIES (PVT) LIMITED		594	
BLACK STONE EQUITIES (PVT) LTD		318	
INVESTMENT CORPORATION OF PAKISTAN		126	
HABIB & SONS LTD		255	
M/S FIRST CAPITAL EQUITIES LTD		786	
K TRADE SECURITIES (PVT) LTD		3	
			7,938
FINANCIAL INSTITUTIONS	**3**		
National Bank of Pakistan		415,650	
National Investment Trust		33,681	
United Bank Limited Trading Port Folio		1,079,700	
			1,529,031

INSURANCE COMPANIES	**1**		
State Life Insurance Corp. of Pakistan		1,339,815	
			1,339,815
MUTUAL FUND	**1**		
CDC-Trustee National Investmet (UNIT) Trust		1,575,885	
			1,575,885
DIRECTORS AND THEIR SPOUSES	**12**		
Mr. Shahzad Ahmed		4,049,370	
Mr. Naveed Ahmed		3,216,537	
Mr. Kashif Riaz		5,293,215	
Mr. Imran Ahmed		2,986,589	
Mr. Irfan Ahmed		6,441,678	
Mr. Shafqat Masood		121,755	
Mr. Faisal Hanif		12	
Ms. Azra Yaqub Vawda		30	
Mrs. Lozina Shahzad		1,189,848	
Mrs. Shazia Naveed		9,417	
Mrs. Fadia Kashif		7,000,401	
Mrs. Tahia Imran		495,750	
			30,804,602
			54,221,196

Shareholders holding 10% or more voting interest in the company as at June 30, 2023

Name	Holding	Percentage
Mrs. Fadia Kashif	7,000,401	12.91
Mr. Irfan Ahmed	6,441,678	11.88

Detail of purchase / sale of shares by Directors, Company Secretary, Head of Internal Audit Department,

Chief Finance Officer, Chief Executive Office and their spouses, minor children during 2022-2023

Name	Purchase	Sold	Gift
Mr. Kashif Riaz			**5,442,000**
Mr. Imran Ahmed			**1,474,288**

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
Indus Dyeing and Manufacturing Company Limited
For the year ended June 30, 2023

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

1. The total number of director are 10 as per the following;

a) Male 8
b) Female 2

2. The composition of Board is as followed;

Category	Names
Independent Directors	Mr. Faisal Hanif Ms. Azra Yaqub Vawda Mr. Aamir Amin
Executive Directors	Mian Shahzad Ahmed (CEO) Mian Imran Ahmed Mr. Kashif Riaz
Non-Executive Directors	Mr. Sheikh Shafqat Masood Mrs. Fadia Kashif Mr. Naveed Ahmed Mr. Irfan Ahmed
Female Director	Ms. Azra Yaqub Vawda Mrs. Fadia Kashif

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

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

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

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

9. Majority of the directors of the Company are exempt from the requirement of the directors training program or has obtained the certificate;

10. No new appointment of Company Secretary, Head of Internal Audit has been made during the year except their remuneration and terms and conditions of employment which was approved by the Board and the Board complied with relevant requirements of the Regulations. However, Chief Financial Officer (CFO) has been appointed during the year;

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 the members given below:
a) Audit Committee

Chairman	Mr. Faisal Hanif
Members	Mr. Irfan Ahmed Mr. Sheikh Shafqat Masood

b) HR and Remuneration Committee

Chairman	Mr. Faisal Hanif
Member	Mr. Sheikh Shafqat Masood Mrs. Fadia Kashif

c) Whistle Blowing Policy & Committee

Chairman	Mr. Faisal Hanif
Member	Mr. Sheikh Shafqat Masood Mr. Naveed Ahmed

d) Risk Management Committee

Chairman	Mr. Sheikh Shafqat Masood
Member	Mr. Faisal Hanif Mr. Mian Shahzad Ahmed

e) Nomination Committee

Chairman	Mr. Mian Shahzad Ahmed
Member	Mr. Naveed Ahmed Mr. Sheikh Shafqat Masood

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

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

a) Audit Committee
Four Quarterly meetings were held during the financial year ended 30/06/2023.
b) HR and Remuneration Committee
One meeting was held during the financial year ended 30/06/2023.

15. The Board has set up an internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Corporation.;

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 (Spouses, parents, dependents and non-dependents children) of the Chief Executive officer, Chief Financial Officer, head of Internal Audit, Company Secretary or directors 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 regards;

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

- As per regulation 6, it is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors and currently, there are three independent directors in a board of ten directors. With regard to compliance with Regulation 6 pertaining to fraction contained in one-third number and not rounded up as one, Management believes that three Independent Directors are sufficient to represent minority shareholders which are only 43.19% of total shareholders.

On behalf of the Board of Directors

Date: October 04, 2023
Karachi

Mr. Naveed Ahmed
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 66th Annual General Meeting of Indus Dyeing & Manufacturing. Co. Limited will be held at Indus Dyeing & Manufacturing Company Limited, Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi on Friday, October 27, 2023 at 04:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the Extra Ordinary General Meeting held on June 15, 2023.

2. To receive, consider, approve and adopt the audited consolidated and un consolidated financial statements of the Company for the financial year ended June 30, 2023, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.

3. To appoint the Statutory Auditors for the year ending June 30, 2024 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Yousuf Adil, Chartered Accountants who being eligible have offered themselves for re-appointment.

4. To approve interim cash dividend of Rs. 2/- per share i:e 20% already paid by the company (declared on June 02, 2023) as a final dividend for the year ended June 30, 2023.

SPECIAL BUSINESS:

5. To ratify the transactions carried out by the Company with related parties disclosed in the Financial Statements for the year ended June 30, 2023 by passing the following resolution with or without modification.

   Resolved That all related parties transactions carried out by the Company as disclosed in Note No 39 of the Financial Statements of the Company for the year ended June 30, 2023 be and are hereby noted, ratified and approved.

6. To approve potential transactions with related parties intended to be carried out in the financial year 2023-2024 and to authorize the Board of Directors of the Company to carry out such related party transactions at its discretion from time to time, irrespective of the composition of the Board of Directors affected due to majority of Board members are interested in any agenda item.

   The resolutions to be passed in this respect (with or without modification) as special resolutions are as under:

   Resolved Further That in accordance with the policy approved by the Board and subject to such conditions as may be specified from time to time, the Company be and is hereby authorized to carry out transactions with the related parties for the fiscal year 2023-24.

   Resolved Further That the Board of Directors of the Company may, at its discretion, approves specific related party/parties transaction(s) from time to time, irrespective of the composition of the Board affected due to majority of Board members are interested in any agenda item till the next Annual General Meeting. However, in order to ensure transperency in these transactions.

   All such transactions shall be placed before the shareholders in the next Annual General Meeting for their noting/ratification/approval.

7. **To consider and, if thought fit, approve the circulation of Company's annual audited financial statements through QR enabled code and weblink as part of notice of Annual General Meeting by passing, with or without modifications, additions or deletions, the following resolutions as special resolutions:**

   Resolved That the consent and approval of the members of Indus Dyeing & Manufacturing Company Limited be and is hereby accorded and the Company be and is hereby authorized to circulate its annual audited financial statements to its members through QR enabled code and weblink as part of the notice of Annual General Meeting.

Further Resolved That the Chief Executive Officer, Chief Financial Officer and Company Secretary, singly or jointly, be and are hereby authorized to do all acts, deeds and things, take or cause to be taken any action as may be necessary, incidental or consequential to give effect to this resolution.

8. **To Alter Provisions of Articles of Association Relating to Capitalization of Reserves:**

To consider and if deemed fit, to pass the following resolution as a special resolution, to alter the provisions of Articles of Association of the Company relating to the capitalization of reserves, with or without modification(s), addition(s) or deletion(s), as recommended by the Board of Directors, subject to the requisite approvals, if any:

Resolved That approval of members of the Company, be and is hereby accorded that the Board of Directors of the Company may resolve at its discretion to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution.

Further Resolved That whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto.

Further Resolved That in consequence of aforesaid authorizations to the Board of Directors of the Company, the existing Article 112 of the Articles of Association of the Company, be and is hereby substituted as 112, to read as follows:

Article 112 of Articles of Association:

"The Board of Directors of the Company may resolve at its discretion to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution.

Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto."

Further Resolved That Mian Shahzad Ahmed, Chief Executive Officer and Mr. Ahmed Faheem Niazi, Company Secretary, jointly or severally, (the Authorised officer(s,) be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities, make amendments, modification addition or deletion and file all requisite documents with the SECP to effectuate and implement this special resolution.

Further Resolved That the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate by the authorized person or as may be suggested, directed and advised by the SECP which suggestion, direction and advise shall be deemed to be have been approved as part of the passed Special Resolution without the need of the members to pass a fresh Special Resolution."

9. To transact any other business with the permission of the chair.

By Order of the Board
Ahmed Faheem Niazi

Karachi
Date: 4th October 2023 Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2023 to October 27, 2023 (both days inclusive). Transfers received in order at the Office of Company's Share Registrar **M/s Jwaffs Registrar Services (Pvt) Ltd, 407-408 Al-Ameera Center, Shahra-e-Iraq, Saddar, Karachi.** ('Registrar') at the close of business on October 20, 2023 will be considered in time to attend and vote at the Meeting.

2. Financial Statements for the year ended June 30, 2023 will be available at the website of the Company **www.indus-group.com** twenty one days before the date of meeting.

Further, as per approval obtained from members in Annual General Meeting of the Company held on October 31, 2016 to circulate Annual Audited Accounts through CD/DVD/USB in accordance with SRO 470(I)/2016 dated May 31, 2016 of Securities and Exchange Commission of Pakistan (SECP); Annual Audited Accounts of the Company for the year ended June 30, 2023 are being dispatched to the Members through CD/DVD. The Members may request a hard copy of Annual Audited Accounts free of cost. Standard request form is available at the website of the Company **www.indus-group.com**

3. Pursuant to Section 223 of the Companies Act, 2017, the Company is allowed to send audited financial statements and reports to its members electronically. Members are therefore requested to provide their valid email IDs. For convenience, a Standard Request Form has also been made available on the Company's website **www.indus-group.com**

4. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. Jwaffs Registrar Services (Pvt) Ltd, 407-408 Al-Ameera Center, Shahra-e-Iraq, Saddar, Karachi. t

5. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING:

i. In case of individuals, the accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport at the time of attending the Meeting.

ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. FOR APPOINTING PROXIES:

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

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

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

iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.

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

7. Members are requested to notify Change in their addresses, if any; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted.

8. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001

Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payments under the income Tax Ordinance, have been revised as follows:

(a)	Rate of tax deduction for filer of income tax returns	15%
(b)	Rate of deduction for non-filer of income tax returns	30%

The income tax is deducted from the payment of dividend according to Active Tax-Payers List (ATL) provided on the website of FBR. All those shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 30%.

Further, according to clarification received from FBR, withholding tax will be determined separately on 'Filer/Non Filer' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions in case of joint accounts held by the shareholders.

In this regard, all shareholders who hold shares jointly are requested to provide the shareholding proportions of Principal Shareholder and Joint-holders in respect of shares held by them to our Shares Registrar, in writing. The joint accounts information must reach to our Shares Registrar within 10 days of this notice. In case of non-receipt of the information, it will be assumed that the shares are equally held by Principal Shareholder and the Joint-holder(s).

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be.

9. Dividend Mandate and Payment of Cash Dividend through Electronic Mode

The provisions of Section 242 of the Companies Act, 2017 require that the dividend payable in cash shall only be paid through electronic mode directly into the bank accounts designated by the entitled shareholders. Therefore, for making compliance to the provisions of the law, all those physical shareholders who have not yet submitted their IBAN bank account details to the Company are requested to provide the same on the Dividend Mandate Form available on Company website at **https://www.indus-group.com.**

Non CDC shareholders are requested to send valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity) to the Registrar of the Company. Please note that CNIC number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.

CDC shareholders who have also not provided their IBAN bank account details are also requested to provide the same to their Participants in CDC and ensure that their IBAN bank account details are updated. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

10. Video-Link Arrangement for online Participation in the 66th Annual General Meeting of the Company

Shareholders interested in attending the Annual General Meeting (AGM) through video link facility are requested to get themselves registered with the Company Secretary office at least two working days before the holding of the time of AGM at **corporate.affairs@indus-group.com** by providing the following details: -

Name of Shareholder	CNIC No.Folio	CDC No.	Cell No.	Email address

- The Login facility will remain open from 03:45 P.M. till the end of the meeting.
- Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.
- Shareholders will be able to login and participate in AGM proceedings through their smart phone or computer devices from their home after completing all the facilities required for the identification and verification of the Shareholders.

The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measure are in place for the well-being of its members.

11. Video Conference Facility

Members may avail video conference facility for this Annual General Meeting other than Karachi, provided the Company receives consent (standard format is given below) atleast 07 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at respective city

The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

I/we ____________ of _________ being member(s) of Indus Dyeing & Manufacturing Company Limited, holder of _________ Ordinary Share(s) as per Registered Folio No./CDC Account No. ________ hereby opt for video conference facility at __________in respect of 66th Annual General Meeting of the Company.

____
Signature of Member

12. Deposit of Physical Shares into Central Depository

As per Section 72 of the Companies Act, 2017, every existing listed 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 Act i.e. May 30, 2017. Further SECP vide Letter dated March 26, 2021 has advised to comply Section 72 of the Act and encourage shareholders to convert their shares in book –entry form.

In light of above, shareholders holding physical share certificates are requested to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member’s Register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale / purchase.

13. Unclaimed Dividends and Bonus Shares

Shareholders, who for any reason, could not claim their dividend and/or bonus shares are advised to contact our Shares Registrar M/s. Jwaffs Registrar Services (Pvt) Limited to collect/enquire about their unclaimed dividends and/or bonus shares if any.

14. Postal Ballot

Pursuant to companies (Postal Ballot) Regulations, 2018 for the agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through e-voting, in accordance with the requirements and procedure contained in the aforesaid regulations.

Statement of Material facts concerning special business pursuant to section 134 (3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business given in agenda item(s) No.5 to 8 of this Notice of AGM, which will be considered to be transacted in the AGM of the Company. The purpose of this statement is to set forth the material facts concerning such Special Businesses:

Agenda Item No. 5 & 6 of the Notice –

The related parties transactions carried out in normal course of business with associated companies and related parties were being approved by the Board of Directors as recommended by the Audit Committee on quarterly basis pursuant to Section 208 of the Companies Act, 2017 and Rule 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the group companies, the quorum of directors could not be formed for approval of these transactions pursuant to Section 207 of the Companies Act, 2017 and therefore, these transactions have to be approved by the shareholders in General Meeting as a special resolution in terms of section 208 of the said Act.

The transactions with related parties carried out during the fiscal year 2022-2023 to be ratified as disclosed in Note No 39 of the Financial Statements of the Company for the year ended June 30, 2023.

Likewise, since related party transactions are an ongoing process and a restriction to carry out business with related parties merely due to absence of valid quorum would adversely affect the business of the Company. Therefore, shareholders are being approached to grant the broad approval for such transactions to be entered into by the Company, from time to time, at the discretion of the Board (and irrespective of its composition affected due to majority of Board members are interested in any agenda item). The Company shall comply with its policy pertaining to transactions with related parties as stated above to ensure that the same continue to be carried out in a fair and transparent manner and on an arm's length basis. This would also ensure compliance with the Section 208(1) of the Companies Act, 2017 of which requires that shareholders' approval shall be required where the majority directors are interested in any related party transactions and regulation 4 of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 which sets out the conditions for transactions with related parties to be characterized as "arm's length transactions" and states that the parties to the transaction must be unrelated in any way.

Further; it is not possible for the Company or the directors to accurately predict the nature of the related party transaction(s) or the specific related party(ies) with which the transaction(s) shall be carried out. In view of the same and in order to ensure smooth supply during the year, the Company seeks the broad approval of the shareholders that the Board may cause the Company to enter into transactions with related party / parties from time to time in its wisdom and in accordance with the policy of the Company for the fiscal year 2023-24.

All such transactions will be clearly stipulated at the end of the next financial year in the company's Annual Report. In however addition to this all such transactions shall also be placed before the shareholders in the next General Meeting for their noting approval/ ratification.

The Directors are interested in these resolutions only to be extent of their common directorship and shareholding in the associated companies.

Agenda Item No. 7 of the Notice –

Circulation of Company's annual audited financial statements through QR enabled code and weblink as part of notice of Annual General Meeting

The SECP, vide its SRO. 389 (1)/2023 dated March 21, 2023, has allowed listed companies to circulate the Annual Audited Financial Statements to their members through QR enabled code and web-link (instead of DVDs), subject to approval of the shareholders in the general meeting.

Foregoing in view, the following resolutions will be placed before the Members at the AGM for approval as special resolutions with or without modifications, additions or deletions:

Resolved That, the consent and approval of the Members of Indus Dyeing & Manufacturing Company Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized to circulate annual audited financial statements to its Members through QR enabled code and weblink as part of the notice of Annual General Meeting.

Further Resolved That the Chief Executive Officer, Chief Financial Officer and Company Secretary, singly or jointly, be and are hereby authorized to do all acts, deeds and things, take or cause to be taken any action as may be necessary, incidental or consequential to give effect to this resolution.

Agenda Item No. 8 of the Notice –

To substitute the Article 112 with Articles 112, of the Article of Association of the Company relating to Capitalization of Reserve:

The current provision of Article 112 stipulates that capitalization of reserves must be approved by members at a general meeting. The Board of Directors of the Company has recommended changing the current Article 112 by replacing it with Articles 112, in order to simplify the legal requirements and for better governance, including cost and time savings.

The comparison of existing Article 112 of Articles of Association of the Company with the proposed Articles 112, is as under:

Existing Article	Proposed Article
Capitalization of Reserves	**Capitalization of Reserves**
"112. Any General Meeting may, upon recommendation of the Board, resolve that any undistributed profits of the Company (including profits carried and standing to the credit of any reserves or other special accounts or representing premiums received on the issues of shares and standing to the credit of the share premium account and capital reserved arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition/sale of interests in other undertakings) not required for paying the dividends on any shares issued with special rights or privileges in regard to dividend be capitalized. Such capitalized undistributed profits and reserves shall be distributed amongst such of the shareholders as would be	"112. The Board of Directors of the Company may resolve at its discretion to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution.

entitled to receive the same if distributed by way of dividend, and in the same proportions, or the footing that they become entitled thereto as capital. All or any part of such capitalized fund may be applied on behalf of such shareholders for payments in full or in part either at par or at such premium as the resolution may provide, for any unissued shares, debentures or Term Finance Certificates of the Company which shall be distributed accordingly, and such distributions or payment shall be accepted by such shareholder in full satisfaction of their interest in the said capitalized sum. ”	Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto.”

Statement of the Board of Directors:

We, the members of the Board of Directors hereby confirm that the proposed amendments / alterations in the Articles of Association of the Company are in line with the applicable laws and regulatory framework.

Directors Interest:

The Directors do not have any interest in the Special Business, whether directly or indirectly, except to the extent of their shareholding in the Company.

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF INDUS DYEING & MANUFACTURING COMPANY LIMITED

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 Indus Dyeing & Manufacturing Company Limited (the Company) for the year ended June 30, 2023 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, 2023.

Yousuf Adil

Chartered Accountants

Place: Karachi
Date: October 04, 2023
UDIN: CR202310186oLW1Sbd0B

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INDUS DYEING AND MANUFACTURING COMPANY LIMITED
REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of Indus Dyeing and Manufacturing Company Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred 'as unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated 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 Unconsolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No.	Key audit matter	How the matter was addressed in our audit
1	**Revenue from Contracts with Customers**	**Our audit procedures to address the Key Audit Matter included the following:**
	The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 4.14 to the unconsolidated financial statements, and the related amounts of revenue recognized during the year are disclosed in note 27 to the	Our audit procedures to address the Key Audit Matter included the following: • Considered the appropriateness of revenue recognition policy and compared it with the applicable accounting and reporting standards;

	unconsolidated financial statements. The Company generates revenue from sale of goods to domestic and export customers. Revenue from the local and export sales (including indirect exports) is recognized when performance obligation is satisfied as per the requirements of the International Financial Reporting Standard (IFRS) 15 – 'Revenue from Contracts with Customers'. We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized on point in time basis i.e. when control of goods is transferred to the customer, in line with the accounting policy adopted and may not have been recognized in the appropriate period.	• Obtained an understanding of revenue from customers and assessed the design, implementation and operating effectiveness of controls around recognition of revenue; • Checked on sample basis relevant underlying supporting documents for ensuring that management has complied with the revenue recognition criteria as per IFRS 15; • Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents and by checking significant credit notes issued after year-end, if any; and • Evaluated the adequacy and appropriateness of disclosures made in the unconsolidated financial statements.
2	**Valuation of stock in trade**	
	Stock-in-trade has been valued following an accounting policy as stated in note 4.5 to the unconsolidated financial statements and the value of stock-in-trade is disclosed in note 9 to the unconsolidated financial statements. Stock-in-trade forms material part of the Company's assets comprising around 31% of total assets. The valuation of stock in trade is carried at amount i.e. Cost or Net Realizable Value, whichever is lower. Cost has different components, which includes judgment in relation to the allocation of overheads costs, which are incurred in bringing the finished goods to its present location and condition. Judgments are also involved in determining the net realizable value (estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items in line with accounting policy. Due to the above factors, we have considered the valuation of stock in trade as key audit matter.	Our audit procedures to address the valuation of stock-in-trade, included the following: • Obtained an understanding of mechanism of recording purchases and valuation of stock-in-trade; • Tested on a sample basis purchases with underlying supporting documents; • Verified on test basis, the moving average calculations of raw material as per accounting policy; • Verified the calculations of the actual overhead costs and checked allocation of labor and overhead costs to the finished goods and work in process; • Obtained an understanding of management's process for determining the net realizable value and checked future selling prices by performing a review of sales close to and subsequent to the year-end and determined cost necessary to make the sales; and • Checked the calculations of net realizable value of itemized list of stock-in-trade, on selected sample and compared the net realizable value with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy.

Information Other than the Unconsolidated 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 unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 not been provided with any such information and therefore, we have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

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

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

Yousuf Adil

Chartered Accountants

Place: Karachi
Date: October 04, 2023
UDIN: AR202310186dK2Bb5USx

Unconsolidated Statement of Financial Position
As at June 30, 2023

	Note	2023	2022
		--------- (Rupees in '000) -----------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**12,777,385**	9,920,873
Intangibles	6	**3,487**	4,982
Long-term investments	7	**6,399,992**	6,399,992
Long-term deposits		**6,287**	6,287
		19,187,151	16,332,134
Current assets			
Stores, spares and loose tools	8	**611,043**	473,268
Stock-in-trade	9	**14,180,099**	11,159,676
Trade debts	10	**10,239,282**	9,348,186
Loans and advances	11	**102,121**	341,524
Trade deposits and short term prepayments	12	**87,383**	68,126
Other receivables	13	**133,599**	127,244
Other financial assets	14	**38,933**	76,688
Tax refundable	15	**594,329**	121,646
Cash and bank balances	16	**287,564**	309,882
		26,274,353	22,026,240
TOTAL ASSETS		**45,461,504**	38,358,374
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 100,000,000 ordinary shares of Rs.10 each		**1,000,000**	1,000,000
Issued, subscribed and paid up capital	17	**542,211**	542,211
Reserves	18	**15,000,000**	9,000,000
Unappropriated profits		**8,289,993**	13,719,428
		23,832,204	23,261,639
Non-current liabilities			
Long-term financing	19	**6,059,252**	4,679,766
Deferred taxation	20	**49,786**	110,177
Deferred liabilities	21	**749,997**	665,423
Lease liabilities	22	**19,115**	35,111
		6,878,150	5,490,477
Current liabilities			
Trade and other payables	23	**2,931,781**	3,557,725
Unclaimed dividends		**19,009**	3,735
Interest / mark-up payable	24	**496,693**	126,578
Short-term borrowings	25	**9,823,276**	4,914,087
Current portion of long term financing	19	**658,975**	490,743
Current portion of deferred liabilities	21	**802,688**	496,365
Current portion of lease liabilities	22	**18,728**	17,025
		14,751,150	9,606,258
TOTAL EQUITY AND LIABILITIES		**45,461,504**	38,358,374
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Unconsolidated Statement of Profit or Loss
For the year ended June 30, 2023

	Note	2023	2022
		-------------(Rupees in 000)-----------	
Revenue	27	**49,318,539**	49,461,116
Cost of goods sold	28	**(45,639,211)**	(39,100,655)
Gross profit		**3,679,328**	10,360,461
Other income	29	**341,113**	278,318
Distribution cost	30	**(496,095)**	(608,808)
Administrative expenses	31	**(422,408)**	(339,737)
Other operating expenses	32	**(345,109)**	(643,761)
Finance cost	33	**(1,567,853)**	(881,844)
		(2,831,465)	(2,474,150)
Profit before taxation		**1,188,976**	8,164,629
Taxation	34	**(481,024)**	(477,307)
Profit for the year		**707,952**	7,687,322
		(Rupees)	
Earnings per share - basic and diluted	35	**13.06**	141.78

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

Unconsolidated Statement of Comprehensive Income
For the year ended June 30, 2023

	Note	2023	2022
		-------------(Rupees in 000)-----------	
Profit for the year		**707,952**	7,687,322
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability	21.1.6	**(32,017)**	(7,813)
Less: tax thereon		**3,072**	185
		-	
		(28,945)	(7,628)
Total comprehensive income for the year		**679,007**	7,679,694

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Unconsolidated Statement of Cash Flows
For the year ended June 30, 2023

		Note	2023	2022
			-------------(Rupees in 000)-----------	
A.	**Cash flows from operating activities**			
	Cash generated from operations	36	**2,636,848**	4,780,098
	Taxes paid - net		**(1,300,911)**	(302,039)
	Finance cost paid		**(1,149,473)**	(647,669)
	Gas infrastructure development cess paid	21.3	**(4,129)**	(24,787)
	Gratuity paid	21.1.4	**(177,683)**	(179,618)
	Net cash generated from operating activities		**4,652**	3,625,985
B.	**Cash flows from investing activities**			
	Purchase of property, plant and equipment - net of CWIP		**(3,746,455)**	(3,516,524)
	Proceeds from disposal of property, plant and equipment		**43,554**	27,549
	Investment in subsidiary		**-**	(450,000)
	Proceeds from redemption of investments in other financial assets		**28,437**	941
	Dividends received		**156,053**	5,586
	Net cash used in investing activities		**(3,518,411)**	(3,932,448)
C.	**Cash flows from financing activities**			
	Long-term finance obtained	19.1	**2,494,859**	2,027,705
	Repayments of long-term finance	19.1	**(569,381)**	(558,796)
	Repayment of lease liabilities		**(17,025)**	(15,477)
	Dividends paid		**(93,168)**	(270,732)
	Net cash generated from financing activities		**1,815,285**	1,182,700
	Net (decrease) / increase in cash and cash equivalents (A+B+C)		**(1,698,474)**	876,237
	Cash and cash equivalents at beginning of the year		**(705,865)**	(1,583,801)
	Effect of exchange rate changes on cash and cash equivalents		**(402)**	1,699
	Cash and cash equivalents at end of the year	37	**(2,404,741)**	(705,865)

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Unconsolidated Statement of Changes in Equity
For the year ended June 30, 2023

		Reserves				
		Capital		Revenue		
	Issued, subscribed and paid up capital	Share premium	Merger reserve	General reserve	Unappropriated profits	Total
	(Rupees in '000)					
Balance as at June 30, 2021	542,211	10,920	11,512	8,977,568	6,310,840	15,853,051
Profit for the year	-	-	-	-	7,687,322	7,687,322
Other comprehensive income for the year - net of tax	-	-	-	-	(7,628)	(7,628)
Total comprehensive income for the year	-	-	-	-	7,679,694	7,679,694
Transactions with owners						
Interim cash dividend @ Rs.5 per share	-	-	-	-	(271,106)	(271,106)
Balance as at June 30, 2022	542,211	10,920	11,512	8,977,568	13,719,428	23,261,639
Profit for the year	**-**	**-**	**-**	**-**	**707,952**	**707,952**
Other comprehensive income for the year - net of tax	**-**	**-**	**-**	**-**	**(28,945)**	**(28,945)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**679,007**	**679,007**
Transfer from unappropriated profits to General Reserves	**-**	**-**	**-**	**6,000,000**	**(6,000,000)**	**-**
Transactions with owners						
Interim cash dividend @ Rs.2 per share	**-**	**-**	**-**	**-**	**(108,442)**	**(108,442)**
Balance as at June 30, 2023	**542,211**	**10,920**	**11,512**	**14,977,568**	**8,289,993**	**23,832,204**

The annexed notes from 1 to 50 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2023

1. LEGAL STATUS AND NATURE OF BUSINESS

Indus Dyeing & Manufacturing Company Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited company under the repealed Companies Act,1913 (subsequently replaced by the Companies Ordinance, 1984 and now Companies Act, 2017). Registered office of the Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The addresses of these facilities are as follows:

Manufacturing Unit		Address
Hyderabad		P-1, P-5 S.I.T.E, Hyderabad, Sindh
Karachi		Plot Number 03 & 07, Sector 25, Korangi Industrial Area,
Karachi	Muzaffargarh	Muzaffargarh, Bagga Sher, District Multan

The Company has the following investees:

- Indus Lyallpur Limited - Wholly owned subsidiary
- Indus Home Limited - Wholly owned subsidiary
- Indus Home USA Inc. - Wholly owned subsidiary of Indus Home Limited
- Indus Wind Energy Limited - Wholly owned subsidiary
- Sunrays Textile Mills Limited - Associated undertaking

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

These are separate financial statements wherein subsidiaries and associates are measured at cost.

