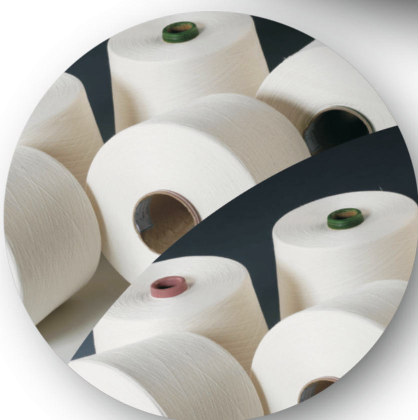
RUBY TEXTILE MILLS LIMITED



2023

Annual Report

VISION/MISSION STATEMENT

To transform the company into a modern and dynamic Textile products manufacturing company and to provide quality products to customers and explore new markets to promote/expand sales of the Company through Good Governance and foster a sound and dynamic team, so as to achieve optimum profitability for the Company for sustainable and equitable growth and prosperity of the Company, its employees and shareholders.

BOARD OF DIRECTORS	MR.NOOR ELAHI -CHIEF EXECUTIVE MRS.PARVEEN ELAHI -CHAIR PERSON Directors: MRS. NAHEED JAVED MR. IMTIAZ AHMAD MR. MUHAMMAD ASLAM ANSARI MR.AMJAD SHAHID MR.MANSOOB AHMED KHAN
CHIEF FINANCIAL OFFICER	MRS.SANIA SALEEM
COMPANY SECRETARY	MRS.SANIA SALEEM
AUDIT COMMITTEE	MR. MANSOOB AHMED KHAN -CHAIRMAN MRS.NAHEED JAVED - MEMBER MR. MUHAMMAD ASLAM ANSARI - MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. MANSOOB AHMED KHAN - CHAIRMAN MR. IMTIAZ AHMAD - MEMBER MR. MUHAMMAD ASLAM ANSARI - MEMBER
BANKERS	M/S.MEEZAN BANK LTD M/S.BANK AL-HABIB LTD M/S.HABIB METROPOLITAN BANK LTD M/S.NATIONAL BANK OF PAKISTAN M/S. SILK BANK LTD M/S. FAYSAL BANK LTD M/S. MUSLIM COMMERECIAL BANK LTD M/S. HABIB BANK LTD M/S. BANK ALFALAH LTD
AUDITORS	M/S Sarwars Chartered Accountants, Office# 12-14, 2nd Floor, Lahore Centre, 77-D, Main Boulevard, Gulberg-III, Lahore email: sarwars@sarwarsca.com Tel: 35782920-22, Fax: 35773825
INTERNAL AUDITOR	Mr. TAHIR ALI
LEGAL ADVISOR	M/S MOHSIN & WAHEED LAW ASSOCIATES Office#S-3, 2nd Floor, West End Plaza, 72-The Mall Road Lahore.
HEAD OFFICE	35-Industrial Area, Gulberg-III, Lahore-54660,Pakistan Ph#(+92-42)3571-4601,3576-1243-4 Fax:(+92-42)3571-1400, 3576-1222 Email:info@rubytextile.com.pk
REGISTERED OFFICE	35-Industrial Area, Gulberg-III, Lahore-54660,Pakistan Ph#(+92-42)3571-4601,3576-1243-4 Fax:(+92-42)3571-1400, 3576-1222 Email:info@rubytextile.com.pk
MILLS	Raiwind –Manga Road, Raiwind, District Kasur-55050, Pakistan Phone:(+92-42) 3539-1031,3539-2651-2 Fax:(+92-42)3539-1032 Email:wasim@rubytextile.com.pk
SHARE REGISTRAR	M/S CORPLINK (PVT) LTD., 1-K, (Commercial) wings Arcade., Model Town, Lahore-54700, Pakistan. Phone:(+92-42) 35916714,35916719,35839182 Fax:(+92-42) 3586-9037 Email:corplink786@gmail.com/shares@corplink.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of the Shareholders of Ruby Textile Mills Limited will be held on 26th October, 2023 at 3:00 PM at Head Office 35-Industrial Area, Gulberg-III Lahore to transact the following business:

Ordinary Business: -

1. To confirm the minutes of the 42nd Annual General Meeting held on 28th October 2022.

2. To receive, consider, approve and adopt Annual Audited Accounts of the Company together with the Director's and Auditor's Reports for the year ended June 30, 2023.

3. To appoint Statutory Auditors of the Company for the year ending June 30, 2023 and to fix their remuneration. The retiring auditors M/s Sarwars Chartered Accountants, being eligible, have offered themselves for reappointment. The Board of directors recommends, based on the recommendation of the Audit committee, the appointment of M/s Sarwars Chartered Accountants as auditors for the ensuring year.

Other Business:-

4. To transact any other business with permission of the Chair.

BY ORDER OF THE BOARD
(Sania Saleem)
Company Secretary

LAHORE
Dated: October 05, 2023

NOTES.

1. BOOK CLOSURE

The share transfer books of the Company will remain closed from 19.10.2023 to 26.10.2023 (both days inclusive). Transfers received in order at the Company's Share Registrar, M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore, before close of business on 18.10.2023 will be considered in time for the purpose of attend and vote at the Annual General Meeting of the Company.

2. FOR APPOINTING PROXIES

A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his behalf at the meeting. The instrument of the proxy duly executed in accordance with the Articles of Association of the Company must be received at the registered office of the Company not less than 48 hours before the time of holding of the meeting.

3. FOR ATTENDING MEETING

Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D numbers, to prove his/her identity, and in case of proxy must enclose and attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/sub account holders of CDC will further have to follow the guidelines as laid down in Circular No.1 of 2000 dated January 26, 2000 issued by Securities Exchange Commission of Pakistan

4. CNIC/NTN NUMBER & IBAN ON ELECTRONIC DIVIDEND (MANDATORY)

All shareholders who had not yet submitted the valid copies of CNIC, NTN certificate(s) and IBAN are requested to send the same to the Share Registrar. Shareholders of the Company who holds shares in scrip-less form on Central Depository Company of Pakistan Ltd. (CDC) are requested to update their IBAN details directly to their CDC participant (brokers)/CDC) Investor Account Services.

5. AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENT

In accordance with the provisions of section 223 and 237 of the Companies Act, 2017, the audited financial statements of the Company for the year ended on June 30, 2023 are available on the Company's website (www.rubytextile.com.pk).

6. VIDEO COFERENCING FACILITY

Pursuant to provisions of SECP circular No.10 of 2014 dated May 21, 2014, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city.

7- TRANSER OF SHARES INTO THE BOOK -ENTRY- FORM (CDC)

Pursuant to provisions of Section 72 of the Companies Act, 2017 (the Act), all shares holders who having their physical shares are requested to convert all physical shares into the book-entry-form(CDC).

8. CHANGE OF ADDRESS

Shareholders are requested to notify the change of their addresses, if any, to our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore. Tele No. 042-35839182, 042-35916714-19.

CHAIRPERSON'S REVIEW REPORT

I am pleased to enclose herewith Chairperson Review Report for the year ended June 30, 2023 as required under section 192(4) of Companies Act, 2017 on overall performance and effectiveness of the board of Ruby Textile Mills Ltd,

The challenging and complex global economic environment puts some extra pressure on the board and its roll has become more important in devising strategies and provide leadership role for the management of the company. By recognizing the importance of high standards of corporate governance that aligns with the needs of the company and the interests of all our stakeholders the leadership and effectiveness of the Board is primarily rests with the chairperson.

The board has performed and discharge its duties as per provisions of The Companies Act, 2017 , the regulations under Code of Corporate Governance Regulations 2019, guidelines and directives issued by Securities and Exchange Commission of Pakistan (SECP) and regularity compliance required for listed companies of Pakistan Stock Exchange (PSX).The Outcome of evaluation process that was conducted internally under the Corporate Governance Regulations 2019, is encouraging and depict that overall performance of the board is quite satisfactory that played an efective and active role in achieving its objectives.

The board has clear vision and mission that defines overall corporate strategy of the organization for allocating the resources, developing polices and plans and devising a formal code of conduct that drives the organization in achieving its ultimate objectives and goals.

The board has in place a well-designed risk identifcation process for risk assessment and its consequences on the organizational ability which is followed by the risk mitigating course of action and comprehensively articulated contingency plan.

The board strictly adhere to corporate governance standards and always strives for incessant improvements along with perfection. The board ensures the compliance of code with regard to the appointment of chief fnancial oficer, company secretary and head of internal audit. The board in consultation with audit committee has developed a robust internal audit department which functionally reports to the audit committee to assure independence of audit functions. The internal audit team comprised of appropriate members encompassing requite experience and skills to discharge their responsibilities efectively.

The board of directors determines the terms of reference for both audit and human resources committees headed by an independent director and complying the mandatory requirement of fnancial literate member for an audit committee under the code of corporate governance.

The board of seven directors comprised of independent director, executive director, non-executive and female directors are strictly in line with the regulations issued under the Code.

Besides, being conversant with Code, Act and regulations issued by the SECP, the Board of Directors are fully aware of their responsibilities, duties and powers under memorandum and article of association of the company.