2.2 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand unless otherwise indicated.

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for employee retirement benefits which are measured at present value and certain financial instruments which are carried at fair value.

2.4 Amendments to accounting standards that are effective for the year ended June 30, 2023

The following amendments are effective for the year ended June 30, 2023. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts cost of fulfilling a contract

- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 24)

2.5 Amendments to accounting standards that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 'Leases' Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial: Instruments Disclosures' - Supplier Finance Arrangements	January 01, 2024

- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associate and Joint Ventures' - Sale or contribution of Assets between an investor and its associate or Joint Venture — Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make estimates, assumptions and judgment that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Depreciation rates and useful life of property, plant and equipment (note 4.1 and 5.1)
- Incremental borrowing rate used in discounting of future cashflows of right of use asset (note 4.1.3 and 5.5)
- Useful lives of intangible (note 4.2 and 6)
- Net realizable value of stock-in-trade (note 4.5 and 9)
- Provision for impairment of trade debts and other receivables (note 4.6.5, 10 and 13)
- Classification and impairment of investment (note 4.6.1, 4.6.5, 7 and 14)
- Provision for current and deferred tax (note 4.8 and 34)
- Provision for gratuity (note 4.9 and 21)
- Discounting of Gas Infrastructure Development Cess (GIDC) (note 21.3)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Property, plant and equipment except freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land, lease hold land and capital work in progress are stated at cost, less impairment, if any.

Assets' residual values and their useful lives are reviewed and adjusted at each reporting date, if significant.

Depreciation is charged to income applying the reducing balance method at the rates specified in the note 5.1. Depreciation on all additions is charged from the month on which the asset is available for use and no depreciation is charged in the month of disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the

Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Assets are derecognised when disposed or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets, if any, are recognised in the statement of profit or loss and other comprehensive income, as and when incurred.

4.1.2 Capital work in progress

These are stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred and advances made during installation and construction period are carried under this head. These are transferred to specific asset as and when the asset is available for its intended use.

4.1.3 Right of use assets and lease liabilities

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for operating fixed asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss if any. Amortization is charged to statement of profit or loss using the reducing balance method at the rates given in note 6. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

4.3 Investment in associate and subsidiaries

Associate is an entity over which the Company has significant influence but not control, generally represented by shareholding of 20% to 50% of the voting rights or common directorship.

Subsidiary is an entity which is controlled by the Company when it is exposed, or has rights, to variable returns from its involvement with such entity and has the ability to affect those returns through its power over the investee entity.

The investments in subsidiary and associate are stated at cost less any impairment losses in these unconsolidated financial statements. Subsequently, the recoverable amount is estimated to determine the extent of impairment losses, if any, and carrying amounts are adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. Reversal of impairment loss is recognised in the statement of profit or loss adjusted for impairment, if any, in the recoverable amounts of such investments.

4.4 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, for obsolete items. Items in transit are valued at cost incurred up to the reporting date.

4.5 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined by applying the following basis:

	Basis of valuation
Raw material	Moving average cost
Work-in-progress	Moving average cost of material and share of applicable overheads
Finished goods	Moving average cost of material and share of applicable overheads
Packing material	Moving average cost
Waste	Net realizable value
Stock in transit	Accumulated cost till reporting date

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

4.6 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss and other comprehensive income.

4.6.1 Financial assets

Classification

The Company classifies its financial assets into following three categories:

IFRS 9 contains three principal classification categories for financial assets at:

I) Amortised cost (AC),
ii) Fair value through other comprehensive income (FVTOCI) and
iii) Fair value through profit or loss (FVTPL).

i) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (OCI).

iii) Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as amortised cost or FVTOCI).

In addition, on initial recognition, the Company may designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

"The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of profit or loss and other comprehensive income.

4.6.2 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost. amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVTOCI

All financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (OCI).

For debt instruments classified as financial assets at FVTOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVTOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the statement of profit or loss and other comprehensive income.

4.6.3 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Basis of valuation of investment in mutual funds

The fair value of units of Funds is based on the net assets value per unit announced by Mutual Funds Association of Pakistan (MUFAP), which is determined on the basis of net assets value communicated by the Asset Management Company on daily basis.

4.6.4 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

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

4.6.5 Impairment

Financial assets

The Company recognizes a loss allowance for expected credit loss "ECL" on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the 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-months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.6.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to off set the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (OCI).

4.7 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks, short-term running finances and term deposit receipts of less than 3 months.

4.8 Taxation

Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessment framed / finalized during the year.

Deferred

Deferred tax is provided using the statement of financial position method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirements of Technical Release – 27 issued by Institute of Chartered Accountants of Pakistan.

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

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

4.9 Staff retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme for its confirmed employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. The most recent valuation of the scheme was carried out as at June 30, 2023.

Remeasurements which comprise actuarial gains and losses on defined benefit obligations are recognised immediately in other comprehensive income.

4.10 Deferred government grant

The benefit of interest rate lower than market rate on borrowings obtained under State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the Company and Temporary Economic Refinance Facility (TERF) for setting up imported and locally manufactured plants and machinery for new projects, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortised over the period of loan and amortization shall be recognised and presented as reduction of related interest expense.

4.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

4.11.1 Borrowing cost

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 till the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

4.12 Provisions

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

4.13 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Exchange differences are included in the statement of profit or loss and other comprehensive income.

All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.14 Revenue recognition

Revenue from contracts with customers is recognised at the point in time when the performance obligation is satisfied i.e. when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company excepts to be entitled to in exchange of those goods.

Dividend income is recognised on the date on which the Company's right to receive the dividend is established.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

Gains / losses arising on sale of investments are included in the period in which they arise.

4.15 Dividend and other appropriations

Dividend distribution to the Company’s shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders of the Company.

4.16 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.17 Segment Reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments.

On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company’s products, as required by the accounting and reporting standards, is presented in note 44 to these financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		---------- (Rupees in '000) ---------	
Operating fixed assets	5.1	**10,614,933**	9,331,688
Capital work-in-progress	5.4	**2,133,127**	545,198
Right of use assets	5.5	**29,325**	43,987
		12,777,385	9,920,873

5.1 **Operating fixed assets**

	2023							
Particulars	Cost at July 01, 2022	Additions / (disposal) during the year	Cost at June 30, 2023	Accumulated depreciation at July 01, 2022	Depreciation / (disposals) for the year	Accumulated depreciation at June 30, 2023	Carrying value at June 30, 2023	Depreciation rate
	---------- (Rupees in '000) ----------							%
Freehold land	845,144	-	845,144	-	-	-	845,144	-
Leasehold land	137,799	-	137,799	-	-	-	137,799	-
Factory buildings on leasehold land	1,891,372	179,433	2,070,805	700,364	65,282	765,646	1,305,159	5%
Non-factory buildings on on leasehold land	181,618	-	181,618	134,104	4,752	138,856	42,762	10%
Office building	98,415	-	98,415	32,941	3,274	36,215	62,200	5%
Plant and machinery	11,998,251	1,531,596 (130,882)	13,398,965	6,235,924	588,231 (101,576)	6,722,579	6,676,386	10%
Electric installations	338,043	69,932	407,975	167,557	22,637	190,194	217,781	10%
Solar panel	217,065	272,023	489,088	12,408	34,631	47,039	442,049	10%
Power generators	1,197,224	59,947 (19,477)	1,237,694	517,099	70,996 (17,581)	570,514	667,180	10%
Office equipment	20,811	1,157	21,968	9,375	1,203	10,578	11,390	10%
Furniture and fixtures	35,355	2,151	37,506	14,762	2,198	16,960	20,546	10%
Vehicles	394,978	42,288 (21,431)	415,835	199,853	42,924 (13,479)	229,298	186,537	20%
June 30, 2023	17,356,075	2,158,527 (171,790)	19,342,812	8,024,387	836,128 (132,636)	8,727,879	10,614,933	

For comparative period

Particulars	Cost at July 01, 2021	Additions / (disposal) / during the year	Cost at June 30, 2022	Accumulated depreciation at July 01, 2021	Depreciation / (disposals) for the year	Accumulated depreciation at June 30, 2022	Carrying value at June 30, 2022	Depreciation rate
	2022							
	(Rupees in '000)							%
Freehold land	8,144	837,000	845,144	-	-	-	845,144	-
Leasehold land	137,799	-	137,799	-	-	-	137,799	-
Factory buildings on leasehold land	1,615,730	275,642	1,891,372	647,005	53,359	700,364	1,191,008	5%
Non-factory buildings on on leasehold land	181,618	-	181,618	128,824	5,280	134,104	47,514	10%
Office building	98,415	-	98,415	29,495	3,446	32,941	65,474	5%
Plant and machinery	10,174,342	2,018,582 (194,673)	11,998,251	5,848,579	564,549 (177,204)	6,235,924	5,762,327	10%
Electric installations	273,833	64,210	338,043	152,020	15,537	167,557	170,486	10%
Solar Panel	23,846	193,219	217,065	994	11,414	12,408	204,657	10%
Power generators	1,088,319	111,818 (2,913)	1,197,224	454,478	65,221 (2,600)	517,099	680,125	10%
Office equipment	19,070	1,741	20,811	8,161	1,214	9,375	11,436	10%
Furniture and fixtures	32,361	2,994	35,355	12,619	2,143	14,762	20,593	10%
Vehicles	282,538	129,169 (16,729)	394,978	173,994	33,154 (7,295)	199,853	195,125	20%
June 30, 2022	13,936,015	3,634,375 (214,315)	17,356,075	7,456,169	755,317 (187,099)	8,024,387	9,331,688	

5.1.1 Allocation of depreciation

	Note	2023	2022
		(Rupees in '000)	
Cost of goods sold	28	**788,341**	717,149
Administrative expenses	31	**47,788**	38,168
		836,129	755,317

Disposals of operating fixed assets

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers	Relationship of purchaser with the Company
	---- (Rupees in '000) ----							
Plant and machinery								
Drawing Finisher Rsb-D30	6,323	(5,881)		720	279	Negotiation	Muhammad Imran	None
Ring Frame K-44 1056 Spindles	17,102	(14,054)	3,048	2,340	(708)	Negotiation	DN Enterprises	None
Ginning Machine	3,929	(2,736)	1,193	1,500	307	Negotiation	Rizwan Trading Corporation	None
Tfo 363 132 Spindles Twister	1,455	(1,329)	126	180	54	Negotiation	M. Imran Traders	None
Auto Coner 338, 60 Spindles	51,478	(39,756)	11,722	9,360	(2,362)	Negotiation	MKM Textile Intl.	None
Crosrol Card Mk-5D	13,236	(11,863)	1,373	1,815	442	Negotiation	Iftikhar Ali	None
Ring Frame K-44 1056 Spindles With Overhead Blowers	17,102	(14,237)	2,866	2,360	(506)	Negotiation	Waqas Sanaullah	None
Duo Core Attachment 1200 Spindles Rx 300	8,956	(4,019)	4,938	6,018	1,080	Negotiation	Indus Lyallpur Ltd.	Related party
Scales and factory equipments	5,089	(3,314)	1,775	3,186	1,411			
Workshops machines	3,965	(2,851)	1,114	1,501	386	Negotiation	Muhammad Saleem	None
Rollers and tarpuline	2,246	(1,536)	710	295	(415)	Negotiation	Pursna Gold	None
	130,882	**(101,576)**	**29,307**	**29,275**	**(32)**			

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers	Relationship of purchaser with the Company
	-- (Rupees in '000) --							
Vehicles								
Toyota Corolla Altis	2,323	(1,770)	552	2,850	2,298	Negotiation	Adamjee Insurance & Co.	None
Honda Civic Oriel	2,513	(1,667)	846	1,000	154	Negotiation	Mr. Ghulam Murtaza	Employee
Suzuki Cultus	1,406	(942)	464	1,251	787	Negotiation	EFU General Insurance Ltd	None
Honda Civic Oriel NI	2,897	(1,678)	1,219	1,400	181	Negotiation	Mr. Majid Basheer	None
Honda CD - 70	64	(44)	19	15	(4)	Negotiation	Mr. Shahzad Suleman	Employee
Yamaha 125 Z	115	(71)	44	25	(19)	Negotiation	Mr. Hammad Younus	Employee
Suzuki - GD110S	123	(85)	38	25	(13)	Negotiation	Mr. Muhammad A. Shakoor	Employee
Express Bike Black 70 CC	63	(17)	46	25	(21)	Negotiation	Mr. Yousuf Patni	Employee
Union Star	57	(24)	33	12	(21)	Negotiation	Mr. Tariq Mehmood	Employee
Honda CG 125 Red	151	(64)	87	25	(62)	Negotiation	Mr.Sharjeel Iftikhar	Employee
Yamaha Dhoom	50	(35)	15	4	(11)	Negotiation	Mr. Wirasat Hashmi	None
Hi-Speed	42	(27)	15	29	14	Negotiation	VIP Autos Palace	None
Suzuki Cultus Vxr	1,034	(886)	148	600	452	Negotiation	Mr. Muhammad Imran	None
Suzuki Cultus	1,250	(874)	376	500	124	Negotiation	Mr. Wajahat Ahmed	None
Toyota Corolla Altis	2,209	(1,573)	636	1,755	1,119	Negotiation	Mr. Zahid Mahmood	Employee
New Kia Picanto A/T	2,298	(153)	2,145	2,450	305			
Suzuki Swift	1,297	(1,004)	293	350	57	Negotiation	My Autos	None
Suzuki GD 110 S Bike	160	(80)	80	85	5			
Honda CG 125 Red	116	(66)	50	55	5	Negotiation	Shadab Autos	None
Suzuki GD 110S	135	(87)	48	60	12			
Honda Civic	3,061	(2,263)	798	800	2	Negotiation	Muhammad Ahmed	None
Vespa - 150	69	(68)	1	15	14	Negotiation	Sardar Naeem Durrani	None
	21,431	**(13,478)**	**7,953**	**13,331**	**5,378**			
Power Generators								
Generator JGS - 320 1064 KW	12,855	(11,223)	1,632	585	**(1,047)**	Negotiation	Spectrum Innovations Energy	None
Generator L - 7042 G 635 KW	6,622	(6,358)	264	363	**99**	Negotiation	M. Suleman	None
	19,477	**(17,581)**	**1,896**	**948**	**(948)**			
2023	**171,790**	**(132,635)**	**39,155**	**43,554**	**4,399**			
2022	214,315	(187,099)	27,216	27,549	333			

5.3 Particulars of immovable property in the name of Company are as follows:

Location	Usage of immovable property	Total Area (In acres)	Total area (In sq.ft)
Korangi mill - Plot No. 3 & 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	12.50	544,500
Hyderabad mill - Plot No. P-1 & P-5, S.I.T.E, Hyderabad	Manufacturing facility and labour colony	29.00	1,263,240
Nooriabad land - Plot No. K-31 & K-32, Nooriabad	Manufacturing/ Storage facility and business expansion	40.00	1,742,400
Naseerpur land - Adda Pira Ghayaib, Mototly Road	Manufacturing facility	8.28	360,459
Muzaffargarh mill - Bagga Sher, Khan pur Shumail, District Multan	Manufacturing facility and labour colony	30.87	1,344,697
Nooriabad land- Plot No. B/77, Jhampeer road, Nooriabad	Manufacturing/ Storage facility and business expansion	31.00	1,350,360

	Note	2023	2022
		--------- (Rupees in '000) ---------	
5.4 Capital work-in-progress			
Civil works		**338,228**	121,570
Plant and machinery	5.4.2	**1,584,769**	361,322
Solar panel		**205,206**	57,707
Power generator		**4,924**	4,599
	5.4.1	**2,133,127**	545,198

5.4.1 Capital work-in-progress

	Civil works	Plant and machinery	Solar panel	Power generator	Total
	------------ (Rupees '000) ------------				
As at June 30, 2021	18,470	615,602	28,977	-	663,049
Additions during the year	327,565	1,224,857	215,480	4,599	1,772,501
Transferred to operating fixed assets	(224,465)	(1,479,137)	(186,750)	-	(1,890,352)
As at June 30, 2022	121,570	361,322	57,707	4,599	545,198
Additions during the year	381,077	1,734,666	412,778	58,945	2,587,466
Transferred to operating fixed assets	(164,419)	(511,219)	(265,279)	(58,620)	(999,537)
As at June 30, 2023	**338,228**	**1,584,769**	**205,206**	**4,924**	**2,133,127**

5.4.2 This includes borrowing costs capitalized amounting to Rs. 155.428 million incurred on long term finance attributable to expansion in production facility.

	Note	2023	2022
		--------- (Rupees in '000) ---------	
5.5 Right of use assets			
Office premises			
Cost		**73,311**	73,311
Amortization			
- Opening		**29,324**	14,662
- For the year	5.5.1	**14,662**	14,662
Accumulated amortization		**43,986**	29,324
Net book value as at June 30		**29,325**	43,987

This represents lease contract for head office Karachi having an estimated lease term of 5 years. The contract is discounted using incremental borrowing rate of the Company.

5.5.1 Depreciation is charged on a lease term of 5 years on straight line basis and has been charged in 'Administrative expenses' (Note 31).

		Note	2023	2022
			--------- (Rupees in '000) ---------	
6.	**INTANGIBLES**			
	Software			
	Cost		**26,341**	26,341
	Amortization			
	- Opening		**21,359**	19,224
	- For the year	6.1	**1,495**	2,135
	Accumulated amortization		**(22,854)**	(21,359)
	Net book value as at June 30		**3,487**	4,982
	Annual amortization rate		**30%**	30%

6.1 Amortization for the year has been charged to 'Administrative expenses' (Note 31).

		Note	2023	2022
			--------- (Rupees in '000) ---------	
7.	**LONG-TERM INVESTMENTS**			
	Investment in associate at cost	7.1	**13,476**	13,476
	Investment in subsidiaries at cost	7.2	**6,386,516**	6,386,516
			6,399,992	6,399,992

7.1 It represents investment in Sunrays Textile Mills Limited (STML), a public limited company incorporated in Pakistan. As of the reporting date, the Company owns 0.99% shareholding and voting rights in STML and it is considered as an associate due to common directorship.

		2023	2022
		--------- (Rupees in '000) ---------	
7.2	**Investment in subsidiaries at cost**		
7.2.1	**Indus Home Limited (IHL)**	**2,491,204**	2,491,204

IHL is a wholly owned subsidiary of the Company, the subsidiary is involvedin the business of griege, terry towel and other textile products. The subsidiary is incorporated in Pakistan as a public unlisted company. Investment in IHL is carried at cost less accumulated impairment loss in these unconsolidated financial statements.

		2023	2022
		--------- (Rupees in '000) ---------	
7.2.2	**Indus Lyallpur Limited (ILP)**		
	Opening	**1,635,000**	1,185,000
	Additions	**-**	450,000
	Closing	**1,635,000**	1,635,000

ILP is a wholly owned subsidiary of the Company, the subsidiary is involvedin the business of manufacturing, export and sale of yarn. The subsidiary is incorporated in Pakistan as public unlisted company. Investment in ILP is carried at cost less accumulated impairment loss in these unconsolidated financial statements.

		2023	2022
		--------- (Rupees in '000) ---------	
7.2.3	**Indus Wind Energy Limited (IWE)**	**2,260,312**	2,260,312

IWE is a wholly owned subsidiary of the Company and is involved in the business of generation and distribution of power. The subsidiary is incorporated in Pakistan as a public unlisted company. Investment in IWE is carried at cost less accumulated impairment loss in these unconsolidated financial statements.

8. STORES, SPARES AND LOOSE TOOLS

	Note	2023	2022
		--------- (Rupees in '000) ---------	
Stores, spares and loose tools	8.1	**624,780**	575,774
Provision for slow moving and obsolete items	8.2	**(13,737)**	(102,506)
		611,043	473,268

8.1 It includes stores and spares in transit amounting to Rs. 68.536 million (2022: Rs. 50.136 million).

8.2 Movement of provision for slow moving and obsolete items

	Note	2023	2022
		--------- (Rupees in '000) ---------	
Balance as at July 01		**102,506**	84,152
(Reversal) / provision made during the year	28.3	**(88,769)**	18,354
Balance as at June 30		**13,737**	102,506

9. STOCK-IN-TRADE

	Note	2023	2022
Raw material			
- in hand		**9,674,110**	8,684,726
- in transit		**1,577,530**	1,059,552
		11,251,640	9,744,278
Work-in-process		**687,799**	411,546
Finished goods	9.1	**1,913,044**	799,371
Packing material		**112,696**	89,098
Waste		**214,920**	115,383
		14,180,099	11,159,676

9.1 Net realisable value of finished goods were lower than its cost, which resulted in written down of Rs. 26.545 million (2022: Rs. Nil) charged to cost of sales.

		Note	2023	2022
10.	**TRADE DEBTS**		--------- (Rupees in '000) ---------	
	Secured			
	Foreign debtors	10.1	**3,926,035**	1,651,286
	Local debtors	10.1	**511,991**	2,134,610
	Unsecured			
	Local debtors	10.2	**5,806,572**	5,574,106
			10,244,598	9,360,002
	Allowance for expected credit loss	10.3	**(5,316)**	(11,816)
		10.4	**10,239,282**	9,348,186

10.1 Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers, to assess their recoverability. These are secured against letter of credit from credit worthy banks.

10.2 As at reporting date, there are no balances receivable from related party by the Company.

		Note	2023	2022
			--------- (Rupees in '000) ---------	
10.3	**Allowance for expected credit loss**			
	Balance as at July 01		**11,816**	15,712
	Provision made during the year	31	**5,685**	(3,896)
	Write off made during the year		**(12,185)**	-
	Balance as at June 30		**5,316**	11,816
10.4	**Ageing of trade debts**			
	Not yet due		**6,918,460**	7,694,663
	Past due within 30 days		**2,351,346**	1,293,194
	Past due within 31 to 60 days		**759,232**	270,539
	Past due within 61 to 90 days		**101,129**	44,263
	Past due within 91 to 180 days		**79,995**	38,916
	Past due beyond 180 days		**34,436**	18,427
			10,244,598	9,360,002
11.	**LOANS AND ADVANCES**			
	Loans and advances to staff	11.1	**8,826**	10,012
	Advance income tax - net		**55,165**	67,226
	Loan to subsidiary		**-**	241,120
	Advance against Workers Profit Participation Fund	23.3	**-**	5,283

Advances to:		
- Suppliers	**1,715**	101
- Others	**36,415**	17,782
	38,130	17,883
	102,121	341,524

11.1 These are interest free, secured against gratuity entitlements and granted not more than Rs. 1,000,000 to a person.

12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Deposits against bank guarantee	**6,338**	3,350
Other deposits	**3,526**	20,249
Prepayments	**77,519**	44,527
	87,383	68,126

13. OTHER RECEIVABLES

Cotton claims receivables	**114,350**	64,662
Others	**19,249**	62,582
	133,599	127,244

14. OTHER FINANCIAL ASSETS

	Note	2023	2022
		--------- (Rupees in '000) ---------	
At fair value through profit or loss			
Investment in ordinary shares of listed companies	14.1	**38,933**	44,702
Investment in units of mutual funds	14.2	**-**	31,986
		38,933	76,688

14.1 Investment in ordinary shares of listed companies

2023	2022			
--- (Number of shares) ---				
42,000	42,000	Bestway Cement Limited	**6,090**	5,333
30,000	30,000	Fauji Fertilizer Company Limited	**2,953**	3,307
15,000	15,000	Habib Bank Limited	**1,098**	1,370
2,350,000	2,350,000	K-Electric Limited	**4,042**	7,144
19,156	19,156	Pakistan State Oil Company Limited	**2,127**	3,291
10,000	10,000	Pak Elektron Limited	**90**	159
25,950	25,950	Sitara Chemical Industries Limited	**5,854**	8,045
141,900	141,900	United Bank Limited	**16,679**	16,053
			38,933	44,702

14.2 Investment in units of mutual funds

2023	2022		2023	2022
--- (Number of units) ---				
-	520,039	Meezan Islamic Fund	-	31,986

	Note	2023	2022
		--------- (Rupees in '000) ---------	
15. TAX REFUNDABLE			
Sales tax refundable		**557,100**	26,433
Income tax refundable		**37,229**	95,213
		594,329	121,646
16. CASH AND BANK BALANCES			
With banks			
- in deposit accounts	16.1	**64,202**	150,128
- in current accounts	16.2	**215,768**	136,315
		279,970	286,443
Cash in hand		**7,594**	23,439
		287,564	309,882

16.1 Markup rates on these accounts range between 7.39% - 20.65% (2022: 5.7% - 7.38%) per annum.

16.2 These include balance in foreign currency accounts aggregating to Rs. 146.173 million (USD 0.511 million) at year end (2022: Rs.28.471 million (USD 0.139 million)

17. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		Note	2023	2022
--------- (Number of shares) ---------				----------- (Rupees in '000) -----------	
		Ordinary shares of Rs.10 each			
9,637,116	9,637,116	Fully paid in cash		**96,371**	96,371
		Other than cash			
5,282,097	5,282,097	Issued to the shareholders of YTML	17.1	**52,821**	52,821
39,301,983	39,301,983	Issued as bonus shares		**393,019**	393,019
54,221,196	54,221,196			**542,211**	542,211

17.1 These shares were issued pursuant to the Scheme of Amalgamation with Yousuf Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with agreed share-swap ratio.

17.2 The Company has only one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

17.3 The Company has no reserved shares for issuance under options and sales contracts.

		Note	2023	2022
			----------- (Rupees in '000) -----------	
18.	**RESERVES**			
	Capital reserves			
	Share premium	18.1	**10,920**	10,920
	Merger reserve	18.2	**11,512**	11,512
			22,432	22,432
	Revenue reserves			
	General reserve	18.3	**14,977,568**	8,977,568
			15,000,000	9,000,000

18.1 This represents share premium received in year 2001 in respect of the issue of 3,639,960 right shares at a premium of Rs.3 per share.

18.2 Merger reserve represents excess of (a) assets of YTML over its liabilities merged with the Company over (b) consideration to shareholders of YTML as per the Scheme of Amalgamation. (Refer note 17.1)

18.3 This represents reserves created out of profits of the Company.

		2023	2022
		----------- (Rupees in '000) -----------	
19.	**LONG-TERM FINANCING**		
	Secured		
	From banking companies	**6,718,227**	5,170,509
	Current portion shown in current liabilities	**(658,975)**	(490,743)
		6,059,252	4,679,766

Details and movement are as follows:

Name of banks	As at July 01, 2022	Cash flows: Acquired during the year	Cash flows: Repayment during the year	Transferred net of amortization	As at June 30, 2023	Current maturity
	(Rupees in '000)					
Allied Bank Limited	775,453	-	(108,377)	-	667,076	112,750
Soneri Bank Limited	215,605	-	(3,720)	(44,863)	167,022	23,584
MCB Bank Limited	774,377	453,094	(68,975)	(73,279)	1,085,217	98,144
United Bank Limited	744,984	-	(76,223)	(48,565)	620,196	91,947
Habib Bank Limited	1,126,911	288,153	(105,337)	(40,791)	1,268,936	163,324
Askari Bank Limited	300,152	490,238	(29,709)	-	760,681	122,418
Habib Bank Limited Salaries Re-Finance	65,506	-	(65,506)	-	-	-
The Bank of Punjab Salaries Re-Finance	103,828	-	(103,828)	-	-	-
Habib Metropolitan Bank Limited	281,323	-	(7,706)	(9,358)	264,259	23,186
The Bank of Punjab	97,373	410,490	-	-	507,863	1,563
National Bank of Pakistan	380,789	307,974	-	(160,904)	527,859	21,227
Bank AlFalah Limited	184,116	497,444	-	-	681,560	832
Meezan Bank Limited	120,092	47,466	-	-	167,558	-
Total	**5,170,509**	**2,494,859**	**(569,381)**	**(377,760)**	**6,718,227**	**658,975**

Particulars of long-term financing

Type and nature of loan	2023 Amount outstanding	Mark up rate per annum	Terms of repayments
	Rupees in '000		
Long term finance facility (LTFF)	**2,863,651**	**2.50% to 4.9%**	**Quarterly and half yearly**
Temporary Economic Refinancing Facility (TERF)	**1,155,140**	**1.75% to 2.25%**	**Quarterly**
Renewable Energy	**462,698**	**3% to 4%**	**Quarterly**
Term finances	**2,236,738**	**3 months KIBOR + 0.5% to 1.25%**	**Quarterly**
	6,718,227		

Type and nature of loan	2022 Amount outstanding	Mark up rate per annum	Terms of Repayments
	Rupees in '000		
Long term finance facility (LTFF)	3,199,473	2.50% to 4.9%	Quarterly and half
Temporary Economic Refinancing Facility (TERF)	1,470,219	1.75% to 2.25%	Quarterly
Renewable Energy	281,323	3% to 4%	Quarterly
Salaries Re-Finance	169,334	0.5% to 1%	Quarterly
Term finances	50,160	3 months KIBOR + 0.5% to 0.9%	Quarterly
	5,170,509		

These finances are secured by Joint Pari Passu charge over Land and Building of Hyderabad unit and Plant and Machinery of all units of the Company.