For and on behalf of the Board of Directors

Parveen Elahi

MRS.PARVEEN ELLAHI
(CHAIRPERSON)

LAHORE
October 04, 2023

چیئرپرسن کی جائزہ رپورٹ

کمپنیز ایکٹ، 2017 کی دفعہ (4)192 کے مطابق، میں 30 جون، 2023 کو ختم ہونے والے سال کے لئے روبی ٹیکسٹائل ملز لمیٹڈ کے بورڈ کی مجموعی کارکردگی اور اثرات کے بارے میں چیئرمین کی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہوں۔

مشکل اور کشیدہ عالمی معاشی ماحول نے بورڈ پر اضافی بوجھ ڈالا اور حکمت عملی وضع کرنے اور کمپنی کی انتظامیہ کی قیادت کرنے میں اس کا کردار بہت اہم ہے۔ کمپنی کی ضروریات اور تمام اسٹاک ہولڈرز کے مفادات کے مطابق کارپوریٹ گورننس کے اعلی معیار کی اہمیت کو تسلیم کرتے ہوئے، بورڈ کی قیادت اور اثرات بنیادی طور پر چیئرپرسن پر منحصر ہیں۔

بورڈ نے کمپنیز ایکٹ 2017 (ایکٹ) کی دفعات، کوڈ آف کارپوریٹ گورننس 2019 کے تحت قواعد و ضوابط، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے جاری کردہ رہنما اصولوں اور ہدایات اور پاکستان اسٹاک ایکسچینج (PSX) کی مندرجہ کمپنیوں کے لئے ضروری ریگولیریٹی تعمیل کے مطابق اپنے فرائض اور ذمہ داریاں پوری کی ہیں۔ کارپوریٹ گورننس ریگولیشنز 2019 کے تحت داخلی تشخیصی عمل کا نتیجہ حوصلہ افزاء رہا ہے اور بورڈ کی مجموعی کارکردگی کو کافی تسلی بخش ظاہر کرتا ہے جنہوں نے بورڈ کے مقاصد کے حصول میں مؤثر اور فعال کردار ادا کیا ہے۔

بورڈ واضح نقطہ نظر اور مشن رکھتا ہے جو وسائل مختص کرنے، پالیسیوں اور منصوبوں کی تیاری اور ضابطہء اخلاق وضع کرنے کے لئے تنظیم کی مجموعی کارپوریٹ حکمت عملی کی وضاحت کرتا ہے جو تنظیم کو حتمی مقاصد اور اہداف کے حصول میں آگے بڑھاتی ہے۔

خطرات کی تشخیص اور تنظیمی صلاحیت کے نتائج کے لئے بورڈ نے رسک کی شناخت کا بہترین پراسیس تیار کیا ہے جس کے بعد خطرہ کو کم اور واضح جامع ہنگامی منصوبہ تیار کیا جاتا ہے۔

بورڈ نے خطرے کی تشخیص اور تنظیمی صلاحیت پر اس کے نتائج کے لیے ایک خطرے کی شناخت کا بہترین ڈیزائن کا عمل ترتیب دیا ہے جس کے بعد خطرے کو کم کرنے کا طریقہ کار اور جامع طور پر واضح ہنگامی منصوبہ بنایا گیا ہے۔

بورڈ کارپوریٹ گورننس کے معیارات پر سختی سے عمل کرتا ہے اور ہمیشہ مستقل بہتری کی بھرپور کوشش کرتا ہے۔ بورڈ چیف فنانشل آفیسر، کمپنی سیکرٹری اور انٹرنل آڈٹ کے سربراہ کی تقرری کے سلسلے میں ضابطہ اخلاق کی تعمیل کو یقینی بناتا ہے۔ بورڈ نے آڈٹ کمیٹی کے مشورے سے ایک مضبوط داخلی آڈٹ ڈیپارٹمنٹ تشکیل دیا ہے جس میں آڈٹ کے کاموں کی غیر جانبداری کو یقینی بنانے کے لیے آڈٹ کمیٹی کو فعال طور پر رپورٹس دی جاتی ہیں۔ داخلی آڈٹ ٹیم میں موزوں ممبران شامل ہیں جو اپنی ذمہ داریوں کو مؤثر طریقے سے نبھانے کے لئے مطلوبہ تجربہ اور مہارت رکھتے ہیں۔

بورڈ آف ڈائریکٹرز ایک غیر جانبدار ڈائریکٹر کی سربراہی میں دونوں آڈٹ اور انسانی وسائل کمیٹیوں کے قواعد و ضوابط طے کرتا ہے اور کوڈ آف کارپوریٹ گورننس کے تحت آڈٹ کمیٹی کے لئے مالیاتی خواندہ ممبر کی لازمی ضرورت کی تعمیل کرتا ہے۔

غیر جانبدار ڈائریکٹر، ایگزیکٹو ڈائریکٹر، نان ایگزیکٹو اور خواتین ڈائریکٹرز پر مشتمل سات ڈائریکٹرز کا بورڈ کوڈ کے تحت جاری کردہ ضوابط کے ساتھ مطابقت رکھتا ہے۔

اس کے علاوہ، ایس ای سی پی کے جاری کردہ ضابطہ اخلاق، ایکٹ اور ضابطوں پر غور کرتے ہوئے، بورڈ آف ڈائریکٹرز کمپنی کی میمورنڈم اینڈ آرٹیکل آف ایسوسی ایشن کے تحت اپنی ذمہ داریوں، فرائض اور اختیارات سے پوری طرح آگاہ ہیں۔

Parveen Elahi

منجانب بورڈ آف ڈائریکٹرز
محترمہ پروین الٰہی
(چیئرپرسن)

لاہور: تاریخ: 04 اکتوبر 2023ء

DIRECTORS' REPORT TO THE MEMBERS

The board of directors of your company takes pleasure in presenting before you the performance review together with 43rd Annual Report and Audited Financial Statements of the Company for the year ended on June 30, 2023 along with auditors' report thereon.

PERFORMNANCE OF THE COMPANY:

The salient feature of the company operational performance for the year is summarized as follow:-

	2023 Rupees	2022 Rupees
Sales	-	-
Gross Profit/(Loss)	(97,030,357)	(27,924,492)
Distribution, Administrative, General Expenses	(28,904,094)	(40,505,583)
Other Income	60,859,629	53,269,124
Operating Loss	(65,074,822)	(15,161,221)
Finance Cost	(4,325,260)	(12.401,927)
Loss before taxation	(69,400,082)	(27,563,148)
Taxation	9,128,702	(356,479)
Loss after taxation	(60,271,380)	(27,919,627)
Loss per share-basic	(1.15)	(0.53)

The company operations remained closed during the year as well as in previous year. Due to the financial constraints faced by the company and closure of the business units, the company's overall performance remains unsatisfactory during the current year. The net loss after taxation is Rs._60.271 million (2022: Rs. 27.919 million)

The overall results of the company remain adverse mainly due to non-operational activities during the year which was the main hurdle for raising finance from the banks. The settlement/ restructuring with the bank will have positive effect and will pave the way for raising working capital limit from the banks in foreseeable future because without the finance, it is not possible to have economical viable productivity plan implementation. The management is confident that it will make all efforts to start its production in next financial year by seeking financial supports from the banks along with continuous support from the Sponsors and Directors of the company.

Global Market Conditions and Future Prospects:

The overall exports of the country were expected to increase but due to devaluation of Pakistan Rupee, the increase in imported raw materials and machinery cost witnessed huge decline in projected figures. Due to stiff competition and high cost of production, the exports remain undervalued both in term of quantity and value. The post Covid-19 environment, the Pakistan textile industry got an opportunity to have better export orders but at the same time, the higher input cost especially high power cost is adversely affecting the to explore the opportunity available as compared with other regional players.

To counter this challenging economic situation; the Pakistani textile sector shall have to be a cost effective niche marketing, product and customer development are the essential tools to remain competitive domestically and internationally. The efforts on marketing side especially focused on international brands and technical textiles, will ensure increased revenue and better margin. 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 improve its operational performance and going forward.

The management of the company is working on alternate approach either the Unit-II shall be made operative on lease basis and unit-I shall be operated by the company itself and in this way the company shall be able to revive the operational facility at optimum level and also looking forward to arrange funds from their own sources to meet the working capital requirement. The management is confident and hopeful that the efforts for arrangement discussed will be finalized in next foreseeable future and then, the operation of the mill shall be run on optimum production capacity level.

The management of the company is determined to turn the unit as viable, operative and profitable unit by improving cost effective measures and cost saving efforts in future.

Composition of the Board:

The composition of the Board is in compliance with the requirement of the Code of Corporate Governance Regulation, 2019 the applicable on listed entities which are given below:-

Total Number of Directors:

(a)	Male	5
(b)	Female	2

Composition:

i.	Independent Director	2
ii.	Executive Directors	2
iii.	Non-Executive Directors	5

The name of the Director's as at June 30, 2023 are as follows:

(1)	Mr. Noor Elahi	Chief Executive
(2)	Mrs. Perveen Elahi	Chairperson
(3)	Mrs. Naheed Javed	Director
(4)	Mr. Imtiaz Ahmad	Director
(5)	Mr. Muhammad Aslam Ansari	Director
(6)	Mr. Amjad Shahid	Director
(7)	Mr. Mansoob Ahmed Khan	Director

Composition of the Board:

The Board has formed two sub committees namely Audit Committee and Human Resource & Remuneration Committee. The composition of both these committees is disclosed as follows:

• Audit Committee

Mr. Mansoob Ahmed Khan	- Chairman (Independent)
Mrs. Naheed Javed	- Member
Mr. Muhammad Aslam Ansari	-Member

•Human Recourse and Remuneration Committee

Mr. Mansoob Ahmed Khan	- Chairman (Independent)
M r.IMTIAZ AHMAD	- Member
M r.MUHAMMAD ASLAM ANSARI	- Member

Code of Corporate Governance:

As required under the Code of Corporate Governance incorporated in the Listing Rules of the Stock Exchange, the Board is pleased to state that the management of the Company is compliant with the best practices of corporate governance. The Board acknowledges its responsibility in respect of the corporate and financial reporting framework and thus states that:

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards /international financial reporting standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The highlights of operating and financial data for the last six years are presented in a summarized form in annexure,
- Information about taxes and levies is given in the notes to and forming part or financial statements.
- The company is operating an unfunded gratuity scheme funds of which are for business of the company.
- The statement of pattern of shareholding of the Company as at June 30, 2023 is annexed. This statement is prepared in accordance with the Code of Corporate Governance.

- During the year under review, Six Board of Directors Meetings, four Audit Committee Meetings and one Human Resource and Remuneration Committee Meetings were held. The attendance of the Directors is as follows:

Name of Director	Number of Meeting Attended		
	Board Meeting	Audit Committee	Human Resource and Remuneration Committee
MR. NOOR ELAHI	6		
MRS.PARVEEN ELAHI	6		
MRS. NAHEED JAVED	6	4	
MR. MUHAMMAD ASLAM ANSARI	4		
MR. IMTIAZ AHMAD	6	4	1
MR. AMJAD SHAHID	5		-
MR. MANSOOB AHMED KHAN	6	4	1

bsence was granted to the Directors who could not attend the Meetings due to their pre-occupations)

Statutory Auditors
Auditors M/S Aslam Malik & Company Chartered Accountants retired/resigned at the conclusion of the 42nd Annual General Meeting and Sarwars Chartered Accountants has been appointed for the financial year ended June 30, 2023,being eligible, also offered themselves for re-appointment and the Board's audit committee has also recommended their appointment which has been endorsed by the Board.

Corporate Social Responsibility
Ruby Textile Mills Ltd. is committed to achieving tangible, sustainable fulfillment of its corporate social responsibility.

Significant features of remuneration policy of non-executive directors
Non-executive directors including the independent director are entitled only for fee for attending the meetings.