19.4 Long-term financing

	Name of institution	Limit	Outstanding amount	Details of financing, security and repayment terms
		------- (Rs. in million) ------		
19.4.1	Allied Bank Limited	795	667	The facility is secured against existing Joint pari passu hypothecation charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments. Mark up rate is 2.5% on this facility and repayable on quarterly basis.
19.4.2	Soneri Bank Limited	216	212	The facility is secured against existing Joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made 32 equal quarterly installments. Mark up rate is 2% on this facility and repayable on quarterly basis.
19.4.3	MCB Bank Limited	2,265	1,158	During the year the Company has entered into an arrangement with MCB Bank Limited for obtaining Term loan. The facility is secured against existing Joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period of Temporary Economic Refinancing Facility, Long Term Financing Facility and Term loan. Mark up rate is 1.75% on Temporary Economic Refinancing Facility, 2.5% on Long Term Financing Facility and 3 months KIBOR + 0.75% on Term loan and repayable on quarterly basis.
19.4.4	United Bank Limited	1,565	669	The facility is secured against existing Joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period. Mark up rate is 2.25% on temporary Economic Refinancing Facility, 2.5% on Long Term Financing Facility and SBP rate +1% on Renewable Energy Financing Facility and repayable on quarterly basis.
19.4.5	Habib Bank Limited	2,702	1,310	During the year the Company has entered into an arrangement with Habib Bank Limited for obtaining Term loan. The facility is secured against existing Joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made 32 equal quarterly installments of Temporary Economic Refinancing Facility & Term loan and 16 equal half yearly Installments with 2 years grace period of Long term Financing Facility. Mark up rate is 2% on Temporary Economic Refinancing Facility & 2.5% to 2.75% on Long Term Financing Facility and 3 month KIBOR + 0.75% on Term loan and

				repayable on quarterly basis.
19.4.6	Askari Bank Limited	1,518	761	During the year the Company has entered into an arrangement with Askari Bank Limited for obtaining Term loan. The facility is secured against existing Joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period of Long term Financing Facility and 16 equal quarterly installments with 1 year grace period of Term loan. Mark up rate is 2.5% to 4.75% on Long term Financing Facility and 3 month KIBOR + 1.25% on Term loan and repayable on quarterly basis.
19.4.7	Habib Metropolitan Bank Limited	1,103	273	The Company has entered into an arrangement with Habib Metropolitan Bank Limited for obtaining Renewable Energy Financing Facility under State Bank of Pakistan (SBP) to facilitate Solar Panel installation at Hyderabad Unit maximum of Rs 100 million. The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 duly registered with the Securities and Exchange Commission of Pakistan inclusive of 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period of Temporary Economic Refinancing Facility, Long Term Financing Facility and Term loan. Mark up rate is 3% on Long term Financing Facility, 2% on temporary Economic Refinancing Facility and SBP rate + 1% on Renewable Energy Financing Facility and repayable on quarterly basis.
19.4.8	The Bank of Punjab	2,243	508	During the year the Company has entered into an arrangement with Bank of Punjab for obtaining further Term loan. The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period. Mark up rate is 3 months Kibor rate + 1% against Term loan and 5% against long term finance facility and repayable on quarterly basis.
19.4.9	National Bank of Pakistan	750	689	During the year the Company has entered into an arrangement of Renewable Energy Financing Facility under State Bank of Pakistan (SBP) to facilitate Solar Panel installation at Muzaffargarh and Karachi Unit maximum of Rs 250 million. The facility is secured against first joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin duly registered with the Securities and Exchange Commission of Pakistan inclusive of 25% margin. The repayment of loan (principal amount) will be made in 32 quarterly installments with 2 years grace period. Mark up rate is 1.8% on temporary Economic Refinancing

				Facility and SBP rate + 1.25% on Renewable Energy Financing Facility and repayable on quarterly basis.
19.4.10	Bank AlFalah Limited	850	682	During the year the Company has entered into an arrangement with Bank Al Falah limited for Term loan. The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period. Mark up rate is Kibor rate + 0.90% against Term loan and 3% to 5% against long term finance facility and repayable on quarterly basis.
9.4.11	Meezan Bank Limited	1,000	167	During the year the Company has entered into an arrangement with Meezan Bank Limited for obtaining Term loan. The facility is secured against existing joint pari passu charge over Company's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period. Mark up rate is 3% against long term finance facility and 3 month KIBOR + 0.5% on Term loan and repayable on quarterly basis.
	Total		**7,096**	

20. DEFERRED TAXATION

	Opening balance	Recognised in statement of profit or loss	Recognised in statement of comprehensive income	Closing balance
Movement for the year ended June 30, 2023	(Rupees in '000)			
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	**(21,537)**	**1,085**	**(3,072)**	**(23,524)**
- provision of stores and spare parts	**(8,388)**	**8,388**	**-**	**-**
- provision of trade debts	**6,511**	**(6,764)**	**-**	**(253)**
- other financial assets	**(748)**	**170**	**-**	**(578)**
- short term borrowings	**-**	**10,073**	**-**	**10,073**
- lease liability	**(4,266)**	**635**	**-**	**(3,631)**
- minimum tax credits	**-**	**(197,272)**	**-**	**(197,272)**
Others	**(71,884)**	**65,977**	**-**	**(5,907)**
	(100,312)	**(117,708)**	**(3,072)**	**(221,092)**

Taxable temporary differences in respect of:				
- accelerated tax depreciation	**206,868**	**60,997**	**-**	**267,865**
- right of use asset	**3,597**	**(783)**	**-**	**2,814**
- unclaimed amortization on intangibles	**24**	**175**	**-**	**199**
	210,489	**60,389**	**-**	**270,878**
Deferred tax liability	**110,177**	**(57,319)**	**(3,072)**	**49,786**

	Opening balance	Recognised in statement of profit or loss	Recognised in statement of comprehensive income	Closing balance
Movement for the year ended June 30, 2022	------------------------------- (Rupees in '000)			----------------------------------
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	(29,989)	8,637	(185)	(21,537)
- provision of stores and spare parts	(8,968)	580	-	(8,388)
- provision of trade debts	(1,674)	8,185	-	6,511
- other financial assets	1,180	(1,928)	-	(748)
- short term borrowings	(1,920)	1,920	-	-
- lease liability	(6,804)	2,538	-	(4,266)
- Others	16,635	(88,519)	-	(71,884)
	(31,540)	(68,587)	(185)	(100,312)
Taxable temporary differences in respect of:				
- accelerated tax depreciation	232,825	(25,957)	-	206,868
- right of use asset	6,249	(2,652)	-	3,597
- unclaimed amortization on intangibles	44	(20)	-	24
	239,118	(28,629)	-	210,489
Deferred tax liability	207,578	(97,216)	(185)	110,177

21. DEFERRED LIABILITIES

	Note	2023	2022
		---------- (Rupees in '000)	--------
Provision for gratuity	21.1	**245,190**	263,189
Deferred government grant	21.2	**377,759**	6,430
Gas Infrastructure Development Cess (GIDC)	21.3	**929,736**	892,169
		1,552,685	1,161,788
Current Portion of:			
Deferred government grant	21.2	**(75,857)**	(6,430)
Gas Infrastructure Development Cess (GIDC)	21.3	**(726,831)**	(489,935)
		749,997	665,423

21.1 Provision for gratuity

The Company operates unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service. Provision is made to cover obligations under the scheme on the basis of valuation conducted by a qualified actuary. The latest valuation was conducted on June 30, 2023 using Projected Unit Credit Method. Details of assumptions used and the amounts recognised in these financial statements are as follows:

21.1.1 Significant actuarial assumptions and methods	2023	2022
Discount rate	**16.25%**	13.25%
Expected rate of increase in salary level	**16.25%**	12.25%
Weighted average duration of defined benefit obligation	**7 years**	6 years
Average duration of liability	**6 years**	5 years

The critical gap between the discount rate and salary growth rate is zero for this year. This gap was 1% in previous year's valuation.

21.1.2 Assumptions

Discount rate

The market of high quality corporate bonds is not deep enough in Pakistan. Therefore, discount rate is based on market yields on government bonds as at the valuation date. The discount rate used for the valuation is 16.25% per annum. This rate is consistent with the guidelines of the Pakistan Society of Actuaries on setting discount rates.

Rate of growth in salary

The gratuity benefits are calculated using the Gross Salary. In view of the market expectations and long-term monetary policy of the State Bank regarding inflation, it has been assumed that the average rate of long-term future Salary increases will be 16.25% per annum.

Mortality, Withdrawal and Disability Retirement Rates

The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

Withdrawal rates used in this valuation are heavier than those used in the previous valuation

The expected maturity analysis of undiscounted retirement benefit obligation is:

	2023	2022
	Undiscounted payments	
	---------- (Rupees in '000) ----------	
Year 1	**32,371**	45,515
Year 2	**33,606**	52,915
Year 3	**38,921**	61,283
Year 4	**49,995**	70,293
Year 5	**52,096**	78,245
Year 6 and above	**301,027**	421,704

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	Note	2023	2022
		---------- (Rupees in '000) ----------	
21.1.3 Present value of defined benefit obligation		**245,190**	263,189

21.1.4 Movement in net defined benefit liability

Balance at the beginning of the year		**263,189**	281,411
Recognised in statement of profit or loss			
Current service cost		**91,746**	55,132
Past service cost		**-**	69,594
Losses on settlement		**12,820**	9,697
Interest cost		**23,101**	19,160
		127,667	153,583
Recognised in other comprehensive income			
Actuarial loss - net	21.1.6	**32,017**	7,813
Benefits paid		**(177,683)**	(179,618)
Balance at the end of the year		**245,190**	263,189

21.1.5 Expense recognised in profit or loss

Current service cost	**91,746**	55,132
Past service cost	**-**	69,594
Losses on settlement	**12,820**	9,697
Net interest cost	**23,101**	19,160
Expense recognize in profit or loss	**127,667**	153,583

21.1.6 Remeasurement recognised in Other Comprehensive Income

Loss from changes in financial assumption	**17,501**	713
Experience loss	**14,516**	7,100
Net re-measurements	**32,017**	7,813

21.1.7 Net recognised liability

Net liability at the beginning of year	**263,189**	281,411
Expense recognised in profit or loss	**127,667**	153,583
Contribution made to the plan during the year	**(177,683)**	(179,618)
Remeasurement recognised in other comprehensive income	**32,017**	7,813
	245,190	263,189

21.1.8 Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Impact on defined benefit obligation		
	Change in assumptions	**Increase**	**Decrease**
		---------- (Rupees in '000) ----------	
Discount rate	1%	(14,207)	15,087
Salary growth rate	1%	15,081	14,210

21.1.9 The expected gratuity expense for the next year amounts to Rs.128.538 million.

21.1.10 Risks to which the scheme maintained by the Company is exposed are as follows such as:

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

Salary risk

The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

Withdrawal rate risk

The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk

The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

21.2 Deferred Government Grant

This represents deferred government grant (representing differential between borrowing obtained at concessional rate and market interest rate of 3 months KIBOR plus spread) in respect of Temporary Economic Refinancing Facility (TERF) and Salary Refinance Scheme under SBP as disclosed in Note 19. There are no unfulfilled conditions or other contingencies attached to this grant.

	Note	**2023**	2022
		---------- (Rupees in '000)	**----------**
Opening		**6,430**	31,937
Government grant recognised		**451,051**	-
Amortization of government grant	29	**(79,722)**	(25,507)
		377,759	6,430
Current portion of deferred government grant		**(75,857)**	(6,430)
		301,902	-

	2023	2022
	---------- (Rupees in '000) ----------	
21.3 Gas Infrastructure Development Cess		
Balance at the beginning of the year	**892,169**	858,057
Unwinding of interest	**41,696**	58,899
Payments made during the year	**(4,129)**	(24,787)
	929,736	892,169
Current portion shown in current liabilities	**(726,831)**	(489,935)
	202,905	402,234

Gas Infrastructure Development Cess (GIDC) was levied through GIDC Act, 2011 with effect from December 15, 2011 and was chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification.

On June 13, 2013, the Honourable Peshawar High Court declared the levy, imposition and recovery of the Cess unconstitutional with the direction to refund the “Cess” so far collected. Honourable Supreme Court of Pakistan examined the case and vide its findings dated August 22, 2014, concluded that GID Cess is a fee and not a tax and on either count the “Cess” could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated GID Cess Ordinance 2014, which was applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Honourable Sindh High Court gave a stay order to various parties against the promulgation of Presidential order dated September 25, 2014.

On May 22, 2015, the GID Cess Act, 2015 was passed by Parliament applicable on all consumers. Following the imposition of the said Act, many consumers filed a petition in Honourable Sindh High Court and obtained stay order against the Act passed by the Parliament.

On October 26, 2016, the High Court of Sindh held that enactment of GIDC Act, 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of High Court of Sindh. On August 13, 2020, GIDC matter is decided by the Supreme Court of Pakistan and the Court has ordered gas consumers to pay outstanding amount of GIDC upto July 31, 2020 in twenty four equal monthly installments, starting from August 2020.

On November 2020, on review petitions filed by companies including those which had obtained the judgment from the Hon'ble Sindh High Court, the Supreme Court through its judgment dated November 03, 2020 dismissed the review petitions and allowed the recovery of the amount in forty eight equal installments with one year grace period as oppose to twenty four equal installments and six months grace period mentioned in the original decision dated August 30, 2020.

On September 29, 2020, we have challenged the imposition of GIDC upon us by SSGC and its quantum on various grounds including that the company had a judgment from the Hon'ble Sindh High Court which was not appealed in time, that the company had not passed on the burden of the Cess and in any event the 2015 Act could not apply with retrospective effect. Sindh High Court has passed restraining order dated September 29, 2020, due to this payment related to Karachi and Hyderabad unit has not yet paid.

Further, The Institute of Chartered Accountants of Pakistan (ICAP) issued guidelines in January 2021 on accounting of gas infrastructure development cess as per latest judgment of the Supreme Court. As per the guidelines the provision for GIDC should be accounted in accordance with IFRS 9 “Financial Instruments”. In compliance with the guidelines issued by ICAP, the liability for GIDC has been remeasured at fair value in accordance with IFRS 9. At the initial discounting, the difference amounting to Rs. 198.42 million between the fair value of GIDC liability (i.e. present value of amount required to be paid to settle the GIDC liability) and transaction price of GIDC liability (i.e. undiscounted amount of GIDC liability) has been recognised as a gain on discounting of liability for GIDC in statement of profit or loss.

	Note	**2023**	2022
		---------- (Rupees in '000) ----------	
22. LEASE LIABILITIES			
Balance as at July 01		**52,136**	63,850
Payments made		**(17,025)**	(15,477)
Interest accrued		**2,732**	3,763
	22.1	**37,843**	52,136
Current portion of lease liabilities		**(18,728)**	(17,025)
Balance as at June 30		**19,115**	35,111

22.1 The future payments of lease liabilities are as follows:

The future minimum lease payments under the agreement will be due as follows:

	2023			2022		
	Minimum lease payment	**Finance cost allocated to future lease payment**	**Present value of minimum lease payment**	Minimum lease payment	Finance cost allocated to future lease payment	Present value of minimum lease payment
	---------- (Rupees in '000) ----------					
Not later than one year	**18,728**	**1,486**	**17,242**	17,025	2,731	14,294
later than one year but not later than five years	**20,601**	**-**	**20,601**	39,329	1,487	37,842
	39,329	**1,486**	**37,843**	56,354	4,218	52,136

	Note	**2023**	2022
		---------- (Rupees in '000) ----------	
23. TRADE AND OTHER PAYABLES			
Creditors	23.1	**627,031**	714,759
Accrued liabilities		**1,009,388**	1,534,485
Infrastructure cess	23.2	**1,021,247**	761,211
Contract liabilities		**86,905**	50,656
Workers' Profits Participation Fund	23.3	**61,568**	-
Workers' Welfare Fund	23.4	**3,058**	22,250
Withholding tax payable		**7,681**	17,906
Other payables		**37,309**	87,144
Sales tax payable		**46,030**	223,228
Income tax payable		**31,564**	146,086
		2,931,781	3,557,725

23.1 This includes Rs.129.714 million (2022: Rs. 180.769 million) due to related parties (refer note 39 for details).

23.2 This represents Government of Sindh, provision for Sindh Development and Infrastructure Fee and Duty which was levied by the Excise and Taxation Department, on goods entering or leaving the province of Sindh, through air or sea at prescribed rate, under the Sindh Finance Ordinance, 2001. The imposition of the levy was initially challenged by the Company along with other affectees, in the Honorable High Court of Sindh, and the Honorable Court was pleased to grant an interim injunction, vide Order dated May 31, 2011, to the effect that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be deposited with the Honorable Court until the final order is passed. However, as a matter of prudence, in 2021 the Company has paid 50% of the value of infrastructure fee to the concerned department and recorded liability for the remaining amount which is supported by a bank guarantee. Starting from September 2021, the Company is providing 100% bank guarantee in accordance with the order of Supreme Court of Pakistan dated September 01, 2021.

		Note	2023	2022
			--------- (Rupees in '000) ---------	
23.3	**Workers' Profits Participation Fund**			
	Balance at beginning of the year		**(5,283)**	(24,632)
	Allocation for the year	32	**61,568**	429,717
			56,285	405,085
	Adjustment of excess amount		**5,283**	24,632
	Payments made during the year		**-**	(435,000)
	Balance at end of the year		**61,568**	(5,283)

		Note	2023	2022
			---------- (Rupees in '000) ----------	
23.4	**Workers' Welfare Fund**			
	Balance at beginning of the year		**22,250**	22,250
	Allocation for the year	32	**3,058**	-
			25,308	22,250
	Reversal of excess provision	32	**(22,250)**	-
	Payments made during the year		**-**	-
	Balance at end of the year		**3,058**	22,250

24. INTEREST / MARK-UP PAYABLE

		2023	2022
On secured loans from banking companies:			
- Long-term financing		**158,109**	34,957
- Short-term borrowings		**338,584**	91,621
		496,693	126,578

25. SHORT-TERM BORROWINGS

	Note	2023	2022
From banking companies - secured			
Running finance	25.1	**2,692,305**	1,015,747
Foreign currency financing against export / import	25.2	**4,047,940**	3,898,340
Money market	25.3	**3,083,031**	-
	25.4	**9,823,276**	4,914,087

25.1 These carry mark-up ranging from 1 month to 3 months KIBOR + 0.1% to 1% (2022: 1 week to 3 months KIBOR + 0.05% to 1%). These are secured against charge over current assets of the Company.

25.2 These carry mark-up ranging from 3% to 6.75% (2022: 0.6% to 2.8%) on foreign currency borrowing amount. These arrangements are secured against charge over current assets of the Company.

25.3 These carry mark-up ranging from 1 week to 3 months KIBOR + 0.05% to 0.75% on Money Market borrowing amount. These arrangements are secured against charge over current assets of the Company.

25.4 The Company has aggregated short-term borrowing facilities amounting to Rs.17,000 million (2022:Rs.17,000 million) from various commercial banks.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 The Company has recognised GIDC payable amounting to Rs. 929.736 million in these financial statements on the basis of GIDC rate applicable to industrial consumers. However, SSGC and SNGPL has charged GIDC on the basis of GIDC tariff applicable to captive consumers resulting in differential of Rs.973.891 million. The Company has not recorded the provision representing differential arising due to use of captive connection rate instead of industrial connection rate in these financial statements, as the matter of application of captive or industrial tariff has been challenged in September 2020 before Honourable Lahore High Court, which is pending adjudication. The management of the Company expect favourable outcome in this regard.

26.1.2 The Company is defendant in certain sales tax related matters with aggregate demand of Rs. 1.357 million (2022. Rs. 1.357 million). Based on views of its tax advisor, management is confident of favourable outcome in these matters and accordingly no provision has been recorded in these financial statements in this respect.

26.1.3 Prior to certain amendments made through the Finance Acts of 2006 & 2008, Workers Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Acts, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the Ordinance in 2011. However, the Company together with other stakeholders filed the petition in the Sindh High Court which, in 2013, decided the petition against the Company and other stakeholders. Management has filed a petition before the Honourable Supreme Court of Pakistan against the decision of the Sindh High Court.

Honourable Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Acts, 2006 and 2008 have been declared invalid in the said order. The management has filed an application for rectification order amounting to Rs. 125.28 million for the years from 2010 to 2014 contending the fact that they had erroneously paid WWF despite of having exemption available to them.

		2023	2022
		---------- (Rupees in '000) ----------	
26.1.4	Claim of arrears of social security contribution not acknowledged, appeal is pending in honourable High Court of Sindh. The management is hopeful for favourable outcome.	**453**	453
26.1.5	Guarantees issued by banks in favour of custom authorities on behalf of the Company	**3,817**	3,817
26.1.6	Guarantees issued by banks in favour of gas / electric / oil companies	**133,186**	133,186
26.1.7	Bank guarantees against payment of infrastructure cess	**1,114,542**	791,542
26.2	**Commitments**		
	Letters of credit for raw material and stores and spares	**1,929,906**	4,491,068
	Letters of credit for property, plant and equipment	**282,317**	2,570,918
	Stand by letter of credit (Indus Wind)	**-**	1,942,218
	Sales contracts to be executed	**3,118,754**	4,146,212
	Commitment under forward contract	**286,599**	602,531
	Commitment to Pakistan State Oil	**7,500**	7,500

26.3 The Company has total unutilized facility limit against letter of credits aggregating to Rs. 3.218 billion (2022: Rs. 4.896 billion) as of reporting date.

			2023	2022
27.	**REVENUE**	**Note**	---------- (Rupees in '000) ----------	
	Revenue from contract with customers - net			
	Export sales	27.1 & 27.2	**33,024,318**	46,736,973
	Less:			
	Commission		**(129,122)**	(184,582)
	Sales tax on indirect exports		**(2,660,753)**	(4,672,165)
			30,234,443	41,880,226
	Local sales			
	Yarn		**20,203,066**	6,836,304
	Cotton / Fiber		**993,032**	788,977
	Waste		**1,368,044**	1,313,415
			22,564,142	8,938,696
	Less:			
	Brokerage on local sales		**(281,526)**	(267,565)
	Sales discount		**(1,501)**	-
	Sales tax on local sales:			
	- Yarn		**(3,141,446)**	(993,309)
	-Waste		**(203,365)**	(190,838)
			(3,344,811)	(1,184,147)
			49,170,747	49,367,210
	Other revenue	27.3	**147,792**	93,906
			49,318,539	49,461,116

27.1 This includes indirect exports of Rs. 15,427.740 million (2022: Rs. 27,483.324 million)

27.2 This includes indirect exports to related parties of Rs. 287.416 million (2022: Rs. 702.984 million) (refer note 39 for details).

27.3 This represents realized exchange gain on export sales.

27.4 Disaggregation of export sales into geographical area:

	Note	2023	2022
		(Rupees in '000)	
- Bangladesh		**397,927**	307,395
- Brazil		**206,397**	156,246
- Belgium		**87,467**	211,558
- China		**9,593,509**	10,381,982
- Egypt		**157,354**	5,997
- Germany		**34,168**	72,133
- France		**138,709**	90,663
- Italy		**550,520**	231,460
- Hong Kong		**30,936**	84,437
- Japan		**196,083**	247,332
- Korea		**366,920**	230,648
- Malaysia		**39,540**	19,635
- Mexico		**16,101**	-
- Philippines		**20,456**	39,212
- Portugal		**644,853**	890,588
- Sweden		**81,234**	70,233
- Spain		**73,104**	-
- Taiwan		**134,905**	104,285
- Turkey		**1,269,557**	1,238,136
- UK		**40,355**	18,455
- USA		**489,168**	181,089
- Vietnam		**237,439**	-
- Indirect exports		**18,088,494**	31,970,907
Total sales		**32,895,196**	46,552,391
Less: Sales tax on indirect exports		**(2,660,753)**	(4,672,165)
		30,234,443	41,880,226

28. COST OF GOODS SOLD

	Note	2023	2022
Raw material consumed	28.1 & 28.2	**39,913,208**	31,029,413
Manufacturing expenses	28.3	**6,561,203**	6,575,097
Outside purchases			
yarn for processing excluding conversion cost		**654,263**	1,633,163
		47,128,674	39,237,673
Work in process			
- Opening		**411,546**	348,076
- Closing	9	**(687,799)**	(411,546)
		(276,253)	(63,470)
		46,852,421	39,174,203

	Note	2023	2022
Finished goods			
- Opening		**799,371**	754,006
- Closing	9	**(1,913,044)**	(799,371)
		(1,113,673)	(45,365)
Waste			
- Opening		**115,383**	87,200
- Closing	9	**(214,920)**	(115,383)
		(99,537)	(28,183)
		45,639,211	39,100,655

28.1 Raw material consumed

	Note	2023	2022
		------------ (Rupees in '000) ------------	
Opening stock		**8,684,726**	4,833,390
Purchases		**40,902,592**	34,880,749
		49,587,318	39,714,139
Closing stock	9	**(9,674,110)**	(8,684,726)
	28.2	**39,913,208**	31,029,413

28.2 This includes cost of raw material sold amounting to Rs. 764.562 million (2022: Rs. 757.206 million).

28.3 Manufacturing expenses

	Note	2023	2022
		------------ (Rupees in '000) ------------	
Salaries, wages and benefits	28.3.1	**2,011,284**	1,830,879
Utilities		**2,334,337**	2,430,976
Packing material consumed		**479,022**	422,013
(Reversal) / provision for slow moving and obsolete items		**(88,769)**	18,354
Stores and spares consumed		**723,485**	707,280
Repairs and maintenance		**111,387**	82,998
Insurance		**25,830**	23,859
Rates and taxes		**3,532**	7,437
Depreciation on operating fixed assets	5.1.1	**788,341**	717,149
Others		**172,754**	334,152
		6,561,203	6,575,097

28.3.1 It includes staff retirement benefits Rs. 120.606 million (2022: Rs. 146.104 million)

		Note	2023	2022
			------------ (Rupees in '000) ------------	
29.	**OTHER INCOME**			
	Scrap sales		**38,342**	34,867
	Gain on disposal of operating fixed assets		**4,399**	333
	Exchange gain on forward contract booking		**58,760**	95,837
	Amortization of deferred Government Grants	21.2	**79,722**	25,507
	Unrealized gain on revaluation of foreign currency debtors		**2,682**	111,514
	Capital gain on sale of other financial assets		**-**	136
	Dividend income		**156,053**	5,586
	Profit on fixed deposits		**1,155**	1,142
	Reversal of Provision for doubtful debts		**-**	3,396
			341,113	278,318

		Note	2023	2022
30.	**DISTRIBUTION COST**			
	Export			
	Ocean freight		**231,614**	355,232
	Export development surcharge		**31,596**	33,895
	Export charges		**88,148**	75,187
	Local			
	Salaries and benefits	30.1	**27,009**	26,798
	Freight and other		**114,995**	112,143
	Insurance		**2,733**	5,553
			496,095	608,808

30.1 It includes staff retirement benefits Rs. 1.884 million (2022: Rs. 1.761 million).

		Note	2023	2022
31.	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	31.1	**150,586**	139,263
	Directors' remuneration other than meeting fees		**74,154**	46,621
	Meeting fees		**1,094**	675
	Repairs and maintenance		**8,159**	6,947
	Postage and telephone		**10,998**	7,815
	Traveling and conveyance		**12,973**	2,906
	Vehicles running		**33,778**	25,483
	Printing and stationery		**5,477**	2,970
	Rent, rates and taxes		**926**	1,026
	Utilities		**7,969**	6,508
	Entertainment		**4,347**	3,898
	Fees and subscription		**18,103**	23,408
	Insurance		**7,099**	6,101
	Legal and professional		**3,613**	2,028
	Charity and donations	31.2	**2,000**	10
	Auditor's remuneration	31.3	**2,700**	2,318
	Depreciation on operating fixed assets	5.1.1	**47,788**	38,168
	Depreciation on right of use assets	5.5	**14,662**	14,662
	Amortization on intangible assets	6	**1,495**	2,135
	Advertisement		**1,345**	47
	Allowance for expected credit loss on trade debts		**5,685**	-
	Others		**7,457**	6,748
			422,408	339,737

31.1 It includes staff retirement benefits of Rs. 5.177 million (2022: Rs. 5.718 million)

31.2 This represents donation of Rs 2 million made to "All Pakistan Textile Mills Association". None of the directors and their spouses have any interest in the donees' fund.

	2023	2022
	------------ (Rupees in '000) ------------	
31.3 Auditors' remuneration		
Audit fee	**1,909**	1,690
Half year review fee	**500**	375
Fee for certifications	**38**	33
Out of pocket expenses	**253**	220
	2,700	2,318

	Note	2023	2022
		------------ (Rupees in '000) ------------	
32. OTHER OPERATING EXPENSES			
Workers' Profits Participation Fund	23.3	**61,568**	429,717
Realized Exchange loss on foreign currency- net		**188,421**	66,091
Unrealized Exchange loss on foreign currency- net		**104,994**	138,818
Unrealized capital loss on other financial assets		**6,021**	9,135
Realized capital loss on other financial assets		**3,297**	-
Workers' Welfare Fund		**(19,192)**	-
		345,109	643,761
33. FINANCE COST			
Mark-up on:			
- long-term finance		**545,724**	134,131
- short-term borrowings		**1,047,156**	582,924
- lease liabilities		**2,732**	3,763
Bank charges and commission		**26,568**	32,999
Discounting charges on letters of credit		**105,284**	69,128
Unwinding of Government Infrastructure Development Cess		**41,693**	58,899
		1,769,157	881,844
Less: amounts included in the cost of qualifying asset	5.4.2	**(155,428)**	-
Less: Interest income on loan to subsidiary		**(45,876)**	-
		1,567,853	881,844
34. TAXATION			
Current			
- For the year		**674,639**	658,021
- Prior year Tax		**(136,296)**	(83,498)
Deferred		**(57,319)**	(97,216)
		481,024	477,307

34.1 Relationship between tax expense and accounting profit

Accounting profit before tax	**1,188,976**	8,164,629
Tax rate %		
Tax rate	**29%**	29%
Tax on accounting profit	**344,803**	2,367,742
Effect of:		
Income chargeable to tax at reduced rates	**(21,847)**	(801)
Income chargeable to tax under final tax regime	**51,924**	(1,671,540)
Impact of permanent differences	**-**	33,828
Prior year tax	**(136,296)**	(83,498)
Impact of super tax	**128,004**	(168,423)
Impact of Minimum tax credit	**171,756**	-
Deferred tax	**(57,320)**	-
Tax charge as per accounts	**481,024**	477,307

35. EARNINGS PER SHARE - BASIC AND DILUTED

35.1 Basic earnings per share	**2023**	**2022**
Profit for the year (Rupees in 000)	**707,952**	7,687,322
Weighted average number of ordinary shares outstanding during the year (Number)	**54,221,196**	54,221,196
Earnings per share - Basic and diluted (Rupees)	**13.06**	141.78

35.2 No figures for diluted earnings per share have been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

		Note	2023	2022
			------------ (Rupees in '000) ------------	
36.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		**1,188,976**	8,164,629
	Adjustments for non cash and other items:			
	Depreciation on operating fixed asset	5.1.1	**836,129**	755,317
	Depreciation on right of use assets	5.5	**14,662**	14,662
	Amortization on intangibles	6	**1,495**	2,135
	Provision for gratuity	21.1.5	**127,667**	153,583
	Provision / (Reversal) against doubtful debts	10.3	**5,685**	(3,896)
	(Reversal) / provision for slow moving and obsolete stores	28.3	**(88,769)**	18,354
	Unrealized capital loss on other financial assets	32	**6,021**	9,135
	Capital loss / (gain) on sale of other financial assets	29	**3,297**	(136)
	Unrealized exchange loss on foreign currency - net	32	**104,592**	140,517
	Unrealized exchange loss on foreign currency - net		**402**	(1,699)
	Unrealized gain on revaluation of foreign currency debtors	29	**(2,682)**	(111,514)
	Gain on disposal of operating fixed assets	29	**(4,399)**	(333)
	Dividend income	29	**(156,053)**	(5,586)
	Amortization of deferred government grant	29	**(79,722)**	(25,507)
	Finance cost	33	**1,595,612**	720,818
	Unwinding of Gas Infrastructure Development Cess	33	**41,693**	58,899
	Cash generated before working capital changes		**3,594,606**	9,889,378
	Working capital changes:			
	(Increase) / decrease in current assets			
	Stores, spares and loose tools		**(49,006)**	(171,671)
	Stock-in-trade		**(3,020,423)**	(3,765,495)
	Trade debts		**(894,099)**	(4,444,449)
	Loans and advances		**227,342**	(3,044)
	Trade deposits and short term prepayments		**(19,257)**	(54,529)
	Other receivables		**(6,355)**	(38,797)
			(3,761,798)	(8,477,985)
	Increase / (decrease) in current liabilities			
	Trade and other payables		**(323,999)**	915,609
	Short term borrowings (excluding running finance)		**3,128,039**	2,453,096
	Cash generated from operations		**2,636,848**	4,780,098

		Note	2023	2022
			------------ (Rupees in '000) ------------	
37.	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	16	**287,564**	309,882
	Short-term borrowings	25	**(2,692,305)**	(1,015,747)
			(2,404,741)	(705,865)

38. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits to chief executive officer, executives and directors of the Company are given below:

Particulars	**2023**				
	Chief Executive Officer	**Directors**		**Executives**	**Total**
		Executive	**Non-Executive**		
	(Rupees in '000)				
Remuneration	**-**	**58,081**	**-**	**103,180**	**161,261**
Medical	**-**	**-**	**-**	**3,113**	**3,113**
Utilities	**-**	**6,252**	**7,835**	**2,713**	**16,800**
Meeting fees	**-**	**-**	**1,094**	**-**	**1,094**
Retirement benefits	**-**	**-**	**-**	**6,875**	**6,875**
Total	**-**	**64,333**	**8,929**	**115,881**	**189,143**
Number of persons	**1**	**3**	**7**	**40**	**51**

Particulars	2022				
	Chief Executive Officer	Directors		Executives	Total
		Executive	Non-Executive		
	(Rupees in '000)				
Remuneration	-	37,911	-	93,056	130,967
Medical	-	-	-	2,340	2,340
Utilities	-	2,727	5,981	1,835	10,543
Meeting fees	-	-	675		675
Retirement benefits	-	-	-	6,412	6,412
Total	-	40,638	6,656	103,643	150,937
Number of persons	1	1	8	38	48

38.1 Company maintained cars are provided to Chief Executive Officer, directors and executives.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries: Indus Lyallpur Limited, Indus Home Limited, Indus Wind Energy Limited, the associates (Sunrays Textiles Mills Limited) and key management personnel. The Company carries out transactions with related parties as per agreed terms. The receivables and payables are mainly unsecured in nature. Remuneration of key management personnel is disclosed in note 38 to the unconsolidated financial statements. Other significant transactions with related parties are as follows:

Name of related party	Basis of relationship	% of shareholding	Nature of transactions	2023	2022
				------------ (Rupees in '000) ------------	
Indus Lyallpur Limited	Subsidiary	100%	Investment made	**-**	450,000
			Conversion cost paid	**140,809**	170,926
			Conversion cost received	**33,960**	31,816
			Doubling cost received	**2,295**	847
			Waste sale	**52,862**	-
			Purchases	**23,331**	16,116
Indus Home Limited	Subsidiary	100%	Yarn sale	**287,416**	702,984
			Conversion cost received	**166,730**	332,410
			Doubling cost received	**-**	40
			Waste sale	**188,462**	113,988
			Dividend received	**150,000**	-
Sunrays Textile Mills Limited	Associate due to common directorship	0.99%	Conversion cost paid	**-**	130,557
Indus Wind Energy Limited	Subsidiary	100%	Payment made on their behalf	**-**	87,888
			Recovered amounts	**241,120**	-
			Interest received	**44,929**	-
Directors	Directors	-	Dividend paid	**72,122**	153,260
	Spouse and sons of the Directors		Rentals paid	**17,025**	15,478
Balances outstanding as at the year end					
Indus Wind Energy Limited	Subsidiary	100%	Receivable from related party	**-**	241,120
			Interest receivable	**945**	-
Indus Home Limited	Subsidiary	100%	Payable to related party	**(62,554)**	(169,758)
Indus Lyallpur Limited	Subsidiary	100%	Payable to related party	**(68,313)**	(11,011)
Sunrays Textile Mills Limited	Associate due to common directorship	0.99%	Payable to related party	**-**	(541)

40. FINANCIAL INSTRUMENTS BY CATEGORY

	2023	2022
Financial assets	------------- (Rupees in '000)	--------
At amortised cost		
Long-term deposits	**6,287**	6,287
Trade debts	**10,239,282**	9,348,186
Loan	**8,826**	251,132
Other receivables	**133,599**	127,244
Trade deposits	**9,864**	23,599
Other financial assets	**-**	-
Cash and bank balances	**287,564**	309,882
	10,685,422	10,066,330
At fair value through profit or loss		
Other financial assets	**38,933**	76,688
	10,724,355	10,143,018

	2023	2022
	----------- (Rupees in '000)	-----------
Financial liabilities		
At amortised cost		
Long-term financing	**6,718,227**	5,170,509
Trade and other payables	**1,673,728**	2,336,388
Unclaimed dividends	**19,009**	3,735
Short-term borrowings	**9,823,276**	4,914,087
Interest / mark-up payable	**496,693**	126,578
Lease liabilities	**37,843**	52,136
	18,768,776	12,603,433

41. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures.

The Company’s principal financial liabilities comprise long-term financing, short-term borrowings, trade and other payables, interest/dividend payable and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Company’s operations. The Company has loans and advances, trade and other receivables, cash and bank balances and deposits that arise directly from its operations. The Company also holds long-term and short term investments.

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk).

The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

41.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities 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. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from trade debts, loans and advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2023	2022
	------------ (Rupees in '000) ------------	
Long-term deposits	**6,287**	6,287
Trade debts	**10,239,282**	9,348,186
Loan	**8,826**	251,132
Other receivables	**133,599**	127,244
Trade deposits	**9,864**	23,599
Other financial assets	**-**	31,986
Bank balances	**279,970**	286,443
	10,677,828	10,074,877

The credit quality of receivable can be assessed with reference to their historical performance with negligible defaults in recent history.

The trade debts are due from foreign and local customers for export and local sales. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors.

Credit risk related to equity investments and cash deposits

The Company limits its exposure to credit risk of investments by only investing in listed securities of highly reputed companies / mutual funds having good rating. Credit risk from balances with banks and financial institutions is managed by Finance Director in accordance with the Company’s policy.

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Company maintains its bank balances are as follows:

41.2 Liquidity risk management

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 would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to manage 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 Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

41.2.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Carrying Values	Contractual Cash Flows	Upto 1 years	1 to 5 years	More than 5 years
	-----Rupees in '000'-----				
Long-term financing	**6,718,227**	**9,903,640**	**1,358,389**	**5,225,829**	**3,319,422**
Trade and other payables	**1,673,728**	**1,673,728**	**1,673,728**	**-**	**-**
Short-term borrowings	**9,823,276**	**9,823,276**	**9,823,276**	**-**	**-**
Unclaimed dividends	**19,009**	**19,009**	**19,009**	**-**	**-**
Interest / mark-up payable	**496,693**	**496,693**	**496,693**	**-**	**-**
Lease liabilities	**37,843**	**39,329**	**18,728**	**20,601**	**-**
2023	**18,768,776**	**21,955,675**	**14,192,511**	**5,246,430**	**3,319,422**

	Carrying Values	Contractual Cash Flows	Upto 1 years	1 to 5 years	More than 5 years
	-----Rupees in '000'-----				
Long term Financing	5,170,509	7,507,099	761,871	5,959,456	785,773
Trade and other payables	2,336,388	2,336,388	2,336,388	-	-
Short-term borrowings	4,914,087	4,914,087	4,914,087	-	-
Unclaimed dividends	3,735	3,735	3,735	-	-
Interest / mark-up payable	126,578	126,578	126,578	-	-
Lease liabilities	52,136	56,354	17,025	39,329	-
2022	12,603,433	14,944,241	8,159,684	5,998,785	785,773

The effective rate of interests on non-derivative financial liabilities are disclosed in respective notes.

Name of bank	Rating agency	Credit rating Long-term	Short-term
Habib Bank Limited	VIS	AAA	A-1+
J.S Bank Limited	PACRA	AA-	A1+
Soneri Bank Limited	PACRA	AA-	A1+
MCB Bank Limited	PACRA	AAA	A1+
Allied Bank Limited	PACRA	AAA	A1+
Dubai Islamic Bank (Pakistan) Limited	VIS	AA	A-1+
United Bank Limited	VIS	AAA	A-1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Meezan Bank Limited	VIS	AAA	A-1+
Bank Alfalah Limited	PACRA	AA+	A1+
Bank Islami Pakistan	PACRA	AA-	A1
Askari Bank Limited	PACRA	AA+	A1+
Bank Al-Habib Limited	PACRA	AAA	A1+
National Bank of Pakistan	PACRA	AAA	A1+
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+
The Bank of Punjab	PACRA	AA+	A1+
Faysal Bank Limited	PACRA	AA	A1+

41.3 Market risk management

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

41.3.1 Interest rate risk management

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 risk arises from long and short-term borrowings from financial institutions. At the reporting date the interest rate risk profile of the Company's interest-bearing financial instruments is:

	Carrying amount 2023	2022
	--------- (Rupees in '000)	---------
Fixed rate instruments		
Financial liabilities	**8,529,429**	9,018,689
Variable rate instruments		
Financial liabilities		
- KIBOR based	**8,012,074**	1,065,907
Financial assets		
- KIBOR based	**64,202**	150,128

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 50 basis points higher / lower and all other variables were held constant, these financials would decrease / increase by Rs. 39.739 million (2022: Rs. 4.579 million) determined on the outstanding balance at year end. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

41.3.2 Foreign exchange risk management

Exposure to currency risk	2023		2022	
	Rupees	US Dollar	Rupees	US Dollar
	('000)			
Trade debts	**3,926,035**	**13,728**	1,651,286	8,070
Bank balances	**146,173**	**511**	28,471	139
Foreign currency financing against export / import	**(4,047,940)**	**(14,154)**	(3,898,340)	(19,052)
	24,268	**85**	(2,218,583)	(10,842)

	2023	2022
Reporting date rate	**285.99**	204.62
Average rate	**286.18**	204.37

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. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and borrowings, which are entered in a currency other than Pak Rupees.

At June 30, 2023, if the Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 1.213 million (2022: higher / lower by Rs. 110.929 million) determined on the outstanding balance at year end. Profit / (loss) is sensitive to movement in Rupee / foreign currency exchange rates in 2023 than 2022 because of high fluctuation in foreign currency exchange rates.

41.3.3 Equity price risk management

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 38.933 million (2022: Rs. 76.688 million). A decrease / increase of 5% in market prices would have an impact of approximately Rs.1.947 million (2022: Rs. 3.834 million) on profit for the year determined based on market value of investments at year end.

41.4 Fair value estimation

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

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Details of fair value hierarchy and information relating to fair value of Company's investment categorised as fair value through profit or loss is as follows:

		June 30, 2023			
		Level 1	**Level 2**	**Level 3**	**Total**
	Note	**(Rupees in '000)**			
Financial assets measured at fair value					
Other financial assets	14	**38,933**	**-**	**-**	**38,933**

		June 30, 2022			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Financial assets measured at fair value					
Other financial assets	14	76,688	-	-	76,688

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognize transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

42. CAPITAL RISK MANAGEMENT

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

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

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at June 30, 2023 and 2022 were as follows:

	2023	2022
	(Rupees in '000)	
Total borrowings (note 19 & 25)	**16,541,503**	10,084,596
Less: cash and bank balances (note 16)	**(287,564)**	(309,882)
Net debt	**16,253,939**	9,774,714
Total equity	**23,832,204**	23,261,639
Total capital	**40,086,143**	33,036,353
Gearing ratio	**41%**	30%

The gearing ratio of the Company is increased by 11% as the Company obtained the debt to finance the expansion made in Karachi unit.

43. CAPACITY AND PRODUCTION

Spinning units	2023	2022
Total number of spindles installed	**193,493**	197,448
Total number of spindles worked per annum (average)	**166,333**	195,864
Number of shifts worked per day	**3**	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	**132,421,772**	133,412,892
Actual production for the year after conversion into 20 counts (lbs.)	**105,552,620**	111,775,140

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

44. SEGMENT REPORTING

The Company's core business is manufacturing and sale of yarn and it generates more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office led by Chief Executive Officer who continuously is involved in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently the Company has three yarn manufacturing units at Hyderabad, Karachi and Muzaffargarh. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products and the nature of the regulatory environment, all the yarn producing units are aggregated into a single operating segment and the Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments. Currently the Company has not made sales to customers amounting to 10 % of the total sales.

45. NUMBER OF EMPLOYEES

	Number of employees	
	2023	2022
Average number of employees during the year	**2,538**	2,510
Number of employees as at June 30	**2,532**	2,544

45.1 Daily wage employees are not included in the above number of employees.

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long term financing	Dividend	Lease liabilities
	(Rupees '000)		
Balance as at July 1, 2022	**5,170,509**	**3,735**	**52,136**
Non cash item	**(377,760)**	**108,442**	**2,732**
Financing cash inflows	**2,494,859**	**-**	**-**
Financing cash outflows	**(569,381)**	**(93,168)**	**(17,025)**
2023	**6,718,227**	**19,009**	**37,843**

47. CORRESPONDING FIGURES

Corresponding figures have been reclassified in these financial statements, wherever necessary to facilitate the comparison and to conform with changes and presentation in the current year. However, no significant reclassifications were made in the financial statements.

Transferred from	Amount	Transferred to
	Rs in '000	
Trade and other payables		**Trade and other payables**
Other payables	(180,769)	Creditors
Other payables	(13,994)	Income tax payable
Realized Exchange loss on foreign currency- net	138,818	Unrealized Exchange loss on foreign currency- net

48. EVENTS AFTER REPORTING PERIOD

The Board of Directors in its meeting proposed a final cash dividend of Rs. NIL per share amounting to Rs. NIL million subject to the approval of the members in the forthcoming annual general meeting of the Company.

49. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements have been authorized for issue on **October 4th, 2023** by the Board of Directors of the Company.

50. GENERAL

Figures have been rounded off to the nearest rupees in thousand.

Chief Financial Officer | Chief Executive Officer | Director

Consolidated Financial Results 2023

CONTENTS

Consolidated key operating and financial results

	2018	2019	2020	2021	2022	2023
	Rupees in "000"					
Operating data				Restated	Restated	
Turn over	30,877,734	35,671,070	37,531,458	49,447,226	75,925,194	82,286,210
Less : commission	(247,448)	(298,492)	(335,840)	(404,755)	(657,236)	(720,728)
Sales (net)	30,630,286	35,372,578	37,195,618	49,042,471	75,267,958	81,565,482
Gross profit	3,013,451	3,696,349	3,332,799	6,527,319	14,537,203	8,924,777
Profit before tax	2,008,520	2,689,111	1,636,314	4,727,475	10,829,919	3,014,644
Profit after tax	1,781,697	2,331,497	1,250,962	3,848,653	9,982,593	1,992,117
Financial data						
Gross assets	25,641,644	30,628,666	33,433,556	49,795,285	71,421,151	83,986,945
Return on equity	13.19%	15.00%	7.69%	19.31%	33.69%	6.33%
Current assets	14,938,598	18,831,882	19,028,756	24,340,750	38,080,529	46,310,699
Shareholders equity	13,509,269	15,544,391	16,274,138	19,931,962	29,635,026	31,481,480
Long term debts and deferred liabilities	2,385,371	3,509,206	7,012,451	15,264,269	20,452,214	22,900,141
Current liabilities	9,747,004	11,575,069	10,146,967	14,599,054	21,333,911	29,605,324
Key ratios						
Gross profit ratio	9.84%	10.45%	8.96%	13.31%	19.31%	10.94%
Net profit	5.82%	6.59%	3.36%	7.85%	13.26%	2.44%
Debt / equity ratio	42:58	43:57	38:62	42:58	42:58	48:52
Current ratio	1.23	1.63	1.87	1.66	1.78	1.56
Earning per share (basic and diluted)	98.58	129.00	69.21	70.98	184.11	36.74
Dividend (percentage)						
- Cash	160% Final	250% Final	300% Interim	100% Interim	50% Interim	20% Interim
- Bonus	-	-	-	200%	-	-
Statistics						
Spinning Production (tons)	50,292	52,690	55,320	60,955	63,769	70,329
Weaving Production (tons)	10,891	9,985	8,938	11,315	11,114	9,323
Power Generation Production (MWh)	-	-	-	-	76,600	151,860

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPOTRATE GOVERNANCE INDUS DYEING & MANUFACTURING COMPANY LIMITED

Opinion

We have audited the annexed consolidated financial statements of Indus Dyeing & Manufacturing Company Limited (the holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2023 , and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred as "consolidated financial statements").

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the 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.

Emphasis of Matter

We draw attention to note 2.1.1 to the accompanying consolidated financial statements which states about the order of Lahore High Court dated November 21, 2022. Our opinion is not modified in respect of the above matter.

Key audit matters

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

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Revenue recognition	
The Group is mainly engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in notes 4.14, and the related amounts of revenue recognized during the year are disclosed in note 28 to the consolidated financial statements.	Our audit procedures, amongst others, included the following: • Considered the appropriateness of revenue recognition policy and compared it with the applicable accounting and reporting standards;
The Group generates revenue from sale of goods to domestic and export customers. Revenue from the local and export sales (including indirect exports) is recognized when performance obligation is satisfied as per the requirements of International Financial Reporting Standards (IFRS) 15 – "Revenue from Contracts with Customers". We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Group and because of the potential risk that revenue transactions may not have been recognized on point in time basis i.e. when control of goods is transferred to the customer, in line with the accounting policy adopted and may not have been recognized in the appropriate period.	• Obtained an understanding of revenue from customers and assessed the design, implementation and operating effectiveness of controls around recognition of revenue; • checked on a sample basis relevant underlying supporting documents for ensuring that the Group company has compiled with the revenue recognition criteria as per IFRS 15; • tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents and by checking significant credit notes issued after year-end, if any; • Evaluated the adequacy and appropriateness of disclosures made in consolidated financial statements.
2. Valuation of stock in trade	
Key audit matter	**How our audit addressed the key audit matter**
Stock-in-trade has been valued following an accounting policy as stated in note 4.5 and the related value of stock-in-trade is disclosed in note 10 to the consolidated financial statements. Stock-in-trade forms material part of the Group's assets comprising of around 28% of total assets. The valuation of stock-in-trade is carried at amount i.e. Cost or Net Realizable Value, whichever is lower. Cost has different components, which includes judgment in relation to the allocation of overheads costs, which are incurred in bringing the finished goods to its present location and condition. Judgments are also involved in determining the net realizable value (estimated selling price in ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items in line with accounting policy. Due to the above factors, we have considered the valuation of stock in trade as key audit matter.	Our audit procedures included the following: • obtained an understanding of mechanism of recording purchases and valuation of stock-in-trade; • tested on a sample basis purchases with underlying supporting documents; • verified on test basis, the moving average calculations of raw material as per accounting policy; • verified the calculations of the actual overhead costs and checked allocation of labor and overhead costs to the finished goods and work in process; • obtained an understanding of management's process for determining the net realizable value and checked future selling prices by performing a review of sales close to and subsequent to the year-end; and determination of cost necessary to make the sales; and • checked the calculations of net realizable value of itemized list of stock-in-trade, on selected sample and compared the net realizable value with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy.

Information other than the consolidated financial statements and auditors' report thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement of therein, we are required to report that fact. We have not been provided with any such information.

Responsibilities of management and board of directors for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the unconsolidated financial statements

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

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

The engagement partner on the audit resulting in this independent auditors' report is **Shafqat Ali**.

Yousuf Adil

Chartered Accountants
Place: Karachi
Date: October 04, 2023
UDIN: AR202310186a1KwxmqNU

Consolidated Statement of Financial Position
As at June 30, 2023

	Note	2023	2022
		--------- (Rupees in '000) -----------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**37,566,687**	33,231,075
Intangibles	6	**5,232**	7,476
Long-term investments	7	**82,663**	80,218
Long-term deposits	8	**19,848**	19,898
Long-term advances		**1,816**	1,955
		37,676,246	33,340,622
Current assets			
Stores, spares and loose tools	9	**1,374,283**	1,004,358
Stock-in-trade	10	**23,832,552**	19,120,314
Trade debts	11	**17,490,955**	14,636,476
Loans and advances	12	**494,234**	220,101
Trade deposits and short-term prepayments	13	**106,683**	90,261
Other receivables	14	**363,662**	477,827
Other financial assets	15	**140,180**	76,688
Tax refundable	16	**1,500,020**	1,281,971
Cash and bank balances	17	**1,008,130**	1,172,533
		46,310,699	38,080,529
TOTAL ASSETS		**83,986,945**	71,421,151
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
100,000,000 ordinary shares of Rs.10 each		**1,000,000**	1,000,000
Issued, subscribed and paid up capital	18	**542,211**	542,211
Reserves	19	**15,000,677**	9,000,677
Unappropriated profits		**15,938,592**	20,092,138
		31,481,480	29,635,026
Non-current liabilities			
Long-term financing	20	**21,586,120**	19,520,193
Deferred taxation	21	**157,170**	129,463
Deferred liabilities	22	**1,103,521**	729,056
Lease liabilities	23	**53,330**	73,502
		22,900,141	20,452,214
Current liabilities			
Trade and other payables	24	**5,383,614**	5,766,530
Unclaimed dividends		**19,009**	3,735
Interest / mark-up payable	25	**959,534**	331,015
Short-term borrowings	26	**20,078,366**	12,635,272
Current portion of long-term financing	20	**2,236,601**	2,067,958
Current portion of other deferred liabilities	22	**904,316**	508,310
Current portion of lease liabilities	23	**23,884**	21,091
		29,605,324	21,333,911
TOTAL EQUITY AND LIABILITIES		**83,986,945**	71,421,151
Contingencies and commitments	27		

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Consolidated Statement of Profit or Loss
For the year ended June 30, 2023

	Note	2023	2022
		------------(Rupees in 000)----------	
Revenue	28	**81,565,482**	75,267,958
Directly attributable cost for generating revenue	29	**(72,640,705)**	(60,730,755)
Gross profit		**8,924,777**	14,537,203
Other income	30	**699,726**	816,320
Distribution cost	31	**(1,465,417)**	(1,295,198)
Administrative expenses	32	**(966,762)**	(762,303)
Other operating expenses	33	**(616,054)**	(840,544)
Finance cost	34	**(3,564,483)**	(1,663,165)
		(6,612,716)	(4,561,210)
Share of profit from associate - net of tax		**2,857**	37,606
Profit before taxation		**3,014,644**	10,829,919
Taxation	35	**(1,022,527)**	(847,326)
Profit for the year		**1,992,117**	9,982,593
			Restated
		------------(Rupees in 000)----------	
Earnings per share - basic and diluted	36	**36.74**	184.11

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Consolidated Statement of Comprehensive Income
For the year ended June 30, 2023

	Note	2023	2022
		-------------(Rupees in 000)-----------	
Profit for the year		**1,992,117**	9,982,593
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liability - net of tax	22	**(40,613)**	(8,556)
Less: tax thereon		**3,392**	133
		(37,221)	(8,423)
			-
Total comprehensive income for the year		**1,954,896**	9,974,170

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

Consolidated Statement of Changes in Equity
For the year ended June 30, 2023

		Reserves					
		Capital			Revenue		
	Issued, subscribed and paid up capital	Share premium	Merger reserve	Exchange translation reserve	General reserve	Unappropriated profits	Total
	Rupees in '000'						
Balance at June 30, 2021	542,211	10,920	11,512	677	8,977,568	10,389,074	19,931,962
Comprehensive income for the year ended June 30, 2022							
Profit for the year	-	-	-	-	-	9,982,593	9,982,593
Other comprehensive income for the year - net of tax	-	-	-	-	-	(8,423)	(8,423)
Total comprehensive income for the year	-	-	-	-	-	9,974,170	9,974,170
Transactions with owners							
Interim cash dividend @ Rs.5 per share	-	-	-	-	-	(271,106)	(271,106)
Balance at June 30, 2022	542,211	10,920	11,512	677	8,977,568	20,092,138	29,635,026
Comprehensive income for the year ended June 30, 2023							
Profit for the year	-	-	-	-	-	1,992,117	1,992,117
Other comprehensive income for the year - net of tax	-	-	-	-	-	(37,221)	(37,221)
Transfer from unappropriated profits to general reserves	-	-	-	-	6,000,000	(6,000,000)	-
Total comprehensive income for the year	-	-	-	-	6,000,000	(4,045,104)	1,954,896
Transactions with owners							
Interim cash dividend @ Rs.2 per share	-	-	-	-	-	(108,442)	(108,442)
Balance at June 30, 2023	**542,211**	**10,920**	**11,512**	**677**	**14,977,568**	**15,938,592**	**31,481,480**

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Consolidated Statement of Cash Flows
For the year ended June 30, 2023

		Note	2023	2022
			------------(Rupees in 000)----------	
A.	**Cash flows from operating activities**			
	Cash generated from operations	37	**1,832,253**	4,595,574
	Taxes paid - net		**(1,518,474)**	(913,875)
	Finance cost paid		**(2,590,323)**	(1,260,803)
	Gas Infrastructure Development Cess paid	22.3	**(12,634)**	(41,335)
	Gratuity paid		**(198,445)**	(200,519)
	Net cash (used in) / generated from operating activities		**(2,487,623)**	2,179,042
B.	**Cash flows from investing activities**			
	Purchase of property, plant and equipment - net of CWIP		**(4,820,214)**	(9,812,396)
	Proceeds from disposal of property, plant and equipment		**61,159**	115,900
	Purchase of intangible asset		**-**	(2,000)
	Proceeds from sale of long term investments		**-**	133,432
	Purchase of other financial assets		**(101,247)**	-
	Proceeds from redemption of investments in other financial assets		**28,437**	1,108,788
	Dividends received		**16,570**	5,586
	Net cash used in investing activities		**(4,815,295)**	(8,450,690)
C.	**Cash flows from financing activities**			
	Long-term finance obtained	20.1	**2,870,031**	7,587,002
	Repayments of long-term finance		**(2,015,540)**	(1,111,231)
	Long term advances		**1,734**	201
	Repayments of lease liabilities		**(24,361)**	(20,500)
	Dividends paid		**(93,168)**	(270,732)
	Net cash generated from financing activities		**738,696**	6,184,740
	Net decrease in cash and cash equivalents (A+B+C)		**(6,564,222)**	(86,908)
	Cash and cash equivalents at beginning of the year		**(994,591)**	(909,382)
	Effect of exchange rate changes on cash and cash equivalents		**53,364**	1,699
	Cash and cash equivalents at end of the year	38	**(7,505,449)**	(994,591)

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of Indus Dyeing & Manufacturing Company Limited (the Holding Company), its subsidiaries and an associate.