Board Evaluation
As required by the Listed Companies Code of Corporate Governance Regulations, 2019 the Board has developed a mechanism for evaluation of performance of the Board of Directors. During the year a comprehensive questioner was circulated among all members of the Board for evaluation of performance of the Board of Directors.

Auditors' Report Qualification
The auditors have qualified there report as under:
Auditors' have given adverse audit report in respect of going concern issue that company may not be considered as going concern and therefore, the preparation of the financial statement on the basis of going concern basis is inappropriate. The company's overall assets exceed the financial liability by Rs.713.596 million and the company is able to meet its financial commitment in normal course of business. The company is working on a comprehensive plan of revival by arranging working capital needed as well as the considering the lease or operation on conversion option basis to make the unit operative, and the full utilization of the production capacity along with the improvement of product quality will be ensured.

Internal Financial Controls
The directors are aware of their financial responsibility with respect to internal financial controls. Through discussion with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the company.

Principal Risk and Uncertainty
Businesses face numerous risk and uncertainties which if not properly addressed might cause serious loss to the company. The Board of Directors of the company has carried out vigilant and thorough of both internal and external risks that the company might face. Following are some risks which the company is facing.

- Technological advancement making it more challenging for the company to compete on the national and international level.
- Non-renewal of financial facilities.

Personnel and Working Environment
Company is well aware of the importance of team of skilled worker and staff. Therefore, in-house programs designed for this purpose are regularly undertaken. At the same time, other important areas like health, safety and better working environment are also being looked after very well.

Vote of Thanks
The directors wish to place on record their appreciation of the hard work and efforts made by the workers and staff and look forward that they will continue to make their best contribution in the future of the company.

For and On behalf of Board Director

LAHORE
October 04, 2023

(NOOR ELAHI)
CHIEF EXECUTIVE

آڈیٹرز کی رپورٹ کوالیفکیشن

آڈیٹر نے حسبِ ذیل کے مطابق اپنی رپورٹ کی توثیق کی ہے:

آڈیٹرز نے تشویش کے معاملے کے حوالے سے منفی آڈٹ رپورٹ دی ہے کہ کمپنی کو گوئنگ تشویش کے طور پر نہیں سمجھا جا سکتا ہے اور ہو سکتا ہے کہ گوئنگ تشویش کی بنیاد پر مالی گوشوارہ کی تیاری نامناسب ہو۔ کمپنی کے مجموعی اثاثے مالی ذمہ داری 713.596 ملین روپے سے زیادہ ہیں اور کمپنی معمول کے کاروبار میں اپنے مالی وعدوں کو پورا کرنے کے قابل ہے۔ کمپنی بحالی کے ایک جامع منصوبے پر کام کر رہی ہے جس میں یونٹ کو آپریٹو بنانے کے لیے تبادلوں کے آپشن کی بنیاد پر لیز یا آپریشن پر غور اور درکار ورکنگ کیپیٹل کا بندوبست کیا جائے گا، اور پروڈکٹ کے معیار میں بہتری کے ساتھ ساتھ پیداواری صلاحیت کا مکمل استعمال یقینی بنایا جائے گا۔

داخلی مالیاتی کنٹرولز

ڈائریکٹر داخلی مالیاتی کنٹرول کے حوالے سے اپنی مالی ذمہ داریوں سے بخوبی آگاہ ہیں۔ مینجمنٹ اور آڈیٹرز (دونوں اندرونی اور بیرونی) کے ساتھ گفت وشنید کے ذریعے، وہ توثیق کرتے ہیں کہ کمپنی کی طرف سے موزوں کنٹرول نافذ کیا گیا ہے۔

بنیادی خطرہ اور غیر یقینی

کاروباری اداروں کو متعدد خطرات اور غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے جس کو اگر مناسب طریقے سے حل نہ کیا گیا تو کمپنی کو شدید نقصان پہنچ سکتا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے اندرونی اور بیرونی دونوں خطرات جن کا کمپنی کو سامنا کرنا پڑ سکتا ہے سے چوکس اور مکمل طور پر حل کیا ہے۔ کمپنی کو درپیش چند خطرات مندرجہ ذیل ہیں۔

. ٹیکنیکی ترقی کمپنی کے لیے قومی اور بین الاقوامی سطح پر مسابقت کو زیادہ مشکل بنا رہی ہے۔

. مالی سہولیات کی تجدید نہ ہونا۔

پرسنل اور ورکنگ ماحول۔

آپ کی کمپنی ہنرمند کارکن اور عملے کی ٹیم کی اہمیت سے بخوبی واقف ہے۔ لہٰذا، اس مقصد کے لیے اِن ہاؤس پروگرام باقاعدگی سے منعقد کیے جاتے ہیں۔ ساتھ ہی ساتھ، دیگر اہم شعبوں مثلاً صحت، حفاظت اور بہتر کام کے ماحول کی بھی بہت اچھی طرح سے دیکھ بھال کی جا رہی ہے۔

اظہار تشکر

ڈائریکٹر کارکنوں اور عملے کی سخت محنت اور کاوشوں کو سراہتے ہیں اور اُمید کرتے ہیں کہ وہ کمپنی کے مستقبل میں بھی اپنی بہترین شراکت جاری رکھیں گے۔

منجانب بورڈ آف ڈائریکٹرز

(نور الٰہی)

چیف ایگزیکٹو

لاہور

04 اکتوبر 2023ء

- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات / بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے رواں دواں رہنے کی صلاحیت بارے کوئی نمایاں شکوک وشبہات نہیں ہیں۔
- فہرستی قواعد میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا۔
- گزشتہ چھ سالوں کی آپریٹنگ جھلکیاں اور مالی اعداد وشمار کا مختصر خلاصہ منسلک ہے۔
- ٹیکسوں اور لیویز کے بارے میں معلومات نوٹس میں دی گئی ہیں اور مالی حسابات کا حصہ بنایا گیا ہے۔
- کمپنی ایک غیر فنڈڈ گریجوئٹی اسکیم چلا رہی ہے جو کمپنی کے کاروبار کے لئے برقرار رکھی گئی ہے۔
- 30 جون 2023 کے مطابق کمپنی کے نمونہ حصص داری کا بیان منسلک ہے۔ یہ بیان کوڈ آف کارپوریٹ گورننس کے مطابق تیار کیا گیا ہے۔
- زیرِ جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چھ اجلاس، آڈٹ کمیٹی کے چار اجلاس اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

نام ڈائریکٹر	تعداد حاضری اجلاس		
	بورڈ کے اجلاس	آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمنریشن کمیٹی
جناب نور الٰہی	6		
محترمہ پروین الٰہی	6		
محترمہ ناہید جاوید	6	4	
جناب محمد اسلم انصاری	4		
جناب امتیاز احمد	6	4	1
جناب امجد شاہد	5	-	-
جناب منسوب احمد خان	6	4	1

(جو ڈائریکٹرز اپنی پیشہ ورانہ مصروفیت کی وجہ سے اجلاسوں میں شرکت نہیں کر سکتے تھے کو غیر حاضری کی رخصت عطا کی گئی)

سال کے دوران کمپنی کے حصص میں اس کے ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، داخلی آڈٹ کے سربراہ، دیگر ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں کے ذریعہ کوئی تجارت نہیں کی گئی۔

قانونی آڈیٹرز

آڈیٹرز میسرز اسلم ملک اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس 42 ویں سالانہ جنرل اجلاس کے اختتام پر ریٹائر/مستعفی ہو گئے اور 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے سرورز چارٹرڈ اکاؤنٹنٹس کو مقرر کیا گیا، اہل ہونے کے سبب، انہوں نے خود کو دوبارہ تقرری کے لئے پیش کیا اور بورڈ کی آڈٹ کمیٹی نے بھی ان کی تقرری کی سفارش کی، جس کی بورڈ نے تائید کی ہے۔

کارپوریٹ سماجی ذمہ داری

روبی ٹیکسٹائل ملز لمیٹڈ اپنی کارپوریٹ سماجی ذمہ داری کی ٹھوس، پائیدار تکمیل کے حصول کے لئے پُرعزم ہے۔

نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی کی اہم خصوصیات

غیر جانبدار ڈائریکٹر سمیت غیر ایگزیکٹو ڈائریکٹرز فقط اجلاسوں میں شرکت کے لئے فیس کے مستحق ہیں۔

بورڈ کی تشخیص

لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کے تقاضہ کے مطابق بورڈ نے بورڈ آف ڈائریکٹرز کی کارکردگی کی جانچ کے لئے ایک طریقہ کار وضع کیا ہے۔ سال کے دوران بورڈ آف ڈائریکٹرز کی کارکردگی کی تشخیص کے لئے بورڈ کے تمام ممبروں کو ایک جامع سوالنامہ ترسیل کیا گیا۔

میں حتمی شکل دی جائے گی اور پھر مل کا آپریشن بہترین پیداواری صلاحیت کی سطح پر چلایا جائے گا۔

کمپنی کی انتظامیہ مستقبل میں لاگت کے مؤثر اقدامات اور لاگت بچانے کی کوششوں کو بہتر بنا کر یونٹ کو قابل عمل، آپریٹو اور منافع بخش یونٹ میں تبدیل کرنے کے لیے پُرعزم ہے۔

بورڈ کی تشکیل

لسٹڈ اداروں پر لاگو کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تقاضوں کی تعمیل میں بورڈ تشکیل کیا گیا، جو ذیل میں دی گئی ہے:

ڈائریکٹرز کی کل تعداد

a) ۔مرد	5
b) ۔خاتون	2

تشکیل:

i۔ غیر جانبدار ڈائریکٹرز	2
ii۔ ایگزیکٹو ڈائریکٹرز	2
iii۔ نان ایگزیکٹو ڈائریکٹرز	5

30 جون 2023 کے مطابق ڈائریکٹرز کے نام درج ذیل ہیں

1) جناب نور الٰہی	چیف ایگزیکٹو
2) محترمہ پروین الٰہی	چیئرپرسن
3) محترمہ ناہید جاوید	ڈائریکٹر
4) جناب امتیاز احمد	ڈائریکٹر
5) جناب محمد اسلم انصاری	ڈائریکٹر
6) جناب امجد شاہد	ڈائریکٹر
7) جناب منسوب احمد خان	ڈائریکٹر

بورڈ کی کمیٹیاں

بورڈ نے آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی نامی دو ذیلی کمیٹیاں تشکیل دی ہیں۔ان دونوں کمیٹیوں کی تشکیل کی وضاحت اس طرح کی گئی ہے۔

- **آڈٹ کمیٹی**

جناب منسوب احمد خان ۔چیئرمین (غیر جانبدار)

محترمہ ناہید جاوید۔ممبر

جناب محمد اسلم انصاری۔ممبر

ہیومن ریسورس اینڈ ریمنریشن کمیٹی

جناب منسوب احمد خان ۔چیئرمین (غیر جانبدار)

جناب امتیاز احمد۔ممبر

جناب محمد اسلم انصاری۔ممبر

کارپوریٹ گورننس کا ضابطہء اخلاق

اسٹاک ایکسچینج کے فہرستی قوانین میں کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق، بورڈ بخوشی بیان کرتا ہے کہ کمپنی کی انتظامیہ نے کارپوریٹ گورننس کے بہترین طریقوں پر عملدرآمد کیا ہے ۔بورڈ کارپوریٹ اور مالیاتی رپورٹنگ دائرہ کار کی بابت اپنی ذمہ داریوں کا اعتراف کرتا ہے اور چنانچہ بیان کرتا ہے کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2023ء کو ختم ہونے والے سال کے لئے کارکردگی کا جائزہ کے ہمراہ 43ویں سالانہ رپورٹ اور کمپنی کے نظرثانی شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

کمپنی کی کارکردگی

سال کے لئے کمپنی کی آپریشنل کارکردگی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:۔

	2023روپے	2022روپے
فروخت	-	-
مجموعی منافع/(نقصان)	(97,030,357)	(27,924,492)
تقسیم، انتظامی اور عام اخراجات	(28,904,094)	(40,505,583)
دیگر آمدنی	60,859,629	53,269,124
انتظامی خسارہ	(65,074,822)	(15,161,221)
مالیاتی اخراجات	(4,325,260)	(12,401,927)
ٹیکس سے پہلے نقصان	(69,400,082)	(27,543,148)
ٹیکس کی فراہمی	9,128,702	(356,479)
ٹیکس کے بعد نقصان	(60,271,380)	(27,919,627)
فی شیئر نقصان۔ بنیادی	(1.15)	(0.53)

اس سال کے دوران اور گزشتہ سال میں کمپنی کے آپریشن بند رہے ہیں۔ کمپنی کو درپیش مالی رکاوٹوں اور کاروباری یونٹوں کے بند ہونے کی وجہ سے، رواں سال کے دوران کمپنی کی مجموعی کارکردگی غیر تسلی بخش رہی۔ ٹیکس کے بعد خالص خسارہ 60.271 ملین روپے (2022: 27.919 ملین روپے) ہے۔

بنیادی طور پر سال کے دوران غیر آپریشنل سرگرمیوں کی وجہ سے کمپنی کے مجموعی نتائج منفی ہی رہے جو کہ بینکوں سے قرض حاصل کرنے میں اہم رکاوٹ تھی۔ بینک کے ساتھ تصفیہ/تنظیم نو کا مثبت اثر پڑے گا اور مستقبل قریب میں بینکوں سے ورکنگ کیپیٹل کی حد میں اضافے کی راہ ہموار کرے گی کیونکہ فنانس کے بغیر، اقتصادی طور پر قابل عمل پیداواری منصوبہ پر عمل درآمد ممکن نہیں ہے۔ انتظامیہ کو یقین ہے کہ وہ اسپانسرز اور کمپنی کے ڈائریکٹرز کے مسلسل تعاون کے ساتھ بینک سے مالی تعاون حاصل کر کے اگلے مالی سال میں اپنی پیداوار شروع کرنے کی تمام تر کوششیں کرے گی۔

عالمی مارکیٹ کے حالات اور مستقبل کے امکانات:

ملک کی مجموعی برآمدات میں اضافے کی توقع تھی لیکن پاکستانی روپیہ کی قدر میں کمی، درآمدی خام مال اور مشینری کی لاگت میں اضافہ کی وجہ سے متوقع اعداد و شمار میں خاطر خواہ کمی دیکھنے میں آئی ہے سخت مقابلہ اور پیداوار کی زیادہ لاگت کی وجہ سے برآمدات دونوں مقدار اور قیمت کے لحاظ سے کم رہی ہیں۔ Covid-19 ماحول کے بعد، پاکستانی ٹیکسٹائل انڈسٹری کو بہتر برآمدی آرڈرز حاصل کرنے کا موقع ملا لیکن اسی اثناء میں، دیگر علاقائی حریفوں کے مقابلے دستیاب مواقع کا فائدہ پیداواری لاگت خاص طور پر توانائی کی لاگت میں اضافے کی وجہ سے ضائع ہو گیا ہے۔

اس مشکل معاشی صورتحال کا مقابلہ کرنے کے لیے؛ پاکستانی ٹیکسٹائل سیکٹر کو ایک سرمایہ کاری مؤثر مقام مارکیٹنگ ہونا چاہیے، ملکی اور بین الاقوامی سطح پر مسابقتی رہنے کے لیے مصنوعات اور کسٹمر کی ترقی ضروری ہتھیار ہیں۔ بین الاقوامی برانڈز اور تکنیکی ٹیکسٹائل پر مرکوز خاص طور پر مارکیٹنگ کی کوششیں، آمدنی میں اضافہ اور بہتر مارجن کو یقینی بنائے گی۔ لاگت کے لحاظ سے، خام مال کی سپلائی چین کا بہتر انتظام اور پیداواری عمل میں جدت حکمت عملی کے اہم حصے رہیں گے۔ انتظامیہ کو یقین ہے کہ کمپنی اپنی آپریشنل کارکردگی کو بہتر بنانے اور آگے بڑھنے میں کامیاب ہو گی۔

کمپنی کی انتظامیہ متبادل نقطہ نظر پر بھی کام کر رہی ہے یا تو یونٹ-II کو لیز کی بنیاد پر آپریٹ کیا جائے گا اور یونٹ-I کو کمپنی خود چلائے گی اور اس طرح کمپنی زیادہ سے زیادہ سطح پر آپریشنل سہولت کو بحال کر سکے گی اور ورکنگ کیپیٹل کی ضرورت کو پورا کرنے کے لیے اپنے ذرائع سے فنڈز کا بندوبست کرنے کے منتظر ہیں۔ انتظامیہ پُر اعتماد اور پُر امید ہے کہ زیر بحث انتظامات کی کوششوں کو اگلے مستقبل قریب

PATTERN OF SHAREHOLDING

1.1 Name of the Company: **RUBY TEXTILE MILLS LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at: **30-06-2023**

2.2 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
95	1	100	2,784
683	101	500	330,259
57	501	1,000	53,200
73	1,001	5,000	217,583
18	5,001	10,000	142,500
4	10,001	15,000	49,500
2	15,001	20,000	34,268
3	20,001	25,000	69,000
4	25,001	30,000	111,500
2	30,001	35,000	65,000
1	35,001	40,000	40,000
1	45,001	50,000	50,000
1	50,001	55,000	53,000
2	55,001	60,000	115,829
1	60,001	65,000	65,000
1	75,001	80,000	80,000
1	95,001	100,000	100,000
1	105,001	110,000	105,500
1	135,001	140,000	139,179
1	225,001	230,000	229,664
1	295,001	300,000	300,000
1	3,870,001	3,875,000	3,873,500
1	6,495,001	6,500,000	6,500,000
1	8,655,001	8,660,000	8,655,900
1	13,170,001	13,175,000	13,173,834
1	17,655,001	17,660,000	17,657,400
958			52,214,400

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	43,636,313	83.5714%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	6,900,500	13.2157%
2.3.3 NIT and ICP	232,564	0.4454%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	343	0.0007%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	50,105,313	95.9607%
2.3.8 General Public		
a. Local	1,381,492	2.6458%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
1- Joint Stock Companies	5,400	0.0103%
2- Pension Funds	55,829	0.1069%
3- others	1,959	0.0038%

Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2023

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	NAHEED NOOR ENTERPRISES LTD.	300,000	0.5746%
2	NAHEED NOOR (PVT) LIMITED.	100,500	0.1925%
3	SUNRISE BOTTLING CO. (PVT) LTD.	6,500,000	12.4487%
Mutual Funds (Name Wise Detail)			
		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. NOOR ELAHI	17,796,579	34.0837%
2	MRS. PARVEEN ELAHI	8,761,400	16.7797%
3	MRS. NAHEED JAVED	17,047,334	32.6487%
4	MR. MUHAMMAD TANVEER	500	0.0010%
5	MR. MANSOOB AHMED KHAN	29,500	0.0565%
6	MR. MUHAMMAD ASLAM ANSARI	500	0.0010%
7	MR. IMTIAZ AHMAD	500	0.0010%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		56,172	0.1076%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	MR. NOOR ELAHI	17,796,579	34.0837%
2	MST. NAHEED JAVED	17,047,334	32.6487%
3	MRS. PARVEEN ELAHI	8,761,400	16.7797%
4	SUNRISE BOTTLING CO. (PVT) LTD.	6,500,000	12.4487%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
1	MR. MANSOOB AHMED KHAN (CDC)	-	29,000

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (the Regulations) FOR THE YEAR ENDED 30 JUNE 2023

Name of the Company: Ruby Textile Mills Ltd Year Ending: June 30, 2023

The company has complied with the requirements of the regulations in the following manner:

1. The total number of directors is seven as per the following:

a. **Male**

i	Mr. Noor Elahi	iv	Mr. Amjad Shahid
ii	Mr. Imtiaz Ahmad	v	Mr.Mansoob Ahmed Khan
iii	Mr. Muhammad Aslam Ansari		

b. **Female**

i	Mrs. Perveen Elahi	ii	Mrs. Naheed Javed

2.. The composition of the board is as follows:

	Independent Director	Mr. Mansoob Ahmed Khan Mr. Amjad Shahid
	Other Non- Executive Directors	Mrs. Perveen Elahi Mrs. Naheed Javed Mr. Muhammad Aslam Ansari Mr. Mansoob Ahmed Khan Mr. Amjad Shahid
	Executive Directors	Mr. Noor Elahi Mr. Imtiaz Ahmad

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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 the powers policies of the along Board with their date of approval or updating is maintained by the company.

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

7. The meetings of the Board were presided over by the Chairperson and, in 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All the Directors of the company are exempt from Director Training Program as having a minimum of 14 years of education and 15 years of experience on the Board of a listed company as per regulation 19 (2) of the Listed companies (Code of Corporate Governance Regulations) 2019 and have extensive working experience in their respective Areas of Specialization and are well aware of their duties and responsibilities and powers as per code of Corporate Governance.