1.1.1 Holding group

Indus Dyeing & Manufacturing Company Limited (the Holding Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the repealed Companies Act 1913 (subsequently replaced by repealed Companies Ordinance, 1984 and now Companies Act, 2017). Registered office of the Holding Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Holding Company is manufacturing and sale of yarn. The manufacturing facilities of the Holding Company are located in Karachi, Hyderabad and Muzaffargarh. The addresses of these facilities are as follows:

Manufacturing Unit	Address
Hyderabad	P-1 and P-5 , S.I.T.E, Hyderabad, Sindh
Karachi	Plot Number 03 & 07, Sector 25, Korangi Industrial Area, Karachi
Muzaffargarh	Muzaffargarh, Bagga Sher, District Multan

1.1.2 Subsidiary companies

Indus Lyallpur Limited - 100% owned

Indus Lyallpur Limited (ILL) is an unlisted public Company limited by shares, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984 (now Companies Act 2017). Principal business of the ILL is manufacturing and sale of yarn. Its manufacturing facility is located at 38th Kilometre, Shaikhupura road, District Faisalabad in the province of Punjab. Registered office of the ILL is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

Indus Home Limited - 100% owned

Indus Home Limited (IHL) was incorporated in Pakistan as a public limited Company on May 18, 2006 under the Companies Ordinance 1984 (now Companies Act, 2017). The registered office of the Company is located at 174 Abu Bakar Block, New Garden Town, Lahore. The principal activities of the IHL are to manufacture and export the greige and finished terry cloth and other textile products. The manufacturing facility of the group is located at Manga Mandi, Lahore.

Indus Home USA Inc. (100% owned by Indus Home Limited)

Indus Home USA Inc. was established during the year ended June 30, 2014. Its principal business activity is to act as commission agent to generate sales order in textile sector of USA. The Subsidiary is located at 3500 South Dupont Highway Dover Delaware 19901.

Indus Wind Energy Limited - 100% owned

Indus Wind Energy Limited (IWEL) was established during the year ended June 30, 2015. Its principal business activity is to generate and sale electricity to the national grid. Registered office of the IWEL is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

1.1.3 Sunrays Textile Mills Limited - Associate

Sunrays Textile Mills Limited (STML) was incorporated in Pakistan on August 27, 1987 as a public limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited. The group is principally engaged in trade, manufacture and sale of yarn. The group is also operating a ginning unit and an ice factory on leasing arrangements. The registered office of the STML is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab. The Holding Company has 0.99% shareholding and voting rights in the group and it is regarded as an associate due to common directorship.

1.2 Basis of Consolidation

- The consolidated financial statements include the financial statements of the Holding Company, its subsidiaries and share of profit / loss from an associate collectively referred to as "the Group" in these consolidated financial statements.

- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Holding Company or power to control them is established and excluded from consolidation from the date of disposal or when the control is lost.

- The financial statements of the subsidiaries are prepared for the same reporting year as of the Holding Company for the purpose of consolidation, using consistent accounting policies.

- The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis.

- Material inter-group balances and transactions have been eliminated.

- Non-controlling interest in equity of the subsidiary companies are measured at fair value as of the acquisition date of the subsidiaries.

2. STATEMENT OF COMPLIANCE

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

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

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

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

2.1.1 In IWEL Exemption from applicability of IAS 21 'The Effects of Changes in Foreign Exchange Rates' and IFRS 9 'Financial Instruments' in relation to the recognition of embedded derivatives

The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 986(I) / 2019 dated September 02, 2019 granted exemption from the application of IFRS 16 "Leases', IFRS 9 "Financial instruments" (in relation to recognition of embedded derivatives) and IAS 21 "The Effects of Changes in Foreign Exchange Rates" to all companies, which have entered into Power Purchase Agreements (PPAs) before January 1, 2019. The Company along with certain Independent Power Producer (IPP) companies having their PPAs dated after January 01, 2019 filed a petition in the Honourable Lahore High Court (LHC) to also allow the companies who entered into PPAs after January 01, 2019 on the basis that they had already achieved certain other significant milestones including determination of tariff by NEPRA, to be treated along with the power companies who entered into PPAs before January 01, 2019. The LHC through its order dated November 21, 2022 has suspended the impugned condition in S.R.O 986(I) / 2019 dated September 02, 2019 till further order. Accordingly, the IWEL has also availed the exemptions as per the S.R.O 986(I) / 2019 dated September 02, 2019 for the preparation of the consolidated financial statements.

2.1.2 In IWEL Exemption from application of IFRS - 9 'Financial Instruments' in relation to financial assets due from the Government of Pakistan

SECP through SRO 985(I) / 2019 dated September 2, 2019 as amended by SRO 1177(I) / 2021 dated September 13, 2021 and further amended by SRO 67(I) / 2023 dated January 20, 2023 has notified that the requirements contained in IFRS 9 'Financial Instruments' with respect to the application of Expected Credit Loss method for determination of impairment of financial assets will not be applicable to the entities holding financial assets due from the Government of Pakistan until December 31, 2024, provided that such entities shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement', in respect of above referred financial assets. Accordingly, financial assets due from the Government of Pakistan, i.e., trade debts and certain other receivables are assessed at each reporting date to determine whether there is any objective evidence that these are impaired. These are considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

2.2 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pakistan Rupees which is the Group's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand unless otherwise indicated.

2.3 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention as modified by:

- recognition of certain employee retirement benefits at net present value;
- recognition of certain financial instruments at fair value; and
- investment in associate accounted for under equity method.

2.4 Amendments to accounting standards that are effective for the year ended June 30, 2023

The following amendments are effective for the year ended June 30, 2023. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

- Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'
  - Onerous Contracts — cost of fulfilling a contract

- Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 24)

2.5 Amendments to accounting standards that are not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

	Effective from accounting periods beginning on or after
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 'Leases' Clarification on how seller -lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associate and Joint Ventures' - Sale or contribution of Assets between an investor and its associate or Joint Venture	Deferred indefinitely

- IFRS 1 – First Time Adoption of International Financial Reporting Standards

- IFRS 17 – Insurance Contracts

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan, requires management to make estimates, assumptions and use of judgment that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

Estimates and judgments, if any, are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Depreciation rates of property, plant and equipment (Note 4.1 & 5.1)
- Useful lives of intangibles (note 4.2 and 6)
- Classification of investments (Notes 4.3, 4.6, 7 and 15)
- Provision for slow moving stores and spares (Notes 4.4 and 9)
- Net realizable value of stock-in-trade (Notes 4.5 and 10)
- Provision for impairment of trade debts and other receivables (Notes 4.6.5, 11 and 14)
- Provision for current tax and deferred tax (Notes 4.8, 21 and 35)
- Provision for staff retirement benefits (Notes 4.9 and 22.1)

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These have been consistently applied to all years presented unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Property, plant and equipment except freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss.

Assets' residual values and their useful lives are reviewed and adjusted at each reporting date, if significant.

Depreciation is charged to income applying the reducing balance method at the rates specified in the note 5.1. Depreciation on all additions is charged from the month on which the asset is available for use and no depreciation is charged in the month of disposal.

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

Assets are derecognised when disposed or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets, if any, are recognised in the consolidated statement of profit or loss as and when incurred.

Decrease in the carrying amounts arising as a result of revaluation, that reverses previous increase of the same asset is first recognised in consolidated statement of comprehensive income to the extent of the remaining surplus attributable to the asset; all other decrease are charged to consolidated statement of profit or loss.

4.1.2 Capital work in progress

These are stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred and advances made during installation and construction period are carried under this head. These are transferred to specific asset as and when the asset is available for its intended use.

4.1.3 Right-of-use assets and lease liabilities

At inception of a contract, the group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset’s useful life. The estimated useful lives of assets are determined on the same basis as that for operating fixed asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

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

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss if any. Amortization is charged to consolidated statement of profit or loss using the reducing balance method at the rates given in note 6. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

4.3 Investment in associate

Associate is an entity over which the group has significant influence but not control, generally represented by shareholding of 20% to 50% of the voting rights or common directorship.

Investment in associate is accounted for using equity basis of accounting, under which the investment in associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the group's share of profit or loss of the associate after the date of acquisition. The group's share of profit or loss of the associate is recognized in the consolidated statement of profit or loss. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the group's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognized in the associate's profit or loss. The group's share of those changes is recognized in consolidated statement of comprehensive income.

4.4 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, for obsolete items. Items in transit are valued at cost incurred up to the reporting date.

4.5 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined by applying the following basis:

	Basis of valuation
Raw material	Moving average cost
Work-in-progress	Moving average cost of material and share of applicable overheads
Finished goods	Moving average cost of material and share of applicable overheads

	Basis of valuation
Packing material	Moving average cost
Waste	Net realizable value
Stock in transit	Accumulated cost till reporting date

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

4.6 Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated statement of profit or loss.

4.6.1 Financial assets

Classification

The group classifies its financial assets into following three categories:

IFRS 9 contains three principal classification categories for financial assets at:

i) Amortised cost (AC),
ii) Fair value through other comprehensive income (FVTOCI) and
iii) Fair value through profit or loss (FVTPL).

i) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in fair value in consolidated statement of other comprehensive income (OCI). This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in consolidated statement of other comprehensive income (OCI).

iii) Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as amortised cost or FVTOCI).

In addition, on initial recognition, the group may designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the group changes its business model for managing financial assets.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss.

4.6.2 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVTOCI

All financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in consolidated statement of other comprehensive income (OCI).

For debt instruments classified as financial assets at FVTOCI, the amounts in consolidated statement of comprehensive income are reclassified to consolidated statement of profit or loss on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVTOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the consolidated statement of profit or loss.

4.6.3 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities

The fair value of shares of listed companies is based on their prices quoted on the Pakistan Stock Exchange Limited at the reporting date without any deduction for estimated future selling costs.

Basis of valuation of investment in mutual funds

The fair value of units of Funds is based on the net assets value per unit announced by Mutual Funds Association of Pakistan (MUFAP), which is determined on the basis of net assets value communicated by the Asset Management group on daily basis.

4.6.4 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

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

4.6.5 Impairment

Financial assets

The group recognizes a loss allowance for expected credit loss "ECL" on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The group always recognizes lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the consolidated statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.6.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to off set the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.7 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks, short-term running finances and term deposit receipts of less than 3 months.

4.8 Taxation

Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessment framed / finalized during the year.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirements of Technical Release – 27 issued by Institute of Chartered Accountants of Pakistan.

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

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

4.9 Staff retirement benefits

Defined benefit plan

The group operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period. Provisions are determined based on the actuarial valuation conducted by a qualified actuary using Projected Unit Credit Method. Under this method cost of gratuity is charged to statement of profit or loss so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. Past-service costs are recognized immediately in statement of profit or loss and actuarial gains and losses are recognized immediately in other comprehensive income.

4.10 Deferred government grant

The benefit of interest rate lower than market rate on borrowings obtained under State Bank of Pakistan (SBP) under Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the group and Temporary Economic Refinance Facility (TERF) for setting up imported and locally manufactured plants and machinery for new projects, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in consolidated statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortised over the period of loan and amortization shall be recognised and presented as reduction of related interest expense.

4.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the group has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

4.11.1 Borrowing cost

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 till the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in consolidated statement of profit or loss in the period in which they are incurred.

4.12 Provisions

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

4.13 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Exchange differences are included in the consolidated statement of profit or loss and other comprehensive income.

All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.13.1 Foreign subsidiary

The assets and liabilities of foreign subsidiary are translated to Pakistan Rupees at exchange rates prevailing at the reporting date. The results of foreign subsidiary are translated at the average rate of exchange for the year. Resulting exchange gains and losses are recognised in consolidated statement of comprehensive income.

4.14 Revenue recognition

Revenue from contracts with customers is recognised at the point in time when the performance obligation is satisfied i.e. when control of the goods is transferred to the customer at an amount that reflects the consideration to which the group expect to be entitled to in exchange of those goods.

Dividend income is recognised on the date on which the group's right to receive the dividend is established.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

Gains / losses arising on sale of investments are included in the period in which they arise.

4.15 Dividend and other appropriations

Dividend distribution to the Group’s shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders of the Group.

4.16 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.17 Segment Reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The group considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments.

On the basis of its internal reporting structure, the group considers itself to be a single reportable segment; however, certain information about the group’s products, as required by the accounting and reporting standards, is presented in note 45 to these consolidated financial statements.

	Note	2023	2022
		(Rupees in '000)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	**35,067,173**	32,285,817
Capital work-in-progress	5.4	**2,435,675**	861,833
Right-of-use assets	5.5	**63,839**	83,425
		37,566,687	33,231,075

5.1 Operating fixed assets

	2023							
Particulars	**Cost at July 01, 2022**	**Additions / (disposal) during the year**	**Cost at June 30, 2023**	**Accumulated depreciation at July 01, 2022**	**Depreciation/ (Disposal) for the year**	**Accumulated depreciation at June 30, 2023**	**Carrying value at June 30, 2023**	**Depreciation rate**
	(Rupees in '000)							%
Freehold land	**1,852,968**	**4,747**	**1,857,715**	**-**	**-**	**-**	**1,857,715**	**-**
Leasehold land	**142,647**	**-**	**142,647**	**-**	**-**	**-**	**142,647**	**-**
Factory buildings on free hold & leasehold land	**4,506,100**	**292,664**	**4,798,764**	**1,604,356**	**291,878**	**1,896,234**	**2,902,530**	**5**
Non-factory buildings on on leasehold land	**181,618**	**-**	**181,618**	**134,104**	**4,752**	**138,856**	**42,762**	**10**
Office building	**158,148**	**-**	**158,148**	**54,126**	**3,274**	**57,400**	**100,748**	**5**
Plant and machinery	**34,120,185**	**4,220,341 *** **(299,987)**	**38,040,539**	**9,035,828**	**1,828,915** **(224,704)**	**10,640,039**	**27,400,500**	**10**
Electric installations	**362,469**	**69,932**	**432,401**	**181,298**	**23,758**	**205,056**	**227,345**	**10**
Solar panel	**217,065**	**360,809**	**577,874**	**12,408**	**40,018**	**52,426**	**525,448**	**10**
Power generators	**1,567,831**	**163,094** **(19,477)**	**1,711,448**	**608,049**	**98,919** **(17,581)**	**689,387**	**1,022,061**	**10**
Factory equipment	**475,324**	**61,694**	**537,018**	**122,916**	**39,256**	**162,172**	**374,846**	**10**
Office equipment	**52,598**	**10,703**	**63,301**	**18,975**	**5,569**	**24,544**	**38,757**	**10**
Furniture and fixtures	**84,109**	**16,126** **(909)**	**99,326**	**30,889**	**6,299** **(589)**	**36,599**	**62,727**	**10**
Vehicles and Boats	**648,648**	**91,579** **(28,414)**	**711,813**	**280,944**	**79,548** **(17,766)**	**342,726**	**369,087** -	**20**
June 30, 2023	**44,369,710**	**5,291,689** **(348,787)**	**49,312,612**	**12,083,893**	**2,422,186** **(260,640)**	**14,245,439**	**35,067,173**	

* This includes capitalization of exchange difference amounting to Rs. 2,045 million

For comparative period

	2022							
Particulars	Cost at July 01, 2021	Additions / (disposal) / during the year	Cost at June 30, 2022	Accumulated depreciation at July 01, 2021	Depreciation/ (disposal) during the year	Accumulated depreciation at June 30, 2022	Carrying value at June 30, 2022	Depreciation rate
	(Rupees in '000)							%
Freehold land	869,772	983,196	1,852,968	-	-	-	1,852,968	-
Leasehold land	142,647	-	142,647	-	-	-	142,647	-
Factory buildings on leasehold land	3,273,057	1,233,043	4,506,100	1,390,788	213,568	1,604,356	2,901,744	5
Non-factory buildings on on leasehold land	181,618	-	181,618	128,824	5,280	134,104	47,514	10
Office building	158,148	-	158,148	50,680	3,446	54,126	104,022	5
Plant and machinery	18,236,636	16,292,496 (408,947)	34,120,185	8,058,145	1,320,126 (342,443)	9,035,828	25,084,357	10
Electric installations	298,259	64,210	362,469	164,556	16,742	181,298	181,171	10
Solar Panel	23,846	193,219	217,065	994	11,414	12,408	204,657	
Power generators	1,462,761	111,818 (6,748)	1,567,831	521,154	92,573 (5,678)	608,049	959,782	10
Factory equipment	357,047	118,432 (155)	475,324	95,358	27,671 (113)	122,916	352,408	10
Office equipment	45,210	8,246 (858)	52,598	15,380	4,207 (612)	18,975	33,623	10
Furniture and fixtures	67,186	17,552 (629)	84,109	26,523	4,781 (415)	30,889	53,220	10
Vehicles	423,352	253,141 (27,845)	648,648	233,385	61,420 (13,861)	280,944	367,704	20
June 30, 2022	25,539,539	19,275,353 (445,182)	44,369,710	10,685,787	1,761,228 (363,122)	12,083,893	32,285,817	

		Note	2023	2022
5.1.1	**Allocation of depreciation**		------------ (Rupees in '000)	------------
	Cost of goods sold	29.3	**2,329,324**	1,688,641
	Administrative expenses	32	**92,862**	72,588
			2,422,186	1,761,228

5.2 Disposals of operating fixed assets

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers	Relationship of purchaser with the Group
	------------ (Rupees in '000) ------------							
Plant and machinery								
Drawing Finisher Rsb-D30	6,323	(5,881)	442	720	278	Negotiation	Muhammad Imran	None
Ring Frame K-44 1056 Spindles	17,102	(14,054)	3,048	2,340	(708)	Negotiation	DN Enterprises	None
Ginning Machine	3,929	(2,736)	1,193	1,500	307	Negotiation	Rizwan Trading Corporation	None
Tfo 363 132 Spindles Twister	1,455	(1,329)	126	180	54	Negotiation	M. Imran Traders	None
Auto Coner 338, 60 Spindles	51,478	(39,756)	11,722	9,360	(2,362)	Negotiation	MKM Textile Intl.	None
Crosrol Card Mk-5D	13,236	(11,863)	1,373	1,815	442	Negotiation	Iftikhar Ali	None
Ring Frame K-44 1056 Spindles With Overhead Blowers	17,102	(14,237)	2,865	2,360	(505)	Negotiation	Waqas Sanaullah	None
Workshops machines	3,965	(2,851)	1,114	1,502	388	Negotiation	Muhammad Saleem	None
Rollers and tarpuline	2,246	(1,536)	710	295	(415)	Negotiation	Pursna Gold	None
Coal Boiler	133,577	(91,594)	41,983	16,529	(25,454)	Negotiation	Tanvir Ahmed	None
Can Dryer	39,435	(30,933)	8,502	5,000	(3,502)	Negotiation	Abid Ali	None
Chiller	10,139	(7,934)	2,205	500	(1,705)	Negotiation	Abul Basit	None
	299,987	**(224,704)**	**75,283**	**42,101**	**(33,182)**			

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers	Relationship of purchaser with the Group
	------------ (Rupees in '000) ------------							
Vehicles								
Toyota Corolla Altis	2,322	(1,770)	552	2,850	2,298	Negotiation	Adamjee Insurance & Co.	None
Honda Civic Oriel	2,513	(1,667)	846	1,000	154	Negotiation	Mr. Ghulam Murtaza	Employee
Suzuki Cultus	1,406	(942)	464	1,251	787	Negotiation	EFU General Insurance Ltd	None
Honda Civic Oriel Nl	2,897	(1,678)	1,219	1,400	181	Negotiation	Mr. Majid Basheer	None
Honda CD - 70	64	(44)	20	15	(5)	Negotiation	Mr. Shahzad Suleman	Employee
Yamaha 125 Z	115	(71)	44	25	(19)	Negotiation	Mr. Hammad Younus	Employee
Suzuki - GD110S	123	(85)	38	25	(13)	Negotiation	Mr. Muhammad A. Shakoor	Employee
Express Bike Black 70 CC	63	(17)	46	25	(21)	Negotiation	Mr. Yousuf Patni	Employee
Union Star	57	(24)	33	12	(21)	Negotiation	Mr. Tariq Mehmood	Employee
Honda CG 125 Red	151	(64)	87	25	(62)	Negotiation	Mr.Sharjeel Iftikhar	Employee
Yamaha Dhoom	50	(35)	15	4	(11)	Negotiation	Mr. Wirasat Hashmi	None
Hi-Speed	42	(27)	15	29	14	Negotiation	VIP Autos Palace	None
Suzuki Cultus Vxr	1,034	(886)	148	600	452	Negotiation	Mr. Muhammad Imran	None
Suzuki Cultus	1,250	(874)	376	500	124	Negotiation	Mr. Wajahat Ahmed	None
Toyota Corolla Altis	2,209	(1,573)	636	1,755	1,119	Negotiation	Mr. Zahid Mahmood	Employee
New Kia Picanto A/T	2,298	(153)	2,145	2,450	305			
Suzuki Swift	1,297	(1,004)	293	350	57	Negotiation	My Autos	None
Suzuki GD 110 S Bike	160	(80)	80	85	5			
Honda CG 125 Red	116	(66)	50	55	5	Negotiation	Shadab Autos	None
Suzuki GD 110S	135	(87)	48	60	12			
Honda Civic	3,061	(2,263)	798	800	2	Negotiation	Muhammad Ahmed Malik	None
Vespa - 150	69	(68)	1	15	14	Negotiation	Sardar Naeem Durrani	None
Super power bike	64	(37)	26	25	(1)	Negotiation	Mr. Atiuqee	Employee
Honda bike	107	(51)	56	85	29	Negotiation	Mr.Sharjeel	None
Mehran car	745	(542)	203	250	47	Negotiation	Muhammad Iqbal Onali Kamalia	None
Toyota Hilux	2,320	(1,585)	735	1,500	765	Company's policy	Javaid Haider	Employee
Suzuki Swift	2,047	(817)	1,230	1,500	270	Company's policy	Ahsan Afzal	Employee
	26,715	**(16,510)**	**10,204**	**16,691**	**6,487**			
Power generators								
Generator JGS - 320 1064 KW	12,855	(11,223)	1,632	585	(1,047)	Negotiation	Spectrum Innovations Energy	None
Generator L - 7042 G 635 KW	6,622	(6,358)	264	363	99	Negotiation	M. Suleman	None
	19,477	**(17,581)**	**1,896**	**948**	**(948)**			
Others	**2,608**	**(1,845)**	**763**	**1,419**	**656**	Negotiation	Various	None
2023	**348,787**	**(260,640)**	**88,146**	**61,159**	**(26,987)**			
2022	445,182	(363,122)	82,060	115,900	33,839			

5.3 Particulars of lands in the name of Group are as follows:

Location	Usage of immovable property	Total Area (In acres / Kanal)	Total area (In sq.ft)
Korangi mill - Plot No. 3 & 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	12.50	544,500
Hyderabad mill - Plot No. P-1 & P-5, S.I.T.E, Hyderabad	Manufacturing facility and labour colony	29.00	1,263,240
Nooriabad land - Plot No. K-31 & K-32, Nooriabad	Manufacturing/ Storage facility and business expansion	40.00	1,742,400
Naseerpur land - Adda Pira Ghayaib, Mototly Road	Manufacturing facility	8.28	360,459
Muzaffargarh mill - Bagga Sher, Khan pur Shumail, District Multan	Manufacturing facility and labour colony	30.87	1,344,697
Nooriabad land- Plot No. B/77, Jhampeer road, Nooriabad	Manufacturing/ Storage facility and business expansion	31.00	1,350,360
Chak # 61 R/B, Mouza Bedianwala, Tehsil Jaranwala at 38-Km,Sheikhpura Road, Dist. Faisalabad	Manufacturing facility	48.20	2,078,357
Raiwind Road, Manga Mandi Lahore	Manufacturing Unit	537.15	986,833
2.5 Km Off Manga Raiwind Road, Manga Mandi Lahore	Grid Station	9.00	40,500
	Labour Colony	80.50	362,250
174 - 173 Abubakar Block New Garden Town, Lahore	Head Office	8.30	36,461

	Note	2023	2022
		--------- (Rupees in '000) --------	
5.4 Capital work-in-progress			
Solar panel		**205,206**	57,707
Civil works		**589,399**	343,939
Plant and machinery		**1,636,146**	455,588
Power Generator		**4,924**	4,599
	5.4.1	**2,435,675**	861,833

5.4.1 Capital work-in-progress

	Solar panel	Civil works	Plant and machinery	Power generator	Total
	----------	----------	Rupees '000'	----------	----------
As at June 30, 2021	28,977	593,808	9,702,005	-	10,324,790
Additions during the year	215,480	931,997	5,761,679	4,599	6,913,755
Transferred to operating fixed assets	(186,750)	(1,181,866)	(15,008,096)	-	(16,376,712)
As at June 30, 2022	57,707	343,939	455,588	4,599	861,833
Additions during the year	412,778	527,856	2,636,019	58,945	3,635,598
Transferred to operating fixed assets	(265,279)	(282,396)	(1,455,461)	(58,620)	(2,061,756)
As at June 30, 2023	**205,206**	**589,399**	**1,636,146**	**4,924**	**2,435,675**

5.4.2 This includes borrowing costs capitalized amounting to Rs. 155.428 million incurred on long term finance attributable to expansion in production facility.

	Note	2023	2022
		---------- (Rupees in '000)	--------
5.5 Right-of-use assets			
Office premises and land			
Cost		**126,160**	126,160
Depreciation			
- Opening		**42,735**	23,100
- For the year	5.5.1	**19,586**	19,635
Accumulated amortization		**(62,322)**	(42,735)
Net book value at end of the year		**63,839**	83,425

5.5.1 Depreciation is charged on a useful life of 5 - 30 years.

5.5.2 Allocation of depreciation

	Note	2023	2022
Cost of goods sold	29.3	**959**	959
Administrative expenses	32	**18,627**	19,635
		19,586	20,594

6 INTANGIBLES

	Note	2023	2022
		--------- (Rupees in '000) --------	
Software			
Cost			
- Opening		**35,694**	33,694
-Additions		**-**	2,000
		35,694	35,694
Amortization			
- Opening		**28,218**	25,799
- For the year		**2,244**	2,419
Accumulated amortization		**(30,462)**	(28,218)
Net book value as at June 30		**5,232**	7,476
Annual amortization rate		**30%**	30%

6.1 Amortization for the year has been charged to 'Administrative expenses' (Note 32).

7 LONG-TERM INVESTMENTS

	Note	2023	2022
		--------- (Rupees in '000) --------	
Investment in associate	7.1	**82,663**	80,218

7.1 Investment in associate
- Sunrays Textile Mills Limited

	Note	2023	2022
		--------- (Rupees in '000) ---------	
Cost		**1,716**	1,716
Share of post acquisition profits:			
Opening		**78,502**	41,921
Dividend received		**(412)**	(1,025)
Share of profit from associate for the year		**2,857**	37,606
		80,947	78,502
		82,663	80,218
Number of shares held		**205,962**	205,962
Ownership interest		**0.995%**	0.995%
Book value (Rupees in '000)		**83,130**	80,622
Cost of investment (Rupees in '000)		**1,716**	1,716

7.1.1 The existence of significant influence by the Group is evidenced through common directorship in the associate.

7.1.2 Summarized financial highlights as at and for the year ended June 30 are as follows:

	Note	2023	2022
		---------- (Rupees in '000)	---------
Non-current assets		**7,541,297**	4,424,199
Current assets		**4,866,490**	5,496,620
Total assets		**12,407,787**	9,920,819
Non-current liabilities		**2,772,537**	959,906
Current liabilities		**1,280,341**	858,078
Total liabilities		**4,052,878**	1,817,984
Net assets		**8,354,909**	8,102,835
Net assets		**8,354,909**	8,102,835
Percentage holding		**0.995%**	0.995%
Share in net assets		**83,130**	80,623
Revenue		**9,654,366**	9,757,682
Comprehensive income for the year		**287,064**	3,798,596

8 LONG-TERM DEPOSITS

		2023	2022
Electricity		**19,835**	19,885
Others		**13**	13
		19,848	19,898

9 STORES, SPARES AND LOOSE TOOLS

	Note	2023	2022
Stores, spares and loose tools		**1,408,150**	1,048,405
Stores in transit		**47,597**	126,186
Provision for slow moving and obsolete items	9.1	**(81,464)**	(170,233)
		1,374,283	1,004,358

9.1 Movement of provision for slow moving and obsolete items

	Note	2023	2022
		--------- (Rupees in '000)	---------
Balance at beginning of the year		**170,233**	151,002
(Reversal) / provision made during the year	29.3	**(88,769)**	19,231
Balance at end of the year		**81,464**	170,233

10 STOCK-IN-TRADE

Raw material		
- in hand	**15,079,121**	13,335,315
- in transit	**2,047,551**	2,125,256
- held by third parties	**-**	33,990
	17,126,672	15,494,561
Work-in-process	**2,472,745**	1,325,962
Finished goods	**3,813,849**	2,053,132
Packing material	**136,977**	100,066
Waste	**282,309**	146,593
	23,832,552	19,120,314

10.1 Net realisable value of finished goods were lower than its cost, which resulted in write down of Rs. 26.545 million (2022: Rs. Nil) charged to cost of sales.