10. Ms. Sania Saleem appointed as Chief Financial Offcer. There is no change in appointment of company secretary and Head of Internal Audit. However, the Board has endorsed their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations.

11. CFO and CEO dully endorsed the financial statements before approval of the Board.

12. The board has formed the comprising of the following persons:

AUDIT COMMITTEE			HR AND REMUNERATION	
MR. MANSOOB AHMED KHAN	CHAIRMAN	Independent Director	MR. MANSOOB AHMED KHAN	Independ ent Director
MRS. NAHEED JAVED	MEMBER	Non-Executive Director	MR. MUAHMMAD ASLAM ANSARI	Non-Executive Director
MR. MUHAMMAD ASLAM ANSARI	MEMBER	Non-Executive Director	Mr. IMTIAZ AHMAD	Executive Director

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

14. The frequency of meetings of the committees were as per following:
(i) Audit Committee —four meetings held during the year ended 30 June 2023.
(ii)HR and Remuneration Committee- one meeting held during ended 30 June 2023.

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

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

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

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

For and behalf of the Board

Parveen Elahi

(Mrs. PARVEEN ELAHI)
CHAIRPERSON

Lahore
Date: October 06, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of the Ruby Textile Mills Limited

Review Report on the Statement of Compliance contained in the listed Companies (Code of Corporate Governance) Regulation, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Ruby Textile Mills Limited** 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.

SARWARS
CHARTERED ACCOUNTANTS
Place: Lahore
Date: September 22, 2023
UDIN: CR202310208lQ8rMzsdw

INDEPENDENT AUDITOR'S REPORT

To the members of Ruby Textile Mills Limited

Report on the Audit of the Financial Statements

Adverse opinion

We have audited the annexed financial statements of RUBY TEXTILE MILLS LIMITED (the Company), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not give a true and fair view of the financial position of the Company as at June 30, 2023, and financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Adverse Opinion:

The Company was unable to operate its unit-I and unit-II during the whole financial year. The Company has been incurring continuous gross losses due to the no commercial production activity. The Company's accumulated losses stand at Rs. 887.128 million and net loss after taxation amounting to Rs. 60.271 million, its current liabilities exceed its current asset by Rs. 102.225 million and financial results show adverse key financial ratios. However, the company has given godowns /warehouses on rentals to improve cash flows during the year. The company is trying hard to bring back the operational activity of the company besides the future outlook of the economy and current economical and political situation is adverse. The management is also trying to operate unit-2 subject to clearance from CIB – State Bank of Pakistan.

These conditions and events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may unable to realize its assets and discharges its liabilities in the normal course of business. However, as described in Note 1.1, these financial statements have been prepared under the going concern assumption. In our opinion, the company cannot be considered to be a going concern and the amounts at which the assets would be realized and liabilities would be settled would be different from the amounts given in these financial statements and thus the preparation of these financial statements on a going concern basis is inappropriate. We are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy. Therefore, we have given an adverse opinion on these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard 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 adverse opinion.

Key Audit Matters:

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

Following are the Key audit matters:

Key audit matter	How the matter was addressed in our audit
Observation of Inventory count and valuation of stock in trade along with stores, spares and loose tools We have considered the above as a Key Audit Matter due to the material value of inventory involved and previous Auditor's qualification on it.	**Our audit procedures included the following:** Assessed the internal controls of the management relating to stock movement Reviewed the results of the year end stock take conducted by the management and reviewed the objection rasied by the previous auditor Performed NRV, cut-off and analytical procedures to ensure valuation and accuracy of the inventory balance Verified the stock sales through sale invoices, sales tax returns and ledgers Cross verified the creditors through purchase returns and confirmations Cross verified the debtors balances through sales made during the year and confirmations
Verification of Opening balances Corresponding figures make an integral part of the current period financial statements. Being the newly appointed auditor of the company, inherent risk and audit risk is increased due to lack of previous understanding of the business and opening balances might contain misstatements or may not have been brought forward correctly and consistent application of accounting policies may not have been applied. By keeping in view the significance of the balances involved, Auditor's qualifications and its verification, we consider these to be the key audit matters to be addressed and reported.	**Our audit procedures included the following:** Reviewed the previous period's accounting records and schedules to ensure that the opening balances have been correctly brought forward to the current period and noted compliance to ISA 710 and ISA 510. Reviewed working papers to ensure the correctness of the opening balances. Obtained evidence from the procedure performed in the current period to provide evidence relating to the correctness of opening balances and the consistent application of accounting policies. Reliance was placed on previous year's audited financial statements to the extent and manner wherever deemed necessary. The company in the current year carried out revaluation of fixed assets by an independent valuer to check for impairment if any.We assessed the valuation report and checked the independence of the valuer and relevant disclosures and requirements/implication of relevant provisions of IAS 16, IAS 1 and other applicable laws Obtained management representations relating to the all areas concerned

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2023, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Other information is misstated to the extent of matters raised in basis for adverse opinion.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 except for the matters stated in Basis for Adverse Opinion section of our report:

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

- because of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;

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

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

OTHER MATTER PARAGRAPH

The auditors of the Financial Statements for the year ended June 30, 2022 were Aslam Malik & Co. Chartered Accountants and they have expressed an adverse opinion on the financial statements and report was issued on October 07, 2022.

The engagement partner on audit resulting in this independent auditor's report is

Mr. Rashid Sarwar (FCA).

SARWARS CHARTERED ACCOUNTANTS

SARWARS
Chartered Accountants
Place: Lahore
Date: October 04, 2023
UDIN: AR202310208oBQ0YwZCU

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Notes	2023 Rupees	Re-Stated 2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	931,131,964	831,685,365
Long term deposits	5	1,303,945	1,303,945
		932,435,909	**832,989,310**
CURRENT ASSETS			
Stores, spare parts and loose tools	6	-	40,178,193
Stock-in-trade	7	-	82,788,853
Trade debts	8	17,737,426	1,720,390
Advances and prepayments	9	6,310,764	9,398,951
Due from Government	10	8,296,745	13,859,370
Cash and bank balances	11	638,678	9,676,755
		32,983,612	**157,622,511**
TOTAL ASSETS		**965,419,521**	**990,611,821**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		**700,000,000**	**700,000,000**
Issued, subscribed and paid up share capital	12	522,144,000	522,144,000
Accumulated losses		(887,128,572)	(835,989,446)
Surplus on revaluation of property, plant and equipment	13	425,271,805	331,712,177
Loan from sponsors and other related parties	14	653,309,709	624,593,909
		713,596,942	**642,460,641**
NON-CURRENT LIABILITIES			
Long term financing from others	15	79,477,250	102,321,919
Long term security deposits	16	7,731,660	7,731,660
Deferred liabilities	17	29,404,309	13,969,458
		116,613,218	**124,023,037**
CURRENT LIABILITIES			
Trade and other payables	18	78,088,715	184,297,758
Accrued markup	19	11,755,993	9,855,674
Unclaimed dividend	20	402,570	402,570
Current & overdue portion of long term loans	21	44,962,083	29,407,164
Provision for taxation	22	-	164,977
		135,209,361	**224,128,143**
TOTAL LIABILITIES		**251,822,579**	**348,151,180**
CONTINGENCIES AND COMMITMENTS	23	**-**	**-**
TOTAL EQUITY AND LIABILITIES		**965,419,521**	**990,611,821**

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

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Naheed Javed

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Notes	2023 Rupees	Re-Stated 2022 Rupees
Turnover - net	24	12,298,560	-
Cost of sales	25	(109,328,917)	(27,924,492)
Gross loss		**(97,030,357)**	**(27,924,492)**
Administrative and general expenses	26	(28,904,094)	(40,505,853)
Other income/ (Expenses)	27	60,859,629	53,269,124
		31,955,535	**12,763,271**
Loss before finance cost		**(65,074,822)**	**(15,161,221)**
Finance cost	28	(4,325,260)	(12,401,927)
Loss before taxation		**(69,400,082)**	**(27,563,148)**
Taxation	29	9,128,702	(356,479)
Loss after taxation for the year		**(60,271,380)**	**(27,919,627)**
Earnings per share - basic and diluted	30	**(1.15)**	**(0.53)**

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

Naheed Javed

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	Re-Stated 2022 Rupees
Loss after taxation for the year	**(60,271,380)**	**(27,919,627)**
Other comprehensive inome:		
Items that will not beclassified subsequently to profit or loss		
Revaluation surplus on land	41,962,500	-
(Impairment)/revaluation on building during the year	38,717,686	-
(Impairment)/revaluation on plant & machienry during the year	45,732,756	-
Deferred tax on revaluation surplus on plant & machinery	(24,490,628)	-
	101,922,314	**-**
Remeasurement of staff retirement benefits	1,083,898	(198,626)
Deferred tax on remeasurement of staff retirement benefits	(314,330)	57,602
	769,568	**(141,024)**
Total comprehensive income - net of tax	**102,691,882**	**(141,024)**
Total comprehensive income / (loss) for the year	**42,420,502**	**(28,060,651)**

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

Naheed Javed

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	Re-Stated 2022 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(69,400,082)**	**(27,563,148)**
Adjustments for non cash and other items:			
Depreciation	4	26,966,342	28,405,079
Provision for staff retirement benefit-gratuity	17.1.4	1,298,724	1,085,595
Liability written back		(36,793,293)	(39,562,174)
Provision for obsolete stores and spares & written down to NRV	26	-	11,488,003
Reversal of Provision		(9,311,566)	-
Finance cost	28	4,325,260	12,401,927
		(13,514,533)	**13,818,430**
Operating cash flow before working capital changes		**(82,914,615)**	**(13,744,718)**
Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		49,489,758	(2,004,668)
Stock in trade		82,788,853	903,838
Trade debts		(16,017,036)	167,856
Advances and prepayments		3,088,187	(5,214,882)
Balance with statutory authorities		7,271,869	(127,399)
Increase in current liabilities			
Trade and other payables		(69,415,751)	(14,477,756)
		57,205,881	**(20,753,010)**
Cash used in from operations		**(25,708,734)**	**(34,497,728)**
Finance cost paid		(2,424,941)	(11,902,027)
Taxes paid		(2,027,953)	(1,012,286)
Staff retirement gratuity paid		(302,500)	(719,910)
		(4,755,394)	**(13,634,223)**
Net cash used in from operating activities		**(30,464,127)**	**(48,131,950)**
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		-	(1,001,735)
Long term deposits		-	3,235,700
Net cash (used in)/generated from investing activities		**-**	**2,233,965**
CASH FLOWS FROM FINANCING ACTIVITIES			
c) Long term financing from banking companies		(7,289,750)	26,729,083
Short term financing		-	(23,704,472)
Long term financing from others		-	9,288,980
Long term security deposuts		-	7,731,660
Long term financing from directors and associates		28,715,800	34,760,500
Net cash generated from financing activities		**21,426,050**	**54,805,751**
Net increase in cash and cash equivalents		(9,038,077)	8,907,766
Cash and cash equivalents at the beginning of the year		9,676,755	768,989
Cash and cash equivalents at the end of the year	11	638,678	9,676,755

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

Naheed Javed

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Share capital	Capital reserves	Revenue reserve	Revaluation surplus on property, plant and equipment	Sub Total	Long term loan from chief executive and directors	Total
			Accumulated losses				
	-----------	-----------	-----------	Rupees	-----------	-----------	-----------
Balance as at June 30, 2020	**522,144,000**	-	**(712,816,137)**	**346,680,920**	**156,008,783**	**540,860,409**	**696,869,192**
Loss for the year	-	-	(73,296,135)	-	(73,296,135)	-	**(73,296,135)**
Surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	-	-	-	-	-
Remeasurement of staff retirement benefits -net of deferred tax	-	-	(408,070)	-	(408,070)	-	**(408,070)**
Loan received during the year	-	-	-	-	-	43,135,000	**43,135,000**
Loan from associates	-	-	-	-	-	5,838,000	**5,838,000**
Capital reserve written back	-	-	-	-	-	-	-
Incremental depreciation - net of deferred tax	-	-	6,306,498	(6,306,498)	-	-	-
Balance as at June 30, 2021	**522,144,000**	-	**(780,213,844)**	**340,374,422**	**82,304,578**	**589,833,409**	**672,137,987**
Loss for the year	-	-	(27,919,627)	-	(27,919,627)	-	**(27,919,627)**
Surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	-	-	-	-	-
Remeasurement of staff retirement benefits -net of deferred tax	-	-	(141,024)	-	(141,024)	-	**(141,024)**
Loan received during the year	-	-	-	-	-	23,725,000	**23,725,000**
Loan from associates	-	-	-	-	-	11,035,500	**11,035,500**
Incremental depreciation - net of deferred tax	-	-	8,662,245	(8,662,245)	-	-	-
Balance as at June 30, 2022	**522,144,000**	**-**	**(799,612,250)**	**331,712,177**	**54,243,927**	**624,593,909**	**678,837,836**
Effect of restatement (see note 3.29)	-	-	(36,101,494)	-	(36,101,494)	-	**(36,101,494)**
Effect of restatement (see note 3.29)	-	-	(275,701)	-	(275,701)	-	**(275,701)**
Balance as at July 01, 2023	**522,144,000**	**-**	**(835,989,446)**	**331,712,177**	**17,866,732**	**624,593,909**	**642,460,641**
Loss for the year	-	-	(60,271,380)	-	(60,271,381)	-	**(60,271,381)**
Surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	-	101,922,314	101,922,314	-	**101,922,314**
Remeasurement of staff retirement benefits -net of deferred tax	-	-	769,568	-	769,568	-	**769,568**
Loan received during the year	-	-	-	-	-	25,629,800	**25,629,800**
Loan from associates	-	-	-	-	-	3,086,000	**3,086,000**
Incremental depreciation - net of deferred tax	-	-	8,362,686	(8,362,686)	-	-	-
Balance as at June 30, 2023	**522,144,000**	**-**	**(887,128,572)**	**425,271,805**	**60,287,233**	**653,309,709**	**713,596,942**

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

Naheed Jawed

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

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

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on October 18, 1980 as a private limited company and was subsequently converted into public limited company. The registered office and head office of the company is located at 35-Industrial area, Gulberg III, Lahore. The shares of the company are quoted on the Pakistan stock exchange limited. The principal business of the company is manufacturing and sale of yarn. The manufacturing units are located at 3-km, Manga Road, Raiwind in the province of Punjab.

1.1 Going concern assumption

The company has been incurring gross losses for the last eight years due to under utilization of production capacity and during the year ended June 30, 2023, the company has incurred a net loss after taxation amounting Rs.60.271 million (2022: Rs. 27.919 million), accumulated loss of Rs. 887.128 million (2022: Rs. 835.989 million) and current liabilities exceeds current asset by Rs. 102.225 million (2022: 66.505 millions) of that date. The unit-I and unit-II remain closed during the whole financial year. The company financial limits from bank are rescheduled, whereas the company operation is mainly relient on the financial contribution from sponsoring director's of the company.

Further, due to pandemic situation of COVID-19 prevailing around the world as well as in Pakistan, the overall economic recession pervailed and although, the Pakistan textile sector perfromance remain better as compared with last year but our company could not revive its operation at optimum level due to fanancial constraints.

These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements, however, have been prepared under the going concern assumptions based on the following mitigating factors narrated below;

- Sponsoring Director's of the company has contributed funds amounting to Rs. 28.716 million during the current year and directors has ability and committed to contribute further funds as and when required by the company.Due to the financial constrainsts faced by the company, the management has been working on alternate option by seeking a party to lease out Unit-II to third party or make the unit operative on the conversion basis, whereby, the unit-I will be operated by the company itself. The management expects that lease option or conversion option will be excercised in the forseeable future or make the unit operative on coversion basis.

- The total assets of the company exceeds total liability by Rs. 713.596 million (2022: Rs. 642.460 million) and the company entered into restructuring agreement in the year 2020 with M/s Messi Capital for converting the foreign currency loan repayable into Pak rupee with fixation of exchange rate of USD$ partity at Rs.105 with markup on LIBOR plus 1.5%. The company's overall assets are sufficient to meet its liabilities and with directors continous financial supports to meet the financial commitments, the company would be able to revive the business operation at normal trends in upcoming months.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standard (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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

2.2.1 These financial statements have been prepared under the historical cost convention, except for Property plant and equipment's and recognition of certain staff retirement benefits at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

The preparation of these financial statements in conformity with approved accounting standards requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years.

2.2.2 Functional and presentation currency

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

2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

2.3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following amendments to existing standards and interpretations have been published and are mandatory for the year ended June 30, 2022 and are considered to be relevant to the Company's financial statements:

IFRS 3	"Business Combinations" - Definition of business	January 01, 2020
IFRS 7	Financial Instruments Disclosure' - Interest rate benchmark reform	January 01, 2020
IFRS 9	Financial instruments	January 01, 2020
IFRS 16	Leases- Amendment to provide lessees with an exemption from assessing whether a Covid-19 related rent concession is a lease modification.	June 01, 2020
IAS 1	Amendments to IAS 1 Presentation of Financial Statements' - Definition of material	January 01, 2020
IAS 8	IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors	January 01, 2020
IAS 39	Financial Instruments Recognition and Measurement	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

2.3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective Date (Period beginning on or after)
	Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01,2021
IFRS 1	Amendments to IFRS 1 'Simplifies the application of IFRS 1 for a subsidiary that become a first time adopter of IFRS later than its parent.	January 01,2021
IFRS 3	Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.	January 01,2022
IFRS 9	Financial Instruments - For the purpose of performing the ' ten per cent test' for derecognition of financial liabilities.	January 01,2022
IFRS 16	Amendment to IFRS 16 'Leases' Illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.	January 01,2022
IAS 1	Presentation of financial Statements- Amendments regarding the definition of materiality - Disclosure of accounting policies.	January 01,2023
IAS 1	Presentation of financial Statements - Amendments regarding the classification of liabilities.	January 01,2023
IAS 8	Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors' The IASB clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.	January 01,2023
IAS 12	Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01,2023
IAS 16	Property Plant and Equipment- Amendments prohibiting a company from deducting from the cost of Property Plant and Equipment amounts received from selling items produced while the company is preparing for its intended use.	January 01,2022
IAS 37	Under IAS 37, a contract is onerous when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it - outweigh the economic benefits.	January 01,2022
IAS 41	Amendment to IAS 41 Agriculture, removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.	January 01,2022

Certain annual improvements have also been made to a number of IFRSs.

2.3.3 Standards, Interpretations and amendments to approved accounting standards that are not yet effective

The following new standards and interpretation have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by Securities and Exchange Commission of Pakistan.

		Effective Date (Period beginning on or after)
IFRS 1	First time adoption of international financial reporting standards.	January 01,2018
IFRS 17	Insurance contracts.	January 01,2021

The management anticipates that the adoption of the above standards and amendments in future periods will have no material impact on the company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.2 Taxation

Current

Company's export sales fall under presumptive tax regime under Section 169 of the Income Tax Ordinance, 2001. Charge for current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

The company accounts for deferred taxation using the liability method on all timing differences which are considered reversible in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred tax is calculated at the rates expected to apply to the period when the related temporary differences reverse, based on tax rates that have been enacted or substantially enacted by the Financial position date.

3.3 Staff retirement benefits - gratuity

The Company operates an unfunded Gratuity Scheme covering all the employees of the Company with qualifying service period of six months. Provision is made annually on the basis of actuarial valuation. The most recent actuarial valuation was carried out as at June 30, 2023 using the Projected Unit Credit Method. Actuarial gains and losses are recognized in accordance with the recommendations of the actuary. Further, the management of the company could not determine the expected payments in next period reasonably.

	Principal Actuarial Valuation	
Principal Actuarial Valuation	**2023**	**2022**
Discount factor used	16.25%	10.0%
Expected rate of eligible salary increase in future years	15.25%	12.25%

3.4 Foreign Currency Translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the Financial position date. Foreign exchange gains and losses on translation are included in income currently.

3.5 Trade and Other Payables

Liabilities for trade creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

3.6 Dividends

Dividend distribution to company's shareholders is recognized as a liability in the period in which dividend is approved.

3.7 Contingencies and Commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the financial statements.

3.8 Provisions

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

3.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation except freehold land ,building and plant and machinery. Freehold land ,building and plant and machinery is stated at revalued amount. Borrowing costs pertaining to erection / construction period are capitalized as part of the historical cost.

Depreciation is charged to income applying reducing balance method to write-off the cost, capitalized exchange fluctuations and borrowing costs over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of fixed assets.

Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed of.