	Note	2023	2022
		--------- (Rupees in '000) ---------	
11 TRADE DEBTS			
Secured			
Foreign debtors		**7,255,830**	3,644,382
Local debtors		**2,268,968**	2,749,265
Other debtors		**-**	726,431
	11.1 & 11.2	**9,524,798**	7,120,078
Unsecured			
Local debtors	11.2	**7,979,664**	7,545,838
		17,504,462	14,665,916
Allowance for expected credit loss	11.3	**(13,507)**	(29,440)
	11.4	**17,490,955**	14,636,476

11.1 These are secured against letters of credit, from credit worthy banks, in favour of the Group.

11.2 Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers, to assess their recoverability.

	Note	2023	2022
		--------- (Rupees in '000) ---------	
11.3 Allowance for expected credit loss			
Balance as at July 01		**29,440**	31,862
Provision / (reversal) made during the year		**5,685**	(2,422)
Write off made during the year		**(21,618)**	-
Balance as at June 30		**13,507**	29,440

		Note	2023	2022
			--------- (Rupees in '000) ---------	
11.4	**Aging of trade debts**			
	Not yet due		**11,819,196**	11,471,020
	Past due within 30 days		**3,741,435**	2,661,507
	Past due within 31 to 60 days		**1,716,465**	400,217
	Past due within 61 to 90 days		**104,943**	52,774
	Past due within 91 to 180 days		**80,388**	43,881
	Past due beyond 180 days		**42,035**	36,517
			17,504,462	14,665,916
12	**LOANS AND ADVANCES**			
	Loans and advances to staff	12.1	**12,987**	11,158
	Advance income tax - net		**94,238**	71,098
	Margin letter of credit		**108,638**	-
	Advances to:			
	- Suppliers		**238,188**	116,801
	- Employees		**3,768**	3,262
	- Others		**36,415**	17,782
			278,371	137,845
			494,234	220,101

12.1 These represent short-term interest free loans to employees and secured as per Company's policy. These are adjustable against salaries and recoverable within a period of one year.

		Note	2023	2022
			--------- (Rupees in '000) ---------	
13	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Security deposits		**6,338**	3,350
	Other deposits		**3,526**	20,249
	Prepayments		**96,819**	66,662
			106,683	90,261
14	**OTHER RECEIVABLES**			
	Cotton claims receivables		**130,937**	94,416
	Rebate refundable		**106,150**	65,875
	Interest receivable		**9,517**	1,407
	Others		**117,058**	316,129
			363,662	477,827
15	**OTHER FINANCIAL ASSETS**			
	At fair value through profit or loss			
	Investment in ordinary shares of listed companies	15.1.1	**38,933**	44,702
	Investment in units of mutual funds	15.1.2	**101,247**	31,986
			140,180	76,688

15.1 Particulars of other financial assets

15.1.1 Investment in ordinary shares of listed companies

2023	2022		2023	2022
--- (Number of shares) ---			--------- (Rupees in '000) ---------	
42,000	42,000	Bestway Cement Limited	**6,090**	5,333
30,000	30,000	Fauji Fertilizer Company Limited	**2,953**	3,307
15,000	15,000	Habib Bank Limited	**1,098**	1,370
2,350,000	2,350,000	K-Electric Limited	**4,042**	7,144
19,156	19,156	Pakistan State Oil Company Limited	**2,127**	3,291
10,000	10,000	Pak Elektron Limited	**90**	159
25,950	25,950	Sitara Chemical Industries Limited	**5,854**	8,045
141,900	141,900	United Bank Limited	**16,679**	16,053
			38,933	44,702

15.1.2 Investment in units of mutual funds

2023	2022			
--- (Number of units) ---				
2,024,947	-	Al Meezan Rozana Amdani Fund	**101,247**	-
-	520,039	Meezan Islamic Fund	**-**	31,986
2,024,947	520,039		**101,247**	31,986

16 TAX REFUNDABLE

	2023	2022
Sales tax refundable	**1,422,302**	1,074,474
Income tax refundable	**77,718**	207,497
	1,500,020	1,281,971

17 CASH AND BANK BALANCES

	Note	2023	2022
With banks			
- in deposit accounts	17.1	**494,613**	294,384
- in current accounts	17.2	**505,426**	854,201
		1,000,039	1,148,585
Cash in hand		**8,091**	23,948
		1,008,130	1,172,533

17.1 Markup rates on these accounts range between 5.3% - 20.65 % per annum (2022: 5.3% - 12.25 %) per annum.

17.2 These include balance in foreign currency accounts aggregating to Rs.216.643 million (USD 0.758 million) at year end (2022: Rs.577.27 million (USD 2.82 million).

18 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022		Note	2023 (Rupees in '000)	2022 (Rupees in '000)
		Ordinary shares of Rs.10 each			
9,637,116	9,637,116	Fully paid in cash		**96,371**	96,371
		Other than cash			
5,282,097	5,282,097	Issued to the shareholders of YTML	18.1	**52,821**	52,821
39,301,983	39,301,983	Issued as bonus shares		**393,019**	393,019
54,221,196	54,221,196			**542,211**	542,211

18.1 These shares were issued pursuant to the Scheme of Amalgamation with Yunus Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with agreed share-swap ratio.

18.2 The Holding Company has only one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.

19 RESERVES

	Note	2023 (Rupees in '000)	2022 (Rupees in '000)
Capital reserves			
Share premium	19.1	**10,920**	10,920
Merger reserve	19.2	**11,512**	11,512
Exchange translation reserve	19.3	**677**	677
		23,109	23,109
Revenue reserves			
General reserve	19.4	**14,977,568**	8,977,568
		15,000,677	9,000,677

19.1 This represents share premium received in year 2001 in respect of the issue of 3,639,960 right shares at a premium of Rs. 3 per share.

19.2 Merger reserve represents excess of (a) assets of YTML over its liabilities merged with the Holding Company over (b) consideration to shareholders of YTML as per the Scheme of Amalgamation (Refer note 18.1).

19.3 This represents exchange translation reserve on translation of foreign subsidiary Indus Home USA Inc. (subsidiary of Indus Home Limited).

19.4 This represents reserves created out of profits of the Holding Company.

20 LONG-TERM FINANCING

	Note	2023	2022
		Rupees in '000	
Secured			
Foreign currency debt		**7,068,976**	5,323,500
From banking companies		**16,840,612**	16,372,606
	20.1	**23,909,588**	21,696,106
Payable within one year		**(2,236,601)**	(2,067,958)
		21,672,987	19,628,148
Transaction cost		**(107,955)**	(119,628)
Amortization		**21,088**	11,673
		(86,867)	(107,955)
		21,586,120	19,520,193

20.1 Details and movement are as follows:

Name of banks / institution	Note	As at July 01, 2022	Cash flows: Acquired during the year	Cash flows: Repayment during the year	Non-Cash flows: Transferred	As at June 30, 2023	Current maturity
		Rupees in '000					
Allied Bank Limited	20.4.1	2,048,567	-	(234,498)	(87,101)	1,726,968	253,839
Soneri Bank Limited	20.4.2	723,345	-	(47,229)	(67,611)	608,505	76,531
MCB Bank Limited	20.4.3	1,869,108	611,068	(227,060)	(73,279)	2,179,837	263,359
United Bank Limited	20.4.4	744,984	-	(76,223)	(48,565)	620,196	91,947
Habib Bank Limited	20.4.5	5,209,989	288,153	(452,427)	(40,791)	5,004,924	656,656
Askari Bank Limited	20.4.6	1,776,625	490,238	(200,641)	(32,424)	2,033,798	263,824
Habib Bank Limited Salaries Re-Finance		81,269	-	(84,790)	3,521	-	-
The Bank of Punjab Salaries Re-Finance		129,197	-	(134,796)	5,599	-	-
Habib Metropolitan Bank Limited	20.4.9	576,038	19,640	(12,546)	(37,712)	545,420	58,676
Bank Al-Habib Limited	20.4.8	1,038,921	63,370	(44,322)	(203,237)	854,732	66,852
The Bank of Punjab	20.4.9	97,373	410,490	-	-	507,863	1,563
National Bank Of Pakistan	20.4.10	380,789	307,974	-	(160,904)	527,859	21,227
Bank AlFalah Limited	20.4.11	184,116	497,444	-	-	681,560	832
Meezan Bank Limited	20.4.12	561,692	102,466	-	-	664,158	17,956
Faysal bank Limited	20.4.13	354,070	79,188	-	-	433,258	-
SBP rozgar refinance scheme		94,441	-	(96,853)	2,412	-	-
Pakistan Kuwait Investment Company Private Limited	20.4.14	502,083	-	(50,548)	-	451,535	50,172
British International Investment PLC (BII) - Foreign loan	20.4.15	5,323,500	-	(353,607)	2,099,083	7,068,976	413,166
Grand total		**21,696,107**	**2,870,031**	**(2,015,540)**	**1,358,991**	**23,909,588**	**2,236,601**

20.2 Particulars of long-term financing

Type and nature of loan	2023		
	Amount outstanding	**Mark up rate**	**Terms of Repayments**
	Rupees in '000		
Long term finance facility (LTFF)	**7,759,897**	**2.25% to 8%**	**Quarterly and half yearly**
Term finances	**2,236,738**	**3 months KIBOR + 0.5% to 1.75%**	**Quarterly**
Temporary Economic Refinancing Facility (TERF)	**2,566,298**	**1.75% to 3%**	**Quarterly**
Renewable Energy	**4,277,678**	**3% to 4.75%**	**Quarterly**
Foreign debt	**7,068,976**	**USD LIBOR + 4.25%**	**Quarterly**
	23,909,587		

Type and nature of loan	Amount outstanding	Mark up rate	Terms of Repayments
	Rupees in '000		
Long term finance facility (LTFF)	10,558,127	2.25% to 5.0%	Quarterly and half yearly
Term finances	82,247	3 months Kibor + 0.5% to 0.9%	Quarterly
Temporary Economic Refinancing Facility (TERF)	1,834,764	1.75% to 2.25%	Quarterly
Renewable Energy	3,687,003	3% to 4%	Quarterly
Foreign debt	5,323,500	USD LIBOR + 4.25%	Quarterly
Salaries Re-Finance	210,466	0.5% to 1%	Quarterly
	21,696,107		

20.3 These finances are secured by Joint Pari Passu charge over Land and Building & Plant and Machinery of all units of the Group.

20.4 Long-term financing

	Name of institution	Limit	Outstanding amount	Details of financing, security and repayment terms
		------- (Rs. in million) ------		
20.4.1	Allied Bank Limited	2,175	1,727	The facility is secured against first/Joint pari passu hypothecation charge over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments. Mark up rate is 2.5% to 3% on this facility and repayable in quarterly basis.
20.4.2	Soneri Bank Limited	868	609	The facility is secured against existing Joint pari passu charge over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made 32 equal quarterly installments. Mark up rate is 2% on this facility and repayable in quarterly basis.
20.4.3	MCB Bank Limited	4,065	2,180	During the year the Group has entered into an arrangement with MCB Bank Limited for obtaining Term loan. The facility is secured against existing Joint pari passu charge of over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments. Mark up rate is 1.75% to 2.5% on temporary Economic Refinancing Facility and 2.5% on Long Term Financing Facility and 3 month KIBOR + 1.75% on Term Loan and repayable in quarterly basis.
20.4.4	United Bank Limited	1,565	620.20	The facility is secured against existing Joint pari passu charge over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments. Mark up rate is 2.25% on temporary Economic Refinancing Facility, 2.5% on Long Term Financing Facility and SBP rate +1% on Renewable Energy Financing Facility repayable in quarterly basis.
20.4.5	Habib Bank Limited	6,833	5,005	During the year the Group has entered into an arrangement with Habib Bank Limited for obtaining Term loan. The facility is secured against 1st Joint pari passu charge of over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin. The repayment of loan (principal amount) will be made 32 equal quarterly installments of Temporary Economic Refinancing Facility & Term loan and 16 equal half yearly Installments with 2 years grace period of Long term Financing Facility. Mark up rate is 2% on Temporary Economic Refinancing Facility & 2.5% to 2.75% on Long Term Financing Facility and 3 month KIBOR + 0.75% on Term loan and repayable on quarterly basis.
20.4.6	Askari Bank Limited	2,883	2,034	During the year the Group has entered into an arrangement with Askari Bank Limited for obtaining Term loan. The facility is against 1st Joint pari passu charge over Group's fixed assets

				(Land and Building of Hyderabad unit and Plant and Machinery of all units) with 25% margin.. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period of Long term Financing Facility and 16 equal quarterly installments with 1 year grace period of Term loan. Mark up rate is 2.5% to 4.75% on Long term Financing Facility and 3 month KIBOR + 1.25% on Term loan and repayable on quarterly basis.
20.4.7	Habib Metropolitan Bank Limited	1,453	545	The Group has entered into an arrangement with Habib Metropolitan Bank Limited for obtaining Renewable Energy Financing Facility under State Bank of Pakistan (SBP) to facilitate Solar Panel installation at Hyderabad Unit maximum of Rs 100 million. The facility is secured against existing joint pari passu charge over Group's fixed assets (Land and Building of Hyderabad unit and Plant and Machinery of all Group units) duly registered with the Securities and Exchange Commission of Pakistan inclusive of 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments. Mark up rate is 3% on Long term Financing Facility and 2% on Temporary Economic Refinancing Facility and SBP rate + 1% on this facility and repayable in quarterly basis.
20.4.8	Bank Al Habib Limited	1,456	855	The facility is secured against existing Joint pari passu charge over Group's fixed assets (Land and Building ,Plant and Machinery) with 25% margin. The repayment of loan (principal amount) will be made in equal quarterly installments. Mark up rate is 2.5% to 8% on Long Term Financing Facility and repayable in quarterly basis.
20.4.9	The Bank of Punjab	2,243	508	During the year the Group has entered into an arrangement with Bank of Punjab for obtaining further Term loan. The facility is secured against existing joint pari passu charge over group's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period. Mark up rate is 3 months Kibor rate + 1% against Term loan and 5% against long term finance facility and repayable on quarterly basis.
20.4.10	National Bank of Pakistan	750	528	During the year the Group has entered into an arrangement of Renewable Energy Financing Facility under State Bank of Pakistan (SBP) to facilitate Solar Panel installation at Muzaffargarh and Karachi Unit maximum of Rs 250 million. The facility is secured against first joint pari passu charge over group's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin duly registered with the Securities and Exchange Commission of Pakistan inclusive of 25% margin. The repayment of loan (principal amount) will be made in 32 quarterly installments with 2 years grace period. Mark up rate is 1.8% on temporary Economic Refinancing Facility and SBP rate + 1.25% on Renewable Energy Financing Facility and repayable on quarterly basis.

20.4.11	Bank AlFalah Limited	850	682	During the year the Group has entered into an arrangement with Bank Al Falah limited for Term loan. The facility is secured against existing joint pari passu charge over group's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 32 equal quarterly installments with 2 years grace period. Mark up rate is Kibor rate + 0.90% against Term loan and 3% to 5% against long term finance facility and repayable on quarterly basis.
20.4.12	Meezan Bank Limited	1,500	664	During the year the Group has entered into an arrangement with Meezan Bank Limited for obtaining Term loan. The facility is secured against existing joint pari passu charge over group's fixed assets against plant and machinery of all units and land and building of only Hyderabad unit P-1 with 25% margin. The repayment of loan (principal amount) will be made in 40 equal quarterly installments with 2 years grace period. Mark up rate is 3% against long term finance facility and 3 month KIBOR + 0.5% on Term loan and repayable on quarterly basis.
20.4.13	Faysal bank Limited	667	433	The loan under this facility carries markup of 5.00%. Outstanding installments are repayable quarterly over the period of ten years with two years grace period. This loan is secured by way of Pari Passu charge over all present and future plant and machinery of the group with 25% margin.

20.4.14 This represents long term syndicated local debt financing from commercial banks up to Rs. 4,968 million. Initially, the loan is obtained under a mark-up arrangement @ 3 months KIBOR + 1.75%, repayable over 13 years starting from June 30, 2022. However subsequently, a conversion is applied with SBP for a subsidized rate arrangement of 4.75% (3% + 1.75%) as per the SBP Renewable Energy Refinance Scheme, repayable over 10 years from September 30, 2022. The loan is secured by way of first pari-passu hypothecation charge against the project assets.

20.4.15 The Group has arranged long term foreign debt financing from BII Plc up to USD 27.6 million under mark-up arrangement. The facility is subject to mark-up @ 3 month LIBOR + 4.25% which is determined at the start of each quarter and is payable on quarterly basis in arrears. The loan is repayable over a period of 13 years. The facility is secured by way of first pari-passu hypothecation charge over project assets. During the year, local lenders and BII have amended the loan agreements including the repayment schedule thereby providing relaxation in the repayment of loan installments. As per the original schedules, the Company had to make first installment on June 30, 2022, which has been shifted to next quarter, thereafter, the remaining installments have been shifted accordingly as per the revised repayment schedule.

21 DEFERRED TAXATION

Movement for the year ended June 30, 2023	Opening balance	Recognized in statement of profit or loss	Recognized in statement of comprehensive income	Closing balance
	(Rupees in '000)			
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	**(26,021)**	**(3,641)**	**(3,392)**	**(33,054)**
- provision of stores and spare parts	**(9,733)**	**8,259**	**-**	**(1,474)**
- provision of trade debts	**5,269**	**(6,482)**	**-**	**(1,213)**
- other financial assets	**(748)**	**170**	**-**	**(578)**
- short term borrowings	**-**	**10,073**	**-**	**10,073**
- lease liabilities	**(4,266)**	**635**	**-**	**(3,631)**
- minimum tax credits	**-**	**(197,272)**	**-**	**(197,272)**
Others	**(96,512)**	**64,074**	**-**	**(32,439)**
	(132,011)	**(124,184)**	**(3,392)**	**(259,588)**
Taxable temporary differences in respect of:				
- accelerated tax depreciation	**260,066**	**158,396**	**-**	**418,462**
- Right of use asset	**3,597**	**(783)**	**-**	**2,814**
- unrealized export debtors	**(852)**	**852**	**-**	**-**
- GIDC provision	**(466)**	**466**	**-**	**-**
- unclaimed amortisation on intangibles	**24**	**175**	**-**	**199**
- long term loan	**(895)**	**(3,822)**	**-**	**(4,717)**
	261,474	**155,284**	**-**	**416,758**
Deferred tax liability	**129,463**	**31,100**	**(3,392)**	**157,170**

Movement for the year ended June 30, 2022	Opening balance	Recognized in statement of profit or loss	Recognized in statement of comprehensive income	Closing balance
	(Rupees in '000)			
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	(35,375)	9,487	(133)	(26,021)
- provision of stores and spare parts	(10,698)	965	-	(9,733)
- provision of trade debts	(3,208)	8,477	-	5,269
- other financial assets	1,180	(1,928)	-	(748)
- short term borrowings	(1,920)	1,920	-	-
- long term financing	(6,804)	2,538	-	(4,266)
Others	(41,731)	(54,781)	-	(96,512)
	(98,556)	(33,322)	(133)	(132,011)
Taxable temporary differences in respect of:				
- accelerated tax depreciation	297,474	(37,408)	-	260,066
- Right of use asset	6,250	(2,653)		3,597
- unrealized export debtors	62	(914)	-	(852)
- GIDC provision	-	(466)		(466)
- unclaimed amortisation on intangibles	-	24		24
- long term loan	-	(895)	-	(895)
	303,786	(42,312)	-	261,474
Deferred tax liability	205,230	(75,634)	(133)	129,463

		Note	2023	2022
			Rupees in '000	
22	**DEFERRED LIABILITIES**			
	Staff retirement gratuity	22.1	**326,478**	326,822
	Deferred government grant	22.2	**751,623**	9,867
	Gas Infrastructure Development Cess (GIDC)	22.3	**929,736**	900,677
			2,007,837	1,237,366
	Current portion of deferred liabilities			
	Deferred government grant	22.2	**(177,485)**	(9,867)
	Gas Infrastructure Development Cess (GIDC)	22.3	**(726,831)**	(498,443)
			(904,316)	(508,310)
			1,103,521	729,056

22.1 Staff retirement gratuity

The group operates an unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service. Provision is made to cover obligations under the scheme on the basis of valuation conducted by a qualified actuary. The latest valuation was conducted on June 30, 2023 using Projected Unit Credit Method.

Details of assumptions used and the amounts recognized in these financial statements are as follows:

22.1.1	Significant actuarial assumptions and methods	2023	2022
	Discount rate	**16.25%**	13.25%
	Expected rate of increase in salary level	**16.25%**	12.25%
	Weighted average duration of defined benefit obligation	**7 years**	6 years
	Average duration of liability	**6 years**	5 years

The critical gap between the discount rate and salary growth rate is zero. This gap was 1% in previous year's valuation.

22.1.2 Assumptions

Discount rate

The market of high quality corporate bonds is not deep enough in Pakistan. Therefore, discount rate is based on market yields on government bonds as at the valuation date. The discount rate used for the valuation is 16.25% per annum. This rate is consistent with the guidelines of the Pakistan Society of Actuaries on setting discount rates.

Rate of growth in salary

The gratuity benefits are calculated using the gross salary. In view of the market expectations and long-term monetary policy regarding inflation, it has been assumed that the average rate of long-term future salary increases will be 16.25% per annum.

Mortality, Withdrawal and Disability Retirement Rates

The mortality rates used for active employees are based on SLIC (2001-05) Mortality Table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

Withdrawal rates used in this valuation are heavier than those used in the previous valuation.

The expected maturity analysis of undiscounted retirement benefit obligation is:

	2023	2022
	Undiscounted payments	
	---------- (Rupees in '000) ----------	
Year 1	**39,587**	51,700
Year 2	**43,486**	60,324
Year 3	**48,275**	69,300
Year 4	**60,786**	79,542
Year 5	**66,193**	88,817
Year 6 and above	**388,080**	486,994

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country

		Note	2023	2022
			---------- (Rupees in '000) ----------	
22.1.3	**Present value of defined benefit obligation**		**326,478**	326,822
22.1.4	**Movement in net defined benefit liability**			
	Balance at the beginning of the year		**326,822**	341,328
	Recognized in statement of profit or loss			
	Current service cost		**114,515**	74,149
	Past service cost		**-**	69,594
	Losses on settlement		**12,820**	9,697
	Interest cost		**30,153**	24,017
			157,488	177,457
	Recognized in other comprehensive income			
	Actuarial loss - net	22.1.6	**40,613**	8,556
	Benefits paid		**(198,445)**	(200,519)
	Balance at the end of the year		**326,478**	326,822
22.1.5	**Expense recognise in Consolidated Statement of Profit or Loss**			
	Current service cost		**114,515**	74,149
	Past service cost		**-**	69,594
	Losses on settlement		**12,820**	9,697
	Net interest cost		**30,153**	24,017
	Expense recognise in consolidated statement of profit or loss		**157,488**	177,457

22.1.6 Remeasurement recognised in Consolidated Other Comprehensive Income

Loss from change in financial assumption	**17,501**	713
Experience loss	**23,112**	7,843
Net re-measurements	**40,613**	8,556

22.1.7 Net recognised liability

Net liability at the beginning of year	**326,822**	341,328
Expense recognised in profit or loss	**157,488**	177,457
Contribution made to the plan during the year	**(198,445)**	(200,519)
Remeasurement recognised in other comprehensive income	**40,613**	8,556
	326,478	326,822

22.1.8 Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Impact on defined benefit obligation		
	Change in assumptio	**Increase**	**Decrease**
	-------- (Rupees in '000) -------		
Discount rate	1%	(19,671)	20,947
Salary increase	1%	20,939	(19,675)

22.1.9 The expected gratuity expense for the next year amounts to Rs.162.678 million.

22.2 Deferred Government Grant

This represents deferred government grant (representing differential between borrowing obtained at concessional rate and market interest rate of 3 months KIBOR plus spread) in respect of Temporary Economic Refinancing Facility (TERF) and Salary Refinance Scheme under SBP as disclosed in Note 20. There are no unfulfilled conditions or other contingencies attached to this grant.

	Note	2023	2022
		------- (Rupees in '000) -------	
Balance at the beginning of the year		**9,867**	53,336
Government grant recognised		**839,202**	-
Amortization of government grant	30	**(97,446)**	(43,469)
		751,623	9,867
Current portion of deferred government grant		**(177,485)**	(9,867)
		574,138	-

22.3 Gas Infrastructure Development Cess

	2023	2022
	------ (Rupees in '000) ------	
Balance at the beginning of the year	**900,677**	876,497
Unwinding of interest	**41,693**	65,515
Payment made during the year	**(12,634)**	(41,335)
	929,736	900,677
Current portion of Gas Infrastructure Development Cess	**(726,831)**	(498,443)
	202,905	402,234

Gas Infrastructure Development Cess (GIDC) was levied through GIDC Act, 2011 with effect from December 15, 2011 and was chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification.

On June 13, 2013, the Honourable Peshawar High Court declared the levy, imposition and recovery of the Cess unconstitutional with the direction to refund the “Cess” so far collected. Honourable Supreme Court of Pakistan examined the case and vide its findings dated August 22, 2014, concluded that GID Cess is a fee and not a tax and on either count the “Cess” could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated GID Cess Ordinance 2014, which was applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Honourable Sindh High Court gave a stay order to various parties against the promulgation of Presidential order dated September 25, 2014.

On May 22, 2015, the GID Cess Act, 2015 was passed by Parliament applicable on all consumers. Following the imposition of the said Act, many consumers filed a petition in Honourable Sindh High Court and obtained stay order against the Act passed by the Parliament.

On October 26, 2016, the High Court of Sindh held that enactment of GIDC Act, 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of High Court of Sindh. On August 13, 2020, GIDC matter is decided by the Supreme Court of Pakistan and the Court has ordered gas consumers to pay outstanding amount of GIDC upto July 31, 2020 in twenty four equal monthly installments, starting from August 2020.

The Supreme Court, in its judgement dated November 03, 2020 allowed the recovery of the amount in 48 equal installments with one year grace period as oppose to 24 equal installments and 6 months grace period mentioned in the original decision dated August 13, 2020.

On September 29, 2020, we have challenged the imposition of GIDC upon us by SSGC and its quantum on various grounds including that the company had a judgment from the Hon'ble Sindh High Court which was not appealed in time, that the company had not passed on the burden of the Cess and in any event the 2015 Act could not apply with retrospective effect. Sindh High Court has passed restraining order dated September 29, 2020, due to this payment related to Karachi and Hyderabad unit has not yet paid.

Further, The Institute of Chartered Accountants of Pakistan (ICAP) issued guidelines in January 2021 on accounting of gas infrastructure development cess as per latest judgment of the Supreme Court. As per the guidelines the provision for GIDC should be accounted in accordance with IFRS 9 “Financial Instruments". In compliance with the guidelines issued by ICAP, the liability for GIDC has been remeasured at fair value in accordance with IFRS 9. At the initial discounting, the difference amounting to Rs. 206.788 million between the fair value of GIDC liability (i.e. present value of amount required to be paid to settle the GIDC liability) and transaction price of GIDC liability (i.e. undiscounted amount of GIDC liability) has been recognised as a gain on discounting of liability for GIDC in consolidated statement of profit or loss.

23 LEASE LIABILITIES	Note	2023	2022
		------- (Rupees in '000) -------	
Balance at the beginning of the year		**94,593**	106,963
Interest accrued		**6,982**	8,130
Payments made		**(24,361)**	(20,500)
	23.1	**77,214**	94,593
Current portion of lease liabilities		**(23,884)**	(21,091)
		53,330	73,502

23.1 The future payments of lease liabilities are as follows:

The future minimum lease payments to which the Group is committed under the agreement will be due as follows:

	June 30, 2023			June 30, 2022		
	Minimum lease payment	**Finance cost allocated to future lease payment**	**Present value of minimum lease payment**	Minimum lease payment	Finance cost allocated to future lease payment	Present value of minimum lease payment
	----------	----------	----------	Rupees in 000	----------	----------
Not later than one year	**23,884**	**1,486**	**22,398**	25,932	4,841	21,091
Later than one year but not later than five years	**54,598**	**7,754**	**46,844**			
Later than five years	**34,240**	**26,268**	**7,972**	115,275	41,773	73,502
	112,722	**35,508**	**77,214**	141,207	46,614	94,593

	Note	2023	2022
		------ (Rupees in '000) ------	
24 TRADE AND OTHER PAYABLES			
Creditors		**1,323,578**	1,333,830
Accrued liabilities		**1,970,254**	2,177,277
Foreign bills payable		**-**	38,285
Bills against gratuity scheme		**18,287**	77,662
Provident fund payable		**826**	1,724
Infrastructure cess	24.1	**1,422,578**	1,062,932
Workers' Profits Participation Fund	24.2	**111,405**	113,359
Workers Welfare Fund	24.3	**41,768**	34,703
Contract liabilities		**280,399**	168,054
Withholding tax payable		**12,568**	23,690
Income tax payable		**33,718**	158,971
Sales tax payable		**92,367**	243,926
Derivative financial liability		**-**	45,035
Others		**75,866**	287,082
		5,383,614	5,766,530

24.1 This represents Government of Sindh, provision for Sindh Development and Infrastructure Fee and Duty which was levied by the Excise and Taxation Department, on goods entering or leaving the province of Sindh, through air or sea at prescribed rate, under the Sindh Finance Ordinance, 2001. The imposition of the levy was initially challenged by the Company along with other affectees, in the Honorable High Court of Sindh, and the Honorable Court was pleased to grant an interim injunction, vide Order dated May 31, 2011, to the effect that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be deposited with the Honorable Court until the final order is passed. However, as a matter of prudence, in 2021 the Company has paid 50% of the value of infrastructure fee to the concerned department and recorded liability for the remaining amount which is supported by a bank guarantee. Starting from September 2021, the Group is providing 100% bank guarantee in accordance with the order of Supreme Court of Pakistan dated September 01, 2021.

	Note	2023	2022
		------- (Rupees in '000) -------	
24.2 Workers' Profits Participation Fund			
Balance at beginning of the year		**113,359**	31,867
Allocation for the year	33	**132,209**	548,374
Adjustment of excess amount		**5,283**	24,632
Interest charged during the year on the funds utilized by the Group		**5,174**	1,686
		256,025	606,559
Payments made during the year		**(144,620)**	(493,200)
Balance at end of the year		**111,405**	113,359

24.3 Workers' Welfare Fund

Balance at beginning of the year		**34,703**	36,413
Allocation for the year		**29,940**	645
Reversal of excess provision		**(22,250)**	-
	33	**7,690**	645
Payments made during the year		**(625)**	(2,355)
Balance at end of the year		**41,768**	34,703

	Note	**2023**	2022
		------- (Rupees in '000) ------	
25 INTEREST / MARK-UP PAYABLE			
On secured loans from banking companies:			
- Long-term financing		**274,915**	134,453
- Short-term borrowings		**684,619**	196,562
		959,534	331,015
26 SHORT-TERM BORROWINGS			
From banking companies - secured			
Running finance	26.1	**5,056,355**	2,167,124
Foreign currency financing against export / import	26.2	**9,087,283**	9,866,107
Foreign bill discounting	26.3	**2,477,504**	278,476
Money market loan	26.4	**3,327,224**	-
FE 25 Import		**-**	323,565
Working capital finance under markup arrangement	26.5	**130,000**	-
	26.6	**20,078,366**	12,635,272

26.1 These carry mark-up ranging from 1 week,1 month and 3 months KIBOR + 0.01% to 1.5% (2022: 1 week,1 month and 3 month KIBOR + 0.05% to 1.75%). These are secured against charge over current assets of the Group with upto 25% margin.

26.2 These carry mark-up ranging from 1% to 10% (2022: 0.6% to 2.8%) on foreign currency borrowing amount. These arrangements are secured against charge over current assets of the Group, lien on export documents and registered hypothecation charge over current assets. These have original maturity period exceeding three months.

26.3 Foreign bill discounting facility amounting to Rs. 2,790 million (2022 : Rs. 1,590 million) at pricing of 3% to 5% (2022: 1% to 3%) per annum. The mark-up is payable at a source.

26.4 These carry mark-up rate ranging from 1 month KIBOR plus 0.05% to 0.75% (2022: 1 month KIBOR plus 0.10% to 0.25%). These are secured against registered hypothecation charge over current assets of the Group.

26.5 IWEL can avail working capital finance facility from a commercial bank aggregating to Rs. 1,000 million. The unavailed facility as at year end was Rs. 870 million. The facility is secured by second ranking hypothecation charge on overall moveable assets (present and future), and first ranking hypothecation charge (ranking pari passu with the long term financing lenders) over receivables, inclusive of 20% margin, of Rs. 1,250 Million. The facility is subject to mark-up at the rate of 1 month KIBOR plus 1.5% per annum.

26.6 The Group has aggregated short-term borrowing facilities amounting to Rs. 31,680 million (2022: Rs. 29,480 million) from various commercial banks.

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 The Holding Company, ILP and IHL have recognised GIDC payable amounting to Rs. 929,819.94 million in these consolidated financial statements on the basis of GIDC rate applicable to industrial consumers. However, SSGC and SNGPL has charged GIDC on the basis of GIDC tariff applicable to captive consumers resulting in differential of Rs. 1,059.76 million. The Holding Company, ILP and IHL has not recorded the provision representing differential arising due to use of captive connection rate instead of industrial connection rate in these consolidated financial statements, as the matter of application of captive or industrial tariff has been challenged in September 2020 before Honourable Lahore High Court, which is pending adjudication. The management of the Group expect favourable outcome in this regard.

27.1.2 The Holding Company is defendant in certain sales tax related matters with aggregate demand of Rs. 1.357 million (2022. Rs. 1.357 million). Based on views of its tax advisor, management is confident of favourable outcome in these matters and accordingly no provision has been recorded in these consolidated financial statements in this respect.

27.1.3 The IHL has filed an application under section 170 of the Income tax Ordinance. 2001 (the Ordinance) for issuance of refunds which were already assessed by assessing officer under section 122(5A). However, the Deputy Commissioner Inland Revenue (“DCIR”) issued order under section 170(4) of the Ordinance whereby he rejected the refund balance aggregating to Rs. 118.4 million on account of tax credit under section 65-B.

Being aggrieved by the order of the DCIR, the Group has preferred an appeal before the learned CIR(A), Lahore, which is pending adjudication. The management expects favourable outcome and accordingly no provision has been recorded."

27.1.4 In the books of ILP a show cause notice bearing No. DCIR/E&C/Unit-01/SCN/ERS/Z-V/LTU/2018 dated February 12, 2018 was issued in respect of inadmissible input claim on the purchase invoices of cement, steel and paints, packing material and vehicle involving sales tax amounting of Rs. 5.261 million. A detailed reply has been submitted by the management, however the case is pending for the decision by the Tax Authorities. The Tax advisor of the ILP is confident that the above said matter will be decided in favour of the ILP because requisite time to issue an order against the said show cause notice has been lapsed.

27.1.5 The IHL has filed income tax return for the tax year 2019 declaring taxable income amounting to Rs. 6.1 million and claiming refund amounting to Rs. 55.5 million. The said return is a deemed assessment order treated to be issued by the Commissioner by considering the provisions of section 120(1)(b) of the Ordinance. The Additional Commissioner Inland Revenue (""ADCIR"") amended the deemed assessment order under section 122(5A) of the Ordinance; thereby assessing taxable income at Rs. 23.5 million and refund at Rs. 25 million.

Being aggrieved by the order of the ADCIR, the Group preferred an appeal before the learned CIR(A), Lahore, whereby the case has been decided in favour of the Group.

27.1.6 The IHL has filed income tax return for the tax year 2021 by declaring taxable income amounting to Rs. 105 million and claiming refund amounting to Rs.10.5 million. The said return is a deemed assessment order treated to be issued by the Commissioner by considering the provisions of section 120(1)(b) of the Ordinance. The ADCIR amended the deemed assessment order vide order dated 24 November 2022 passed under section 122(5A) of the Ordinance by assessing the taxable income at Rs. 151.3 million and tax liability thereon at Rs. 11.2 million.

Being aggrieved with the aforesaid order, the IHL filed an appeal before the learned Commissioner Inland Revenue (Appeal) (""CIR(A)""), which is pending adjudication. The management expects favourable outcome and accordingly no provision has been recorded."

27.1.7 In the books of the Holding Company and ILP, prior to certain amendments made through the Finance Acts of 2006 & 2008, Workers Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Acts, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the Ordinance in 2011. However, the Group together with other stakeholders filed the petition in the Sindh High Court which, in 2013, decided the petition against the Group and other stakeholders. Management has filed a petition before the Honourable Supreme Court of Pakistan against the decision of the Sindh High Court.

Honourable Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Acts, 2006 and 2008 have been declared invalid in the said order. The management has filed an application for rectification order amounting to Rs. 125.28 million for the years from 2010 to 2014 contending the fact that they had erroneously paid WWF despite of having exemption available to them.

		2023	**2022**
		------- (Rupees in '000) -------	
27.1.8	Claim of arrears of social security contribution not acknowledged, appeal is pending in honourable High Court of Sindh. The management is hopeful for favourable outcome.	**453**	453
27.1.9	Guarantees issued by banks in favour of custom authorities on behalf of the Group	**3,817**	3,817
27.1.10	Guarantees issued by banks in favour of gas / electric distribution companies	**805,307**	422,349
27.1.11	Bank guarantees against payment of infrastructure cess	**1,408,542**	943,542
27.1.12	Bank guarantees against in favour of Government of Sindh	**313,154**	213,154
27.1.13	Bank guarantees against in favour of Pakistan State Oil Company Limited	**16,250**	16,250

27.2 Commitments

Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases	**4,395,602**	8,890,447
Civil work contracts	**49,691**	26,307
Sales contract to be executed	**7,064,083**	10,586,426
Stand by letter of credit (Indus Wind)	**-**	1,942,218
Foreign currency forward contracts - Sale	**286,599**	1,507,120
Operations and maintenance contract	**206,057**	358,033
Post dated cheques, Revenue Department - Government of Pakistan	**4,509,032**	4,529,370

27.3 The Group has total unutilised facility limit against letter of credits aggregating to Rs. 8.144 billion (2022: Rs. 8.104 billion) as of reporting date.

	Note	2023	2022
		---------- (Rupees in '000) ----------	
28 REVENUE			
28.1 Revenue from contracts with customers - net			
Export sales	28.4	**60,820,071**	71,047,036
Less:			
Commission		**(169,815)**	(319,317)
Sales tax on indirect exports		**(3,775,080)**	(6,002,984)
		56,875,176	64,724,735
Local sales			
- Yarn		**23,546,915**	8,424,470
- Cotton		**1,154,894**	-
- Fiber		**-**	1,162,050
- Towel		**293,665**	313,678
- Greige Fabric		**5,124**	5,703
- Waste		**2,014,377**	1,748,536
		27,014,975	11,654,437

Less:

Brokerage on local sales		**(550,913)**	(337,919)
Sales discount		**(34,623)**	(18,440)
Sales tax on local sales:			
- Yarn		**(3,520,194)**	(1,406,310)
- Towel		**(355,234)**	(53,325)
- Greige Fabric		**-**	(970)
- Waste		**(282,733)**	(270,510)
		(4,158,161)	(1,731,115)
		79,146,454	74,291,698
28.2 Other revenue	28.5	**349,381**	125,443

28.3 Revenue from sale of Electricity

Energy Purchase Price (EPP)	**2,375,607**	943,216
Late Payment Interest (LPI)	**10,822**	5,119
Less: Sales tax	**(316,782)**	(97,518)
	2,069,647	850,817
	81,565,482	75,267,958

28.4 It includes indirect exports of Rs. 25,629 million (2022: Rs. 35,312 million).

28.5 This represents realised exchange gain on export sales.

28.6 Disaggregation of export sales into geographical area:

	2023	2022
	---------- (Rupees in '000) ----------	
- Albania	**14,618**	31,474
- Australia	**117,438**	110,995
- Bangladesh	**397,927**	644,917
- Brazil	**234,598**	156,246
- Bulgaria	**131,927**	-
- Belgium	**798,479**	492,398
- Canada	**25,190**	-
- China	**14,549,826**	23,607,642
- Denmark	**117,338**	467,804
- Egypt	**184,622**	5,997
- Germany	**1,152,976**	1,797,683
- Greece	**749,027**	517,993
- France	**561,886**	314,584
- Ireland	**12,409**	-
- Italy	**770,911**	611,954
- Hong Kong	**32,105**	355,633
- Japan	**672,961**	254,930
- Korea	**366,920**	230,648
- Malaysia	**39,540**	-
- Mexico	**51,889**	-
- Netherlands	**202,608**	19,394
- New Zealand	**49,600**	21,682
- Philippines	**20,456**	39,212
- Poland	**175,911**	48,315
- Portugal	**1,182,575**	890,587
- Paraguay	**16,803**	-
- Panama	**26,893**	-
- Russia	**176**	-
- Singapore	**1,566,591**	2,673,828
- Saudi Arabia	**48,745**	26,449
- South Africa	**55,474**	53,808
- Spain	**2,520,230**	530,620
- Sweden	**187,077**	83,641
- Switzerland	**-**	204,967
- Taiwan	**154,128**	104,285
- Turkey	**1,440,862**	1,238,136
- UAE	**530,472**	-
- UK	**3,929,110**	18,455
- USA	**1,694,009**	181,089
- Vietnam	**237,439**	-
- Indirect exports	**25,628,508**	34,992,353
Total sales	**60,650,256**	70,727,719
Less: Sales tax on indirect exports	**(3,775,080)**	(6,002,984)
	56,875,176	64,724,735

	Note	2023	2022
		-------- (Rupees in '000) --------	
29 DIRECTLY ATTRIBUTABLE COST FOR GENERATING REVENUE			
Raw material consumed	29.1	**59,620,149**	46,120,761
Manufacturing expenses	29.3	**15,409,509**	13,320,072
Outside purchases			
yarn for processing including conversion cost		**-**	35,816
yarn for processing excluding conversion cost		**654,263**	1,634,051
		75,683,921	61,110,700
Work in process			
- Opening		**1,325,962**	1,224,795
- Closing		**(2,472,745)**	(1,325,962)
		(1,146,783)	(101,167)
Cost of goods manufactured		**74,537,138**	61,009,533
Finished goods			
- Opening		**2,053,132**	1,817,354
- Closing		**(3,813,849)**	(2,053,132)
		(1,760,717)	(235,778)
Waste			
- Opening		**146,593**	103,593
- Closing		**(282,309)**	(146,593)
		(135,716)	(43,000)
		72,640,705	60,730,755

29.1 Raw material consumed

	Note	2023	2022
Opening stock		**13,335,315**	7,183,433
Purchases		**61,363,955**	52,272,643
		74,699,270	59,456,076
Closing stock	10	**(15,079,121)**	(13,335,315)
	29.2	**59,620,149**	46,120,761

29.2 This includes cost of raw material sold amounting to Rs. 787.911 million (2022: Rs. 1077.091 million).

29.3 Manufacturing expenses

Salaries, wages and benefits	29.3.1	**4,291,565**	3,733,462
Utilities		**4,887,982**	4,091,494
Stores and spares consumed		**2,171,407**	2,062,273
(Reversal) / provision made during the year	9.1	**(88,769)**	19,231
Packing material consumed		**1,111,620**	1,040,342
Repairs and maintenance		**389,161**	164,852
Insurance		**136,801**	84,429
Rates and taxes		**6,201**	10,961
Depreciation on operating fixed assets	5.1.1	**2,329,324**	1,687,682
Depreciation on right-of-use assets		**959**	959
Others		**173,258**	424,387
		15,409,509	13,320,072

29.3.1 It includes staff retirement benefits Rs. 149.781 million (2022: Rs. 168.554 million)

30 OTHER INCOME

	Note	2023	2022
		---------- (Rupees in '000) ----------	
Scrap sales		**56,272**	46,038
Gain on disposal of operating fixed assets - net		**-**	33,839
Duty drawback, rebates and others		**144,100**	335,428
Capital gain on sale of other financial assets		**-**	136
Amortization of deferred Government Grants	22.2	**97,446**	43,469
Profit on term finance certificates		**15,851**	33,432
Profit on fixed deposits		**85,627**	19,267
Exchange gain on forward contract booking		**58,760**	95,837
Unrealized gain on revaluation of foreign currency debtors	30.1	**8,810**	123,609
Exchange gain - others		**216,290**	69,809
Reversal of bad debt expense		**-**	2,422
Dividend income		**16,570**	4,561
Other operating income		**-**	8,473
		699,726	816,320

30.1 This arises due to devaluation of Pakistan Rupee against US Dollar as at the year end which results in exchange gain on revaluation of foreign currency debtors.

		Note	2023	2022
			---------- (Rupees in '000) ----------	
31	**DISTRIBUTION COST**			
	Export			
	Ocean freight		**441,410**	724,653
	Export development surcharge		**81,107**	70,251
	Insurance expense		**3,378**	1,123
	Export charges		**453,792**	121,325
			979,687	917,352
	Local			
	Freight and other		**135,957**	135,178
	Insurance		**2,733**	5,653
	Salaries and wages	31.1	**126,543**	108,018
	Travelling and conveyance		**24,311**	13,435
	Telephone and postage		**47,966**	26,259
	Marketing and promotion		**119,254**	79,960
	Others		**28,966**	9,343
			485,730	377,845
			1,465,417	1,295,198

31.1 It includes staff retirement benefits Rs. 2.406 million (2022: Rs. 1.936 million).

		Note	2023	2022
			---------- (Rupees in '000) ----------	
32	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	32.1	**345,190**	333,969
	Directors' remuneration other than meeting fees		**233,231**	162,112
	Meeting fees		**1,094**	675
	Repairs and maintenance		**15,712**	11,316
	Postage and telephone		**19,130**	14,821
	Traveling and conveyance		**26,457**	5,921
	Vehicles running		**52,837**	38,264
	Printing and stationery		**7,863**	4,512
	Short term lease, rates and taxes		**5,583**	4,662
	Utilities		**19,862**	14,935
	Entertainment		**6,423**	5,618
	Fees and subscription		**32,984**	35,408
	Insurance		**12,807**	10,318
	Legal and professional		**43,158**	8,298
	Charity and donations	32.2	**4,080**	260
	Auditor's remuneration	32.3	**5,851**	5,206
	Depreciation on operating fixed assets	5.1.1	**92,862**	72,588
	Depreciation on right-of-use assets	5.5	**18,627**	19,635
	Amortization on intangible assets	6	**2,244**	2,419
	Advertisement		**1,345**	47
	Allowance for expected credit loss on trade debts		**5,685**	-
	Others		**13,737**	11,319
			966,762	762,303

32.1 It includes staff retirement benefits of Rs. 5.301 million (2022: Rs. 6.249 million).

32.2 This represents donation of Rs. 3 million made to "All Pakistan Textile Mills Association". None of the directors and their spouses have any interest in the donees' fund.

		Note	2023	2022
			---------- (Rupees in '000) ----------	
32.3	**Auditor's remuneration**			
	Audit fee		**4,687**	4,223
	Interim review fee		**500**	375
	Fee for certifications		**188**	183
	Out of pocket expenses		**476**	425
			5,851	5,206
33	**OTHER OPERATING EXPENSES**			
	Workers' Profits Participation Fund	24.2	**132,209**	548,374
	Workers' Welfare Fund	24.3	**7,690**	645
	Loss on disposal of operating fixed assets - net		**26,987**	-
	Realised exchange loss on foreign currency		**294,627**	224,649
	Unrealized loss on revaluation of foreign currency loans		**145,223**	12,706
	Unrealized loss on other financial assets		**6,021**	9,135
	Unrealised loss on derivative financial instrument		**-**	45,035
	Realised loss on other financial assets		**3,297**	-
			616,054	840,544

		Note	2023	2022
			---------- (Rupees in '000) ----------	
34	**FINANCE COST**			
	Mark-up on:			
	- long-term finance		**1,527,992**	417,758
	- short-term borrowings		**1,943,724**	991,630
	- lease liability		**6,982**	8,130
	Amortization of transaction cost		**21,088**	11,673
	Bank charges and commission		**69,833**	81,872
	Discounting charges on letters of credit		**127,991**	86,400
	Unwinding of Government Infrastructure Development Cess		**41,693**	65,515
	Interest on Workers' Profits Participation Fund		**5,174**	1,686
			3,744,477	1,664,664
	Less: Profit on bank deposit		**(24,566)**	(1,499)
	Less: amounts included in the cost of qualifying asset	5.4.2	**(155,428)**	-
			3,564,483	1,663,165

35 TAXATION

	2023	2022
Current		
- For the year	**1,149,910**	1,010,261
- Prior year	**(158,483)**	(87,301)
Deferred	**31,100**	(75,634)
	1,022,527	847,326

35.1 Relationship between tax expense and accounting profit

Accounting profit before tax	**3,014,644**	10,829,919
Tax rate	**29%**	29%

	2023	2022
	---------- (Rupees in '000) ----------	
Tax on accounting profit	**874,247**	3,140,677
Effect of:		
Income chargeable to tax at reduced rates	**(21,847)**	(801)
Income chargeable to tax under final tax regime	**(36,996)**	(1,842,551)
Impact of permanent differences	**-**	33,828
Prior year	**(158,483)**	(87,301)
Impact of super tax	**162,750**	(233,591)
Impact of minimum tax credit	**171,756**	(87,301)
Deferred tax	**31,100**	(75,634)
Tax charge as per accounts	**1,022,527**	847,326

36 EARNINGS PER SHARE - BASIC AND DILUTED

36.1 Basic earnings per share

	2023	2022
	---------- (Rupees in '000) ----------	
Profit for the year	**1,992,117**	9,982,593
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	**54,221,196**	54,221,196
Earnings per share - Basic and diluted	**36.74**	184.11

36.2 No figures for diluted earnings per share have been presented as the Holding Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

	Note	2023	2022
		-------- (Rupees in '000) --------	
37 CASH GENERATED FROM OPERATIONS			
Profit before taxation		**3,014,644**	10,829,919
Adjustments for non cash and other items:			
Depreciation on operating fixed asset	5.1.1	**2,422,186**	1,761,228
Depreciation on right-of-use assets	5.5.2	**19,586**	19,635
Amortization on intangible assets	32	**2,244**	2,419
Provision for gratuity	22.1	**157,488**	177,457
Provision / (reversal) of allownace of expected credit loss	32	**5,685**	(2,422)
(Reversal) / provision for slow moving and obsolete stores		**(88,769)**	19,231
Capital loss / (gain) on sale of other financial assets	30	**3,297**	(136)
Unrealized capital loss on other financial assets	30	**6,021**	9,135
Unrealized gain on revaluation of foreign currency debtors	30	**(8,810)**	(123,609)
Loss / (gain) on disposal of operating fixed assets	30	**26,987**	(33,839)
Profit on term finance certificates	30	**-**	(33,432)
Dividend income	30	**(16,570)**	(4,561)
Unwinding of deferred government grant	30	**(97,446)**	(43,469)
Finance cost	34	**3,344,358**	1,419,204
Unwinding of Gas Infrastructure Development Cess	34	**41,693**	65,515
Share of profit from associate	7.1	**(2,857)**	(37,606)
Unrealised loss on foreign currency loans	30	**145,223**	12,706
Unrealised loss on foreign currency		**402**	(1,699)
Cash generated before working capital changes		**8,975,362**	14,035,676
Working capital changes:			
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(281,156)**	(327,574)
Stock-in-trade		**(4,712,238)**	(7,138,087)
Trade debts		**(2,851,354)**	(7,199,414)
Loans and advances		**(252,587)**	152,788
Trade deposits and short term prepayments		**(16,422)**	(73,340)
Other receivables		**114,165**	(227,154)
Long term deposits		**50**	(653)
		(7,999,542)	(14,813,434)
Increase / (decrease) in current liabilities			
Trade and other payables		**(94,982)**	1,360,136
Short term borrowings (excluding running finance)		**951,416**	4,013,196
Cash generated from operations		**1,832,253**	4,595,574

	Note	2023	2022
		---------- (Rupees in '000) ----------	
38 CASH AND CASH EQUIVALENTS			
Cash and bank balances	17	**1,008,130**	1,172,533
Short-term borrowings	26	**(8,513,579)**	(2,167,124)
		(7,505,449)	(994,591)

39 REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements for remuneration, including all benefits to chief executive officer, executives and directors of the Group are given below:

Particulars	**Chief Executive Officer**	**Directors**		**Executives**	**Total**
		Executive	**Non-Executive**		
	--	----------Rupees in '000	----------	----------	----------
Remuneration including benefits	**69,336**	**128,995**	**-**	**412,336**	**610,667**
Retirement benefits	**-**	**-**	**-**	**29,068**	**29,068**
Medical	**-**	**-**	**-**	**3,113**	**3,113**
Utilities	**2,460**	**6,252**	**7,835**	**2,824**	**19,370**
Travelling	**3,694**	**-**	**-**	**22,180**	**25,874**
Vehicle running	**843**	**277**	**-**	**-**	**1,120**
Bonus and others	**26,332**	**-**	**-**	**19,009**	**45,341**
Insurance	**1,735**	**-**	**-**	**-**	**1,735**
Meeting fees	**-**	**-**	**1,094**	**-**	**1,094**
Total	**104,400**	**135,524**	**8,929**	**488,530**	**737,382**
Number of persons	**4**	**11**	**15**	**171**	**201**

Particulars	Chief Executive Officer	Directors		Executives	Total
		Executive	Non-Executive		
	--	----------Rupees in '000	----------	----------	----------
Remuneration	63,536	111,825	-	323,475	498,836
Retirement benefits	2,240			15,735	17,975
Medical	-	-	-	2,340	2,340
Utilities	2,271	2,727	5,981	1,835	12,814
Travelling	466	-	-	11,316	11,782
Entertainment	-	-	-	168	168
Vehicle running	843	277	-	2,734	3,854
Bonus and others	15,240	-	-	10,745	25,985
Insurance	944	-	-	497	1,441
Meeting fees	-	-	-	675	675
Total	85,540	114,829	5,981	369,520	575,870
Number of persons	4	10	8	129	151

39.1 Group maintained cars and cellular phones are provided to Chief Executive Officers, directors and executives.

40 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textiles Mills Limited), entities with common directorship, key management personnel. The Group carries out transactions with related parties on agreed terms. Remuneration of key management personnel is disclosed in note 39 to the consolidated financial statements and amount payable in respect of staff retirement benefits is disclosed in note 22. Significant transactions with related parties other than those shown elsewhere in these consolidated financial statements, are as follows:

Relationship	Nature of transactions	2023	2022
		Rupees in '000	
Associate (shareholding : 0.99 percent), Sunrays Textile Mills Limited	Purchase of goods and services	**129,860**	292,721
Indus Heartland Limited - Associate due to common directorship	Purchase of Land	**-**	837,000
Directors	Dividend paid	**72,122**	153,260
Spouses and sons of Directors	Rentals paid	**20,986**	19,078
Balances with related parties			
Associate - payable, Sunrays Textile Mills Limited		**-**	2,509

41 FINANCIAL INSTRUMENTS BY CATEGORY

	2023	2022
	(Rupees in '000)	
Financial assets		
At amortised cost		
Long-term deposits	**19,848**	19,898
Trade debts	**17,490,955**	14,636,476
Loans	**12,987**	11,158
Other receivables	**363,662**	477,827
Trade deposits	**9,864**	23,599
Cash and bank balances	**1,008,130**	1,172,533
	18,905,446	16,341,491
At fair value through profit or loss		
Other financial assets	**140,180**	76,688
	19,045,626	16,418,179

Financial liabilities		
At amortised cost		
Long-term financing	**23,822,721**	21,588,151
Trade and other payables	**3,388,811**	3,960,895
Short-term borrowings	**20,078,366**	12,635,272
Unclaimed dividends	**19,009**	3,735
Interest / mark-up payable	**959,534**	331,015
Lease liabilities	**77,214**	94,593
	48,345,655	38,613,661

42 FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management. The responsibility includes developing and monitoring the Group's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Group's financial risk exposures.

The Group’s principal financial liabilities comprise long-term financing, short-term borrowings, trade and other payables, interest/dividend payable and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Group’s operations. The Group has loans and advances, trade and other receivables, cash and bank balances and deposits that arise directly from its operations. The Group also holds long-term and short term investments.

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk).

The Group's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

42.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities 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 Group's performance to developments affecting a particular industry. The Group's does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Group arises principally from the trade debts, loans and advances, other financial assets (mutual funds) and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

42.2 Liquidity risk management

Liquidity risk is the risk that the Group 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 Group could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group’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 Group's reputation. The Group ensures that it has sufficient cash on demand to meet expected working capital requirements. Following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

42.2.1 Liquidity and interest risk table

The following tables displays the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Carrying Values	Contractual Cash Flows	Upto 1 years	1 to 5 years	More than 5 years
	-------------------------------------	-------------------------------------	Rupees in '000'	-------------------------------------	-------------------------------------
Long-term financing	**23,822,721**	**33,449,561**	**2,236,601**	**17,198,254**	**14,014,706**
Trade and other payables	**3,388,811**	**3,388,811**	**3,388,811**	**-**	**-**
Short-term borrowings	**20,078,366**	**20,078,366**	**20,078,366**	**-**	**-**
Unclaimed dividends	**19,009**	**19,009**	**19,009**	**-**	**-**
Interest / mark-up payable	**959,534**	**959,534**	**959,534**	**-**	**-**
Lease liabilities	**77,214**	**119,540**	**23,884**	**61,416**	**34,240**
2023	**48,345,655**	**58,014,821**	**26,706,205**	**17,259,670**	**14,048,946**

	Carrying Values	Contractual Cash Flows	Upto 1 years	1 to 5 years	More than 5 years
	-------------------------------------	-------------------------------------	Rupees in '000'	-------------------------------------	-------------------------------------
Long-term financing	21,588,151	27,473,779	2,067,958	15,429,802	9,976,019
Trade and other payables	3,960,895	3,960,895	3,960,895	-	-
Short-term borrowings	12,635,272	12,635,272	12,635,272	-	-
Unclaimed dividends	3,735	3,735	3,735	-	-
Interest / mark-up payable	331,015	331,015	331,015	-	-
Lease liabilities	94,593	141,207	21,091	85,876	34,240
2022	38,613,661	44,545,903	19,019,966	15,515,678	10,010,259

The effective rate of interests on non-derivative financial liabilities are disclosed in respective notes.

	2023	2022
	-------- (Rupees in '000)	--------
Long-term deposits	**19,848**	19,898
Trade debts	**17,490,955**	14,636,476
Loans	**12,987**	11,158
Other receivables	**363,662**	477,827
Trade deposits	**9,864**	23,599
Bank balances	**1,000,039**	1,148,585
	18,897,355	16,317,543

The credit quality of receivable can be assessed with reference to their historical performance with negligible defaults in recent history.

Trade debts are due from foreign and local customers for export and local sales respectively. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. Though there are few past due trade debts, however, such are not impaired as per management assessment.

Credit risk related to equity investments and cash deposits

The Group limits its exposure to credit risk of investments by only investing in listed mutual funds units having good stock exchange rating. Credit risk from balances with banks and financial institutions is managed by Finance Director in accordance with the Group's policy.