The company assesses at each Financial position date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

Gains/losses on disposal of fixed assets are taken to Profit and Loss Account
.

Minor repairs and maintenance are charged to profit & loss, as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, other than those kept as stand by, are retired.

3.10 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each Financial position date.

3.11 Assets subject to Leases IFRS 16

The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the statement of profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The adoption of IFRS 16 has no financial impact on the financial statements of the Company.

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

Lease Liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

3.12 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss.

3.13 Long Term Deposits and Loans

These are stated at cost which represents the fair value of consideration given.

3.14 Stores, Spares and Loose Tools

These are valued at lower of moving average cost or net realizable value, except items in transit, which are stated at cost plus other charges incurred thereon up to statement of financial position date.

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

3.15 Stocks in trade and stores, spares and loose tools

These are valued at lower of cost or net realizable value except stock in transit which are valued at cost comprising invoice values plus other charges incurred up to the Financial position date. Cost is determined as under;

Raw material	Weighted average cost
Packing material	Moving average cost
Work in process	Raw material cost and appropriate manufacturing overheads
Finished goods	Raw material cost, packing material cost and appropriate manufacturing overheads.
Waste	Net realizable value

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

3.16 Revenue recognition

The Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company recognizes revenue in accordance with that core principle by applying the following steps:
– Identify the contract with a customer
– Identify the performance obligations in the contract
– Determine the transaction price
– Allocate the transaction price to the performance obligations in the contract
– Recognize revenue when the entity satisfies a performance obligation

i) Customer acquisition costs
Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.
Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

ii) Customer fulfilment costs
Customer fulfilment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortized on a straight-line basis over the term of the contract.

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

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

v) Refund liabilities
Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

vi) Contract balances
a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed;
b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and
c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods

- the difference between contract assets and trade receivables, enabling users to understand the different risks associated with each balance; and
- how the timing of the satisfaction of performance obligations related the typical timing of payment and the effect that those factors have on the contract asset and contract liability balances.

Interest income is recognized on a time proportionate basis using the effective rate of return.

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

3.18 Deferred government grant
In accordance with IFRS 9 the benefit of interest rate lower than the 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 entity and temporary economic refinance facility, 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 recognized and presented in statement of financial position as deferred government grant.

3.19 Dividend and appropriation to / from reserves
Dividend distribution to the Company's shareholders and appropriation to / from reserves is recognized in the period in which these are approved.

3.20 Earnings per share
The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. 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.

3.21 Trade debts and other receivables
Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.
Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

3.22 Financial instruments

3.22.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

i) Financial assets at amortized cost

Instruments that meet the following conditions are measured subsequently at amortized cost:-

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

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

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

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at fair value through

iii) Derecognition

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 amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income (FVTOCI), the cumulative gain or loss previously accumulated in the investments' revaluation reserve is reclassified to the statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments' revaluation reserve is not reclassified to the statement of profit or loss, but is transferred to retained earnings.

3.22.2 Impairment of financial assets

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less loss allowance, if any. The Company 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 Company always recognizes lifetime ECL for trade debts. 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 debtors, 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-month 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-month 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 a er the reporting date.

(I) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1) The financial instrument has a low risk of default,
2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

(ii) Definition of default
The Company employs statistical models to analyses the data collected and generate estimates of probability of default ('PD') of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company..

(**iii) Credit-impaired financial assets**
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
(a)significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d)it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
(e)the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy
The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of ECL
The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and

loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derivative financial instruments

Derivatives that do not qualify for hedge accounting are recognized in the statement of financial position at estimated fair value with corresponding effect to the statement of profit or loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.22.2 Non-financial assets

The Company assesses at each reporting date whether there is any indication that assets except inventories, biological assets and deferred tax asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income in the statement of profit or loss.

3.22.4 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the statement of profit or loss incorporates any interest paid on the financial liability.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized 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 amortized cost of a financial liability. Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the statement of profit or loss.

3.22.5 Offsetting of financial assets and financial liabilities

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

3.23 Investments

3.23.1 Investment in associates

Associates are entities over which the Company exercises significant influence. Investment in associates 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 Company's share of profit or loss of the associate a er the date of acquisition. The Company's share of profit or loss of the associate is recognized in the 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 Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognized in the associate's statement of profit or loss. The Company's share of those changes is recognized in the statement of comprehensive income of the Company.

The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognized in the statement of profit or loss.

3.24 Trade and other payables

Liabilities for trade and other payable are measured at cost which is the fair value of consideration to be paid in future for goods and services.

3.25 Borrowing cost

Borrowing costs are recognized as an expense in which these are incurred except to the extent these are directly attributable to acquisition, construction or production of qualifying assets, where these are added to the cost of those assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use/sale.

3.26 Foreign currency transaction

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into Pak Rupees at the rates prevailing on the reporting date.

3.27 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximates their fair values. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with bank on current, saving and deposit accounts, short term bank borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to in significant risk of change in value.

3.28 Related party transaction and transfer pricing

Transaction and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method.

Parties are said to be related if they able to influence the operating and financial decisions of the company and vice versa.

3.29 Re-Statement of Error

The company in previous years has discounted foreign loan liability as per the provisions of IFRS 09, while the loan was fixed for repayment @ 1 $ = 105 Rs, furthermore, interest has been recognized at an agreed rate. Keeping in view of the above facts , the discounting was not in accordance of IFRS 09 and not applicable, therefore the resultants effects of discounting has been reversed.

From	2023	2022	2021
Effect on Statement of Changes in Equity:			
Retained Earnings:			
Opening Balance	(835,989,446)	(780,213,844)	(712,816,137)
Amount Previously Reported / Closing Balance	(887,128,572)	(799,612,250)	(780,213,844)
Effect of Error	-	(36,377,195)	-
Restated Amount	**(887,128,572)**	**(835,989,446)**	**(780,213,844)**
Effect on Statement of Financial Position:			
Foreign Loan:			
Opening Balance	105,000,000	66,172,027	60,080,038
Amount Previously Reported / Closing Balance	105,000,000	68,898,506	66,172,027
Effect of Error	-	36,101,494	-
Restated Amount	**105,000,000**	**105,000,000**	**66,172,027**
Accrued Markup:			
Opening Balance	9,579,973	2,874,051	1,640,708
Amount Previously Reported / Closing Balance	11,755,993	9,579,973	2,874,051
Effect of Error	-	275,701	-
Restated Amount	**11,755,993**	**9,855,674**	**2,874,051**
Revaluation surplus	-	334,383,250	-
Effect of incremental Depreciation	-	(2,671,073)	-
Closing Revaluation surplus	-	331,712,177	-

The effect of deferred tax on revaluation surplus has been reclassifed with accelerated depreciation, no effect on P/L.

The company has re-stated corresponding figures required as IAS 8 to fairly present the financial statements. The above mentioned account heads has been adjusted accordingly.

4. PROPERTY, PLANT AND EQUIPMENT

	Notes	2023 Rupees	Restated 2022 Rupees
Operating property, plant and equipment	4.1	890,724,160	791,277,561
Capital work-in-progress	4.6	40,407,804	40,407,804
		931,131,964	831,685,365

4.1 Operating property, plant and equipment - for the year ended June 30, 2023

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION CHARGE			NET BOOK VALUE	Rate
	As at June 30, 2022	Additions/ (Disposals)	Surplus/ (Loss) on Revaluation	As at June 30, 2023	Accumulated as at June 30, 2022	For the year	Accumulated as at June 30, 2023	As at June 30, 2023	
	All amounts in Rupees								
Land - freehold	256,637,500	-	41,962,500	**298,600,000**	-	-	-	**298,600,000**	-
Building on freehold land	210,324,003	-	38,717,686	**249,041,689**	54,597,041	7,786,348	62,383,389	**186,658,300**	5%
Plant and machinery	524,095,235	-	45,732,756	**569,827,991**	149,020,914	18,753,716	167,774,630	**402,053,361**	5%
Electric installations	16,141,875	-	-	**16,141,875**	14,941,347	120,053	15,061,400	**1,080,475**	10%
Fire fighting equipment	834,897	-	-	**834,897**	733,128	10,177	743,305	**91,592**	10%
Tube well	1,026,623	-	-	**1,026,623**	891,836	13,479	905,314	**121,309**	10%
Office equipment	5,753,490	-	-	**5,753,490**	4,587,706	116,578	4,704,285	**1,049,205**	10%
Furniture and fixtures	2,143,607	-	-	**2,143,607**	1,433,811	70,980	1,504,791	**638,816**	10%
Vehicles	8,429,112	-	-	**8,429,112**	8,005,107	84,801	8,089,908	**339,204**	20%
Weigh bridge	1,602,508	-	-	**1,602,508**	1,500,399	10,211	1,510,610	**91,898**	10%
	1,026,988,850	**-**	**126,412,942**	**1,153,401,792**	**235,711,290**	**26,966,342**	**262,677,633**	**890,724,160**	

Operating property, plant and equipment - for the year ended June 30, 2022

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION CHARGE			NET BOOK VALUE	Rate
	As at June 30, 2021	Additions/ (Disposals)	Surplus/ (Loss) on Revaluation	As at June 30, 2022	Accumulated as at June 30, 2021	For the year	Accumulated as at June 30, 2022	As at June 30, 2022	
	All amounts in Rupees								
Land - freehold	256,637,500	-	-	**256,637,500**	-	-	-	**256,637,500**	-
Building on freehold land	209,380,268	943,735	-	**210,324,003**	46,413,303	8,183,738	54,597,041	**155,726,962**	5%
Plant and machinery	524,095,235	-	-	**524,095,235**	129,280,161	19,740,754	149,020,914	**375,074,321**	5%
Electric installations	16,141,875	-	-	**16,141,875**	14,807,955	133,392	14,941,347	**1,200,528**	10%
Fire fighting equipment	834,897	-	-	**834,897**	721,821	11,308	733,128	**101,769**	10%
Tube well	1,026,623	-	-	**1,026,623**	876,859	14,976	891,836	**134,787**	10%
Office equipment	5,753,490	-	-	**5,753,490**	4,458,175	129,532	4,587,706	**1,165,784**	10%
Furniture and fixtures	2,085,607	58,000	-	**2,143,607**	1,359,778	74,033	1,433,811	**709,796**	10%
Vehicles	8,429,112	-	-	**8,429,112**	7,899,105	106,001	8,005,107	**424,005**	20%
Weigh bridge	1,602,508	-	-	**1,602,508**	1,489,053	11,345	1,500,399	**102,109**	10%
	1,025,987,115	**1,001,735**	**-**	**1,026,988,850**	**207,306,210**	**28,405,079**	**235,711,290**	**791,277,561**	