The credit risk on liquid funds (bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Group maintains its bank balances are as follows:

Name of bank	Rating agency	Credit rating	
		Long-term	Short-term
Habib Bank Limited	VIS	AAA	A-1+
J.S Bank Limited	PACRA	AA-	A1+
Soneri Bank Limited	PACRA	AA-	A1+
MCB Bank Limited	PACRA	AAA	A1+
Allied Bank Limited	PACRA	AAA	A1+
Dubai Islamic Bank (Pakistan) Limited	VIS	AA	A-1+
United Bank Limited	VIS	AAA	A-1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Meezan Bank Limited	VIS	AAA	A-1+
Bank Alfalah Limited	PACRA	AA+	A1+
Bank Islami Pakistan	PACRA	AA-	A1
Askari Bank Limited	PACRA	AA+	A1+
Bank Al-Habib Limited	PACRA	AAA	A1+
National Bank of Pakistan	PACRA	AAA	A1+
Standard Chartered Bank (Pakistan) Limited	PACRA	AAA	A1+
The Bank of Punjab	PACRA	AA+	A1+
Faysal Bank Limited	PACRA	AA	A1+

42.3 Market risk management

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

42.3.1 Interest rate risk management

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 risk arises from long and short-term borrowings from financial institutions. At the reporting date the interest rate risk profile of the Group's interest-bearing financial instruments is:

	Carrying amount 2023	Carrying amount 2022
	---------- (Rupees in '000) ----------	
Fixed rate instruments		
Financial liabilities	**26,168,660**	26,434,943
Variable rate instruments		
Financial liabilities		
- KIBOR based	**10,750,317**	2,572,936
- LIBOR based	**7,068,976**	5,323,500
Financial assets		
- KIBOR based	**494,613**	294,384

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended June 30, 2023 would decrease / increase by Rs. 86.623 million (2022: Rs. 38.01 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings determined on outstanding balance at year end.

42.3.2 Foreign exchange risk management

Exposure to currency risk	2023 Rupees	2023 US Dollar	2022 Rupees	2022 US Dollar
	---------- '000 ----------			
Trade debts	**7,255,830**	**25,371**	3,644,382	17,810
Bank balances	**216,643**	**758**	607,360	2,968
Foreign currency loans	**(16,156,259)**	**(56,492)**	(15,189,607)	(74,233)
	(8,683,786)	**(30,363)**	(10,937,865)	(53,455)

	2023	2022
Reporting date rate	**285.99**	204.62
Average rate	**286.18**	204.37

At June 30, 2023, if the Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 434.189 million (2022: higher / lower by Rs. 546.893 million) determined on the outstanding balance at year end. Profit / (loss) is sensitive to movement in Rupee / foreign currency exchange rates in 2023 than 2022 because of high fluctuation in foreign currency exchange rates.

42.3.3 Equity price risk management

The Group's listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 140.18 million (2022: Rs. 76.688 million). A decrease / increase of 5% in market prices or net assets value would have an impact of approximately Rs. 7.009 million (2022: Rs. 3.834 million) on profit for the year determined based on market value of investments at year end.

42.3.4 Fair value estimation

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

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Group is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Details of fair value hierarchy and information relating to fair value of Company's investment categorised as fair value through profit or loss is as follows:

	Note	June 30, 2023 Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Financial assets measured at fair value					
Other financial assets	14	**140,180**	**-**	**-**	**140,180**

	Note	June 30, 2022 Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Financial assets measured at fair value					
Other financial assets	14	76,688	-	-	76,688

There were no transfers amongst the levels during the current and preceding year. The Group's policy is to recognize transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

43 CAPITAL RISK MANAGEMENT

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

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at June 30, 2023 and 2022 were as follows:

	2023	2022
	(Rupees in '000)	
Total borrowings (note 20 & 26)	**43,901,087**	34,223,423
Less: cash and bank balances (note 17)	**(1,008,130)**	(1,172,533)
Net debt	**42,892,957**	33,050,890
Total equity	**31,481,480**	29,635,026
Total capital	**74,374,437**	62,685,916
Gearing ratio	**58%**	53%

The gearing ratio of the Group is increased by 5% as the Group obtained the debt to finance the expansion made.

44 CAPACITY AND PRODUCTION

Spinning units	**2023**	**2022**
Total number of spindles installed	**237,509**	241,464
Total number of spindles worked per annum (average)	**209,177**	239,243
Number of shifts worked per day	**3**	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	**163,105,380**	164,096,500
Actual production for the year after conversion into 20 counts (lbs.)	**155,047,156**	140,584,295
Power Generation unit		
Installed capacity (theoretical maximum output in MWh) (25 turbines of 2 MW each)	**438,000**	117,600
Actual production (MWh)	**151,860**	76,600
Capacity utilization factor	**34.67%**	65.14%

Theoretical maximum output is of 365 days (2022: 98 days from COD). The Capacity utilization factor calculated above is total gross generation of 365 days (2022: 98 days from COD) over theoretical maximum output of 365 days (2022: 98 days from COD). The actual production is subject to actual load demanded and wind conditions.

Weaving unit	**2023**	**2022**
Normal capacity (Lbs)	**29,062,687**	29,062,687
Actual Production (Lbs)	**20,554,296**	24,503,330

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

45 SEGMENT REPORTING

The Group's core business is manufacturing and sale of yarn and it generates more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office led by Chief Executive Officer who is continuously involved in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently the Group has five yarn manufacturing units at Hyderabad, Karachi, Muzaffargarh, Faisalabad and Lahore. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products and the nature of the regulatory environment, all the yarn producing units are aggregated into a single operating segment and the Group's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments. The Group also has two ginning units including one on leasing arrangement in District Multan. The Group also holds investments in equity shares of listed companies, long-term strategic investments in an associated company results of which are disclosed in note 7.1 to these consolidated financial statements.

46 NUMBER OF EMPLOYEES

	Number of employees 2023	Number of employees 2022
Average number of employees during the year	**7,411**	6,185
Number of employees as at June 30	**7,037**	6,611

46.1 Daily wage employees are not included in the above number of employees.

47 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long term financing	Dividend	Lease liabilities
	Rupees '000'		
Balance as at July 1	**21,588,151**	**3,735**	**94,593**
Non cash item	**1,380,079**	**108,442**	**6,982**
Financing cash inflows	**2,870,031**	**-**	**-**
Financing cash outflows	**(2,015,540)**	**(93,168)**	**(24,361)**
	23,822,721	**19,009**	**77,214**

48 CORRESPONDING FIGURES

Corresponding figures have been reclassified in these consolidated financial statements, wherever necessary to facilitate the comparison and to conform with changes and presentation in the current year. However, no significant reclassifications were made in the consolidated financial statements.

49 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements have been authorised for issue on **October 4th, 2023** by the Board of Directors of the Group.

50 GENERAL

Figures have been rounded off to the nearest rupees in thousand.

Chief Financial Officer | Chief Executive Officer | Director

ماحول، صحت اور حفاظت

آپ کی کمپنی پیداواری سہولیات پر تمام ماحولیاتی پالیسیوں کی تعمیل کرتے ہوئے ہر ایک کے لیے مناسب ماحول کی دستیابی کے لیے پرعزم ہے۔

اندورنی آڈٹ

بورڈ نے کمپنی کے کاروبار کو آگے بڑھانے کے لئے آپریشنل، مالی اور تعمیل کنٹرول کے ساتھ موثر اور توانائی بخش اندرونی کنٹرول سسٹم قائم کیا ہے۔ داخلی (انٹرنل) آڈٹ کے نتائج کا آڈٹ کمیٹی کے ذریعہ جائزہ لیا جاتا ہے، اور جہاں ضروری ہو، داخلی (انٹرنل) آڈٹ رپورٹس میں شامل سفارشات کی بنیاد پر کاروائی کی جاتی ہے۔

ممبران کی ترتیب

ممبران کی ترتیب کا خاکہ 30 جون 2023ء کی رپورٹ کے ساتھ منسلک کیا گیا ہے۔

تعمیل اور آڈٹ جائزہ کا بیان

تعمیل اور آڈٹ جائزہ کا بیان 30 جون 2023ء کی رپورٹ کے ساتھ منسلک کیا گیا ہے۔

ویب سائٹ کی موجودگی

کمپنی کے سالانہ اور متواتر مالی بیانات بھی کمپنی کی ویب سائٹ http://www.indus-group.com پر دستیاب ہے۔ شراکتی حصے داروں اور دیگر معلومات کے لیے۔

اظہار تشکر

ہم کمپنی کے ہر ملازم کی شراکت کو تسلیم کرتے ہیں۔ ہم اپنی مصنوعات پر ظاہر اعتماد اور کمپنی کو بینکاری فراہم کرنے اور مستقل طور پر کمپنی اور صارفین کے رشتے کو برقرار رکھنے پر صارفین اور بینکرز کا شکریہ ادا کرنا چاہتے ہیں۔

ہم اپنے شراکت داروں کے، ہمارے انتظامیہ پر ان کے اعتماد کے شکرگزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

میاں عمران احمد	**میاں شہزاد احمد**
ڈائریکٹر	**چیف ایگزیکیوٹو آفیسر**
	بتاریخ 04، اکتوبر 2023ء
	کراچی۔

انسانی وسائل اور معاوضہ کمیٹی

کمیٹی کی تشکیل۔

۱۔ جناب فیصل حنیف (چیئرمین)

۲۔ محترمہ فادیہ کاشف (ممبر)

۳۔ جناب شیخ شفقت مسعود (ممبر)

ایک اجلاس مالی سال کے دوران جولائی 2022 سے جون 2023 تک منعقد ہوا۔ اجلاس میں تینوں ممبران شریک تھے۔

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے ایک مکمل فنکشنل آڈٹ کمیٹی تشکیل دی، جس میں تین ممبران شامل ہیں: ایک آزاد ڈائریکٹر ہے اور دو Non-Executive ڈائریکٹرز۔ کمیٹی کے حوالے کی اصطلاح، شفاف داخلی آڈٹ، اکاؤنٹنگ اور کنٹرول سسٹم، رپورٹنگ کے مناسب ڈھانچے کے ساتھ ساتھ کمپنی کے اثاثوں کی حفاظت کے لئے مناسب اقدامات کا تعین کرنے پر مشتمل ہے۔

آڈٹ کمیٹی کے اجلاس:

جولائی 2022ء سے جون 2023ء کے درمیان چار میٹنگز منعقد ہوئیں۔ تمام Non-Executive ڈائریکٹر بشمول چیئرمین موجود تھے۔

سال کے دوران کمیٹی کی تشکیل اور حاضری کی صورتحال:

ممبران کے نام	میٹنگز	حاضری
جناب فیصل حنیف	4	4
جناب عرفان احمد	4	4
جناب شیخ شفقت مسعود	4	4

بورڈ نے اپنے ڈائریکٹرز (Executive/Non-Executive) کے لئے باقاعدہ معاوضہ کی پالیسی رکھی ہے جو بورڈ آف ڈائریکٹر کے ذریعے منظور شدہ ہے۔ پالیسی کو HR حکمت عملی کے ایک جزو کے طور پر ڈیزائن کیا گیا ہے اور دونوں کو کاروباری حکمت عملی کی حمایت کرنے کی ضرورت ہے۔ بورڈ کا خیال ہے کہ بہترین ایگزیکیٹیو اور ہدایت کاروں کو راغب کرنے کمپنی کو چلانے اور سنبھالنے کے ساتھ ساتھ ڈائریکٹرز، ایگزیکیٹیو اور شیئر ہولڈرز (حصہ یافتگان/شراکتی حصہ داروں) کے مابین پیدا کرنے اور اسے برقرار رکھنے کی اہلیت میں پالیسی مناسب اور موثر ہے۔

آڈیٹرز کی تقرری (شمولیت)

یوسف عادل، چارٹرڈ اکاؤنٹنٹ، ایک آزاد نامہ نگار اور معروف چارٹرڈ اکاؤنٹس فرم نے کمپنی کے ساتھ اپنی تقرری کی مدت پوری کی اور اہل ہونے کی وجہ سے اس نے دوسری مدت کے لیے اپنی خدمات پیش کیں۔ کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ کی آڈٹ کمیٹی کی سفارش کی بنیاد پر یوسف عادل کو یقینی بنانے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر دوبارہ تقرری کی تجویز دی ہے۔

30 جون 2023 پر موجود ڈائریکٹرز کے نام درج ذیل ہیں۔

جناب نوید احمد	چیئرمین
میاں شہزاد احمد	چیف ایگزیکیوٹیو آفیسر
میاں عمران احمد	ڈائریکٹر
جناب عرفان احمد	ڈائریکٹر
جناب کاشف ریاض	ڈائریکٹر
جناب شیخ شفقت مسعود	ڈائریکٹر
جناب فیصل حنیف	ڈائریکٹر
محترمہ عذرا یعقوب واوڈا	ڈائریکٹر
جناب عامر امین	ڈائریکٹر (این۔آئی۔ٹی)
محترمہ مفادیہ کاشف	ڈائریکٹر

بورڈ آف ڈائریکٹرز

زیر نظر سال کے دوران سی ای او، ڈائریکٹرز، شریک حیات اور نابالغ میں گفٹ کے ذریعے مندرجہ ذیل تبادلہ ہوا۔

	حصص
میاں عمران احمد	(1,474,288)
جناب کاشف ریاض	(5,442,000)

بورڈ اور اس کے اجلاس

سال 23-2022 کے دوران ہدایت کاروں/بورڈ آف ڈائریکٹرز کے اجلاس اور اس کی حاضری:

ڈائریکٹرز کا نام	اہلیت	حاضری
جناب نوید احمد	7	7
میاں شہزاد احمد	7	7
جناب عرفان احمد	7	7
میاں عمران احمد	7	7
جناب کاشف ریاض	7	7
جناب شیخ شفقت مسعود	7	7
جناب فیصل حنیف	7	7
محترمہ عذرا یعقوب واوڈا	7	7
جناب عامر امین	7	7
محترمہ مفادیہ کاشف	7	7

کارپوریٹ گورننس، مالیاتی رپورٹنگ اوراندرونی کنٹرول سسٹم۔

کمپنی اچھی کارپوریٹ گورننس اور بہترین طریقہ کار کے ساتھ تعمیل کے لئے پرعزم ہے۔کارپوریٹ گورننس کے ضابطہ اخلاق کی وہ ضروریات جن کے مطابق پاکستان اسٹاک ایکسچینج نے ان کی فہرست سازی کے ضوابط طے کیے ہیں۔اس بارے میں ایک بیان اس رپورٹ کے ساتھ منسلک ہے۔

ہمیں اطلاع دیتے ہوئے خوشی ہے:

- کمپنی کے زیرنظام تیارکردہ مالی بیانات،اس کی صورتحال،اسکے کام،نقد بہاؤاورایکیوٹی میں بدلاؤ کے نتیجے کومنصفانہ طور پرپیش کرتے ہیں۔
- کمپنی کے حساب کتاب سے متعلق دستاویزات وضاحت کے ساتھ رکھی گئی ہیں۔
- مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پرلاگوکی گئیں اوروہاں سے کسی بھی طرح کی تبدیلی کامناسب طور پرانکشاف کیا گیااور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کانظام مستحکم ہےاورموثر طریقے سے نافذ اورنگرانی کی گئی ہے۔کنٹرول کے طریقہ کار پرزور دیا جارہاہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی کی پالیسیوں پرعمل پیراہیں اورکسی بھی قسم کی عدم استحکام کی صورت میں بروقت اصلاح کی جاسکے۔
- بورڈ پراعتماد ہے کہ کمپنی مستحکم طور(Going Concern) پرچل رہی ہے،آڈیٹرز نے بھی اپنی رپورٹ میں اس پرزوردیاہے،تاہم ان مالی شماریات کو مالی بیانات میں وجوہات کومکمل طور پرواضح کیاہےاور مستحکم کے مفروضے(Going Concern) پرتیارکیاہے۔
- پچھلے چھ سالوں کے متعلقہ اعدادوشمار(تفصیلات)بھی منسلک ہے۔
- ٹیکس،ڈیوٹی،محصول کے حساب سے کوئی ادائیگی نہیں ہے،جوکہ جون 30،2023ء سے بقایاہیں،سوائے اُن کےجن کامالی بیانات میں انکشاف کیا گیا ہے۔

بورڈ کی تشکیل

بورڈ کی تشکیل کوڈ آف کارپوریٹ گورننس ریگولیشن،2019 کے ضابطوں کی ضروریات کے مطابق ہے جوکہ لمیٹڈ کمپنیوں پرلاگوہوتے ہیں درج ذیل ہیں۔

ڈائریکٹرز کی کل تعداد

ا۔مرد ڈائریکٹر	08
ب۔خاتون ڈائریکٹر	02

تشکیل

ا۔Independent Director	03
ب۔Executive Director	03
پ۔Non-Executive Director	04

مستقبل کے نقطہ نظر

پاکستان کی ٹیکسٹائل اور ملبوسات کی برآمدات کو گذشتہ مالی سال کے دوران متعدد چیلنجز کا سامنا رہا ہے۔ عالمی اقتصادی سست روی نے پاکستان سمیت بڑے سپلائر ممالک کے لیے ٹیکسٹائل کی برآمدات کو بری طرح متاثر کیا ہے۔ اس کے علاوہ ملک کے اندر سیاسی بدامنی نے معاشی سرگرمیاں بھی متاثر کر دی ہیں۔

مالی سال 2022-23 (جولائی تا جون) میں پاکستان سے ٹیکسٹائل اور ملبوسات کی برآمدات کی مالیت میں 14.63 فیصد کمی واقع ہوئی۔ اس عرصے کے دوران پاکستان نے ٹیکسٹائل اور ملبوسات کی برآمدات سے 16.501 بلین ڈالر کمائے جو کہ 2021-22 میں 19.329 بلین ڈالر تھے۔ دریں اثنا، پاکستان کی جانب سے جولائی 2022 سے جون 2023 تک ٹیکسٹائل مشینری کی درآمدات کی مالیت 57.03 فیصد سال بہ سال نمایاں طور پر کم ہو کر 328.62 ملین ڈالر تک پہنچ گئی، جو نئی سرمایہ کاری میں کمی کو ظاہر کرتی ہے۔

مالی سال 2023 میں افراط زر کی توقعات میں کمی آنا شروع ہوئی اور بین الاقوامی مالیاتی فنڈ (IMF) کے اسٹینڈ بائی ارینجمنٹ (SBA) کے بعد مارکیٹ کے اعتماد میں اضافہ اور اس کے نتیجے میں غیر ملکی سرمائے کی آمد ان کو مزید لنگر انداز کرنے میں مدد کر سکتی ہے۔ لیکن وہ غیر معمولی طور پر مطلوبہ سطح سے اوپر رہیں گے۔ اس بات کو ذہن میں رکھتے ہوئے پالیسی کی شرح قریب کی مدت میں کم از کم 22 فیصد کی موجودہ سطح پر رہنے کی امید کی جا سکتی ہے۔

23 مارچ سے ٹیکسٹائل سیکٹر میں پیداوار میں 30 فیصد سے زیادہ کمی آئی ہے۔ آٹو موبائل سیکٹر میں پیداواری صلاحیت انتہائی کم استعمال کی گئی ہے۔ اور کاروباری رہنما اب خبردار کر رہے ہیں کہ ملک بھر میں 50 فیصد سے زیادہ صنعت بند ہونے کی طرف جا رہی ہے۔

یہ اندازہ لگایا جاتا ہے کہ آنے والے مہینوں میں کموڈٹی کی قیمتوں میں اضافے، بجلی کی قیمت، کم از کم اجرت میں اضافے، مارک اپ کی شرح وغیرہ کی وجہ سے منافع متاثر ہوگا۔ انتظامیہ کو یقین ہے کہ کمپنی اپنے تجربے، آپریشنل کارکردگی اور حکمت عملی کے ساتھ ان چیلنجوں کا مقابلہ کرنے کے قابل ہوگی۔

سماجی ذمہ داریاں

کمپنی کی انتظامیہ لوگوں کی اس بات میں مدد کرتی ہے کہ وہ اپنے اندر کام کی مہارت پیدا کریں تاکہ نہ صرف ذاتی زندگی میں بلکہ بین الاقوامی مارکیٹ میں بھی اپنی جگہ بنا سکیں۔ ہماری کمپنی لوگوں کو معلومات کی پیغام رسانی، ٹیکنالوجی اور اس کو حاصل کرنے کے لیے طریقہ کار، صحت، تعلیم اور معیار زندگی کی ترقی کے لئے تیار کرتی ہے۔ اس مقصد کے حصول کے لئے کمپنی کے مالکان اپنا وقت، تجربہ اور صلاحیتیں لوگوں کو آگاہی فراہم کرنے میں خرچ کرتے ہیں تاکہ وہ آگے بڑھ سکیں اور ان کی حوصلہ افزائی کی جا سکے۔

بیلنس شیٹ بنانے کے بعد کے معاملات

بیلنس شیٹ کے اختتامی مراحل میں اور بیلنس شیٹ بنانے کے بعد کوئی ایسا مادی یا معاملاتی معاہدہ نہیں کیا گیا جس سے بیلنس شیٹ کے اعداد و شمار میں کسی طرح کی کوئی تبدیلی واقع ہو اور وہ منفی طور پر متاثر ہو۔

متعلقہ فریقین سے لین دین

کمپنی نے متعلقہ فریقین کے معاملات کو جائزے اور منظوری کے لئے آڈٹ کمیٹی اور بورڈ کے سامنے پیش کیا۔ ان تمام لین دین کو آڈٹ کمیٹی اور بورڈ نے اپنی میٹنگ میں منظور کر لیا ہے۔ اس سے متعلقہ تمام لین دین کی تفصیلات 30 جون 2023 کی اختتامی سال کے لئے منسلک مالیاتی بیانات کے نوٹ 39 میں فراہم کی گئی ہیں۔

ڈائریکٹرز کی رپورٹ برائے ممبران

اِنڈس ڈائینگ اینڈ مینوفیکچرنگ کمپنی کے ڈائریکٹرز، کمپنی کی چھیاسٹھویں(66)، سالانہ عمومی اجلاس سے پہلے سالانہ رپورٹ 30 جون 2023ء کے اختتام پذیر مالی بیانات کے ذریعے سالانہ رپورٹ پیش کرنے پر خوش ہیں۔

کمپنی کی مالی جھلکیاں درج ذیل ہیں۔

	30 جون، سال کے اختتام پر (روپیہ 000 میں) 2023ء	2022
فروختگی	81,565,482	75,267,958
کل منافع	8,924,777	14,537,203
دیگر فعال آمدنی	699,726	816,320
مالی لاگت	(3,564,483)	(1,663,165)
ٹیکس کی فراہمی	(1,022,527)	(847,326)
ٹیکس لگانے کے بعد سال کا منافع	1,992,117	9,982,593
آمدنی فی حصص	36.74	184.11

منافع

بورڈ آف ڈائریکٹرز نے 02 جون 2023 کو منعقد ہونے والے اجلاس میں 30 جون 2023 کو ختم ہونے والے سال کے لئے 2 روپے فی حصص (20%) نقد منافع کا اعلان کیا جو کہ ادا کیا جا چکا ہے۔

کاروبار کی فطرت میں تبدیلی

سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی

فی حصص آمدنی

اس سال گروپ کی فی حصص آمدنی 36.74 روپے کے مقابلے میں پچھلے سال فی حصص آمدنی 184.11 روپے تھی۔ جبکہ اس سال کمپنی کی فی حصص آمدنی 13.06 روپے کے مقابلے میں پچھلے سال فی حصص آمدنی 141.78 روپے تھی۔

کاروباری جائزہ

فروخت میں اضافے کے ساتھ کمپنی کی کارکردگی تسلی بخش ہے۔ زیرنظر سال کے دوران کمپنی کی گروپ سیلز میں گذشتہ سال کے مقابلے میں 8.37 فیصد کا اضافہ ہوا ہے اور بعد از ٹیکس خالص منافع گذشتہ سال 9,982 ملین روپے کے مقابلے میں 1,992 ملین روپے کا منافع کمایا ہے۔

PROXY FORM
ANNUAL GENERAL MEETING

Shareholder's Folio No. ----------------------Number of shares held ------------------------------- / We. ---Of (full address) --- -- being a member of **INDUS DYEING & MANUFACTURING COMPANY LIMITED** hereby appoint.

Mr. / Mrs. / Ms. ---of (full address)--------------------------------------- --or failing him/her/ Mr. / Ms. --------------------------------of (full address) --

as my / our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 27th day of October, 2023 at 04:00 p.m. plot # 3 & 7, Sector-25 Korangi industrial Area, Karachi and at any adjourned meeting thereof.

WITNESSES	
WITNESS # 1	WITNESS # 2
SIGNATURE	SIGNATURE
NAME CNIC #	NAME CNIC #

Signature on
Rs. 5/-
Revenue Stamp

Note:

1. Proxies in order to be effective, must be received at the Company's Registered Office/ Shares Registrar not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.

2. CDC shareholders and their proxies are requested to attach an attested photocopy of their CNIC or passport with this proxy form before submission to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary
INDUS DYEING & MANUFACTURING CO. LTD.
5th Floor 508 Beaumont Plaza Beaumont Road
Civil Lines Quarters Karachi

DIVIDEND MANDATE FORM

The Company Secretary,

Subject Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/we/Messrs.,____ being the shareholder(s) of Indus Dyeing & Manufacturing Company Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividend declared by it, my bank account as detailed below:

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. / CDC IAS	
CNIC/NICOP/Passport/NTN No. (Please attach copy)	
Contact Number (landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (see Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours Sincerely

____

Signature of Shareholder
(Please affix Company stamp in case of corporate entity)

Notes:

(i) Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.

(ii) This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of banks account details for credit of cash dividend declared by the Company from time to time.

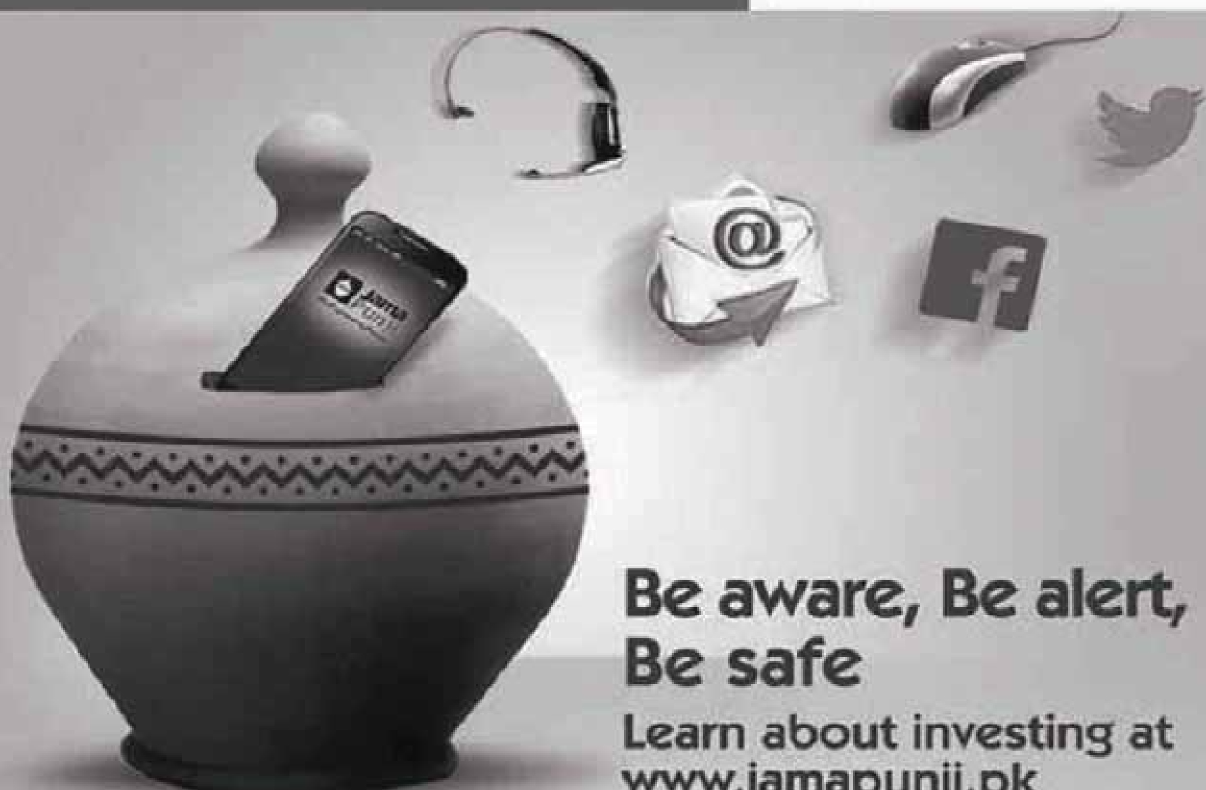
AFFIX
CORRECT
POSTAGE

The Company Secretary
INDUS DYEING & MANUFACTURING CO. LTD.
5th Floor 508 Beaumont Plaza Beaumont Road
Civil Lines Quarters Karachi

www.jamapunji.pk

Jama Punji

سرمایہ کاری سمجھداری کے ساتھ



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INDUS DYEING & MANUFACTURING COMPANY LIMITED

HEAD OFFICE :

Office # 508, 5th Floor, Beaumont Plaza,
Civil Lines Quarters,
Karachi-75563 (Pakistan)