4.2 Revaluation of property, plant and equipment carried out by W. W. Engineering Services (Pvt) Limited on June 30, 2023 and based on latest revaluation report, the forced sale of the revalued assets i.e. land, building and plant & machinery in aggregate is Rs. 695,343,746/-

4.3 Particulars of immovable assets of the Company are as follows:-

Location	Address	Covered Area
Kasur	Manga Road, Raiwind	300,528 Sqft

4.4 Had there been no revaluation, the original cost, accumulated depreciation, and book value of revalued class of property, plant & equipment would have been as follows:

PARTICULARS	Cost			Accumulated depreciation as at June 30, 2023	Net Book Value As at June 30, 2023
	As at July 01, 2022	Additions/ (Disposals)	As at June 30, 2023		
	All amounts in Rupees				
Land - freehold	**14,266,500**	-	**14,266,500**	-	**14,266,500**
Building on freehold land	**190,249,857**	-	**190,249,857**	**163,773,869**	**26,475,988**
Plant and machinery	**722,935,302**	-	**722,935,302**	**469,515,234**	**253,420,068**
	927,451,659	**-**	**927,451,659**	**633,289,103**	**294,162,556**

PARTICULARS	Cost			Accumulated depreciation as at June 30, 2022	Net Book Value As at June 30, 2022
	As at July 01, 2021	Additions/ (Disposals)	As at June 30, 2022		
	All amounts in Rupees				
Land - freehold	14,266,500	-	14,266,500	-	**14,266,500**
Building on freehold land	190,249,857	-	190,249,857	155,975,113	**34,274,744**
Plant and machinery	722,935,302	-	722,935,302	447,157,366	**275,777,936**
	927,451,659	-	927,451,659	603,132,479	**324,319,180**

4.5 Depreciation for the year has been allocated as follows:

	Notes	2023 Rupees	2022 Rupees
Cost of sales	**25**	**26,540,064**	27,924,492
Administrative expenses	**26**	**426,278**	480,587
		26,966,342	28,405,079

4.6 Capital work-in-progress

	2023	2022
Opening balance	40,407,804	40,407,804
Additions during the year	-	-
Closing balance	**40,407,804**	**40,407,804**

		NOTE	2023 Rupees	Re-Stated 2022 Rupees
5.	**LONG TERM DEPOSITS**			
	Deposit against bank guarantees		451,800	451,800
	Security deposits against utilities		852,145	852,145
			1,303,945	**1,303,945**
6.	**STORES, SPARE PARTS AND LOOSE TOOLS**			
	Stores		33,220,485	33,220,485
	Spare parts		25,540,214	25,540,214
			58,760,700	**58,760,700**
	Provision for obsolete stores and spares and written down to NRV		(9,270,941)	(18,582,507)
	Purchase return		(14,426,163)	-
	Sale Proceed		(35,063,595)	-
			-	**40,178,193**
7.	**STOCK-IN-TRADE**			
	Raw material	**25**	-	78,034,385
	Work-in-process	**25**	-	4,320,513
	Finished goods	**25**	-	433,955
			-	**82,788,853**
8.	**TRADE DEBTS**			
	Considered good			
	Sales of Stocks		17,737,426	-
	Local yarn debtors		5,523,256	7,243,646
	Provision for doubtful debts		(5,523,256)	(5,523,256)
			17,737,426	**1,720,390**

8.1 Trade debtors of Rs. 17,737,426 (2022: Rs. 1,720,390) were past due but not impaired. These relates to routine customers from where no history of default is found. The aging analysis of the trade debtors is as follows;

		2023 Rupees	2022 Rupees
	Upto 1 month	-	-
	1 to 6 months	17,737,426	-
	more than 6 months	5,523,256	7,243,646
		23,260,682	**7,243,646**
8.2	**Provision for doubtful trade debts**		
	Opening balance	5,523,256	5,523,256
	Provision for the year	-	-
	Closing balance	**5,523,256**	**5,523,256**

		2023 Rupees	2022 Rupees
9.	**ADVANCES AND PREPAYMENTS**		
	Advance to employees:		
	-Against salaries	204,300	667,355
	-Against purchases	22,365	118,147
	To suppliers	89,062	2,618,482
	Other receivables	5,995,037	5,994,967
	Prepayments	-	-
		6,310,764	**9,398,951**

		2023 Rupees	Re-Stated 2022 Rupees
10.	**DUE FROM GOVERNMENT**		
	Sales tax refund claim/ refundable	6,587,501	13,859,370
	Income Tax Refund	1,709,244	-
		8,296,745	**13,859,370**
11.	**CASH AND BANK BALANCES**		
	Cash in hand	273,756	81,556
	Cash at banks - in current accounts	364,922	9,595,199
		638,678	**9,676,755**
12.	**SHARE CAPITAL**		
	Authorized share capital:		
	70,000,000 ordinary shares of Rs. 10 each.	**700,000,000**	**700,000,000**
	Issued, subscribed and paid up share capital:		
	52,214,400 (2022: 52,214,400) ordinary shares of Rs. 10 each. issued for cash.		
		522,144,000	**522,144,000**

12.1 Ordinary shares of the company held by the associated companies at the year end are as follows:

Associated companies	Basis of Relationship	Number of shares 2023	Number of shares 2022
Naheed Noor Enterprises Limited	Common Directorship	300,000	300,000
Naheed Noor (Pvt.) Limited	Common Directorship	100,500	100,500
Sunrise Bottling Company (Pvt.) Limited	Common Directorship	6,500,000	6,500,000
		6,900,500	**6,900,500**

12.2 Reconciliation of number of ordinary shares of Rs. 10 each fully paid in cash is as follows:

	2023	2022
At the beginning of the year	52,214,400	52,214,400
Issued during the year	-	-
At the end of the year	**52,214,400**	**52,214,400**

12.3 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry 'one vote' per share without restriction.

13. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	2023	2022
Opening balance	398,936,078	411,136,423
Transfer to accumulated loss in respect of :		
-Incremental depreciation	(11,778,431)	(12,200,345)
-Disposal of property, plant and equipment	-	-
	(11,778,431)	**(12,200,345)**
Revaluation Surplus during the year	126,412,942	-
Closing balance	**513,570,589**	**398,936,078**
Less: Related deferred tax liabilities on:		
At beginning of the year	67,223,901	70,762,001
Deferred tax (reversed)/ during the year	24,490,628	-
Incremental depreciation on revalued assets	(3,415,745)	(3,538,100)
	88,298,784	**67,223,901**
	425,271,805	**331,712,177**

13.1 This represents surplus on revaluation of property, plant and equipment carried out by WW Engineering Services (Pvt) Ltd on June 30, 2023 (previously these were revalued on September 30, 2001, September 30, 2004, June 30, 2008, June 30, 2013, June 30, 2016 and June 30, 2019, June 30, 2020) adjusted by surplus realized on disposal of revalued assets, incremental depreciation arising out of revaluation and deferred taxation. Based on latest revaluation report, the forced sale of the revalued assets i.e. land, building and plant & machinery in aggregate is Rs.695,343,746/-

14. LOAN FROM SPONSORS AND OTHER RELATED PARTIES	Note	2023 Rupees	Re-Stated 2022 Rupees
Unsecured- from related parties			
Mr. Noor Elahi		267,753,678	246,133,878
Mrs. Parveen Elahi		137,246,121	132,341,121
Mr. Nabeel Javed		-	2,345,000
Mrs. Naheed Javed		150,024,598	148,574,598
		555,024,397	**529,394,597**
Associated Companies:			
Naheed Noor (Pvt) Limited		3,848,844	3,848,844
Naheed Noor Enterprises (Pvt) Limited		61,907,770	60,321,770
Pure Drinks (Pvt) Limited		877,656	877,656
Sunrise Bottling Co (Pvt) Ltd		1,115,000	(385,000)
Aroma Drinks (Pvt) Limited		30,536,042	30,536,042
		98,285,312	**95,199,312**
Total loan from sponsors and other related parties	14.1	**653,309,709**	**624,593,909**

14.1 These interest free loans are repayable at the discretion of the Company. Company has no intention to repay these loan within next twelve months from the reporting date. Therefore, no portion has been classified under current liabilities. Therefore, these loans are not measured at amortized cost as per requirements of IFRS-09, rather these are treated as equity in accordance with the Technical Release - 32 "Accounting Directors' Loan" (TR-32) issued by the Institute of Chartered Accountants of Pakistan (ICAP).The lenders have been given an option to convert the loan into share capital but no option has been exercised yet.

15. LONG TERM FINANCING FROM OTHERS	Note	2023	2022
Foreign Loan	15.1	72,187,500	85,312,500
Loan From Bank Al Habib	15.2	7,289,750	17,009,419
		79,477,250	**102,321,919**

15.1		
Opening Balance	105,000,000	68,509,905
Markup capitalized	-	388,601
	105,000,000	**68,898,506**
Restated- Refer note no.3.29	**-**	**36,101,494**
	105,000,000	**105,000,000**
Current Portion	(13,125,000)	(13,125,000)
Overdue Portion	(19,687,500)	(6,562,500)
	(32,812,500)	**(19,687,500)**
Closing Balance	**72,187,500**	**85,312,500**

Foreign Loan

The company entered into restructuring agreement with foreign lender during the last year and agreed the revised terms of settlement with lender, the foreign currency loan USD$ 1.000 million converted at fixed USD$ Pak rupee parity rate of Rs.105 and payable in Pak rupee at Rs.105 million plus markup chargeable net of payment till year end amounting Rs.11.295 million. The loan carry markup rate of 6-Months LIBOR+ 1.25% prevailing at the date of disbursement of loan.

Markup Rate	6-Months Libor+1.25%
Payment Term	Equal Semi annually Installments
Payment Start Date	June 2022
Payment End Date	December 2029

			2023 Rupees	Re-Stated 2022 Rupees
15.2	**TERM FINANCE FROM BANK AL-HABIB**			
	Term Finance		19,439,333	26,729,083
	Less: Current portion		(12,149,583)	(9,719,664)
			7,289,750	**17,009,419**

The RF facility outstanding amount was restructured/ rescheduled by the bank vide its sanaction letter dated 25-01-2022 by converting it to term finance facility of Rs.29.159 million with mark-up @ 9.75% p.a. and is repayable in 3-years 12 equal quarterly installments starting from February 15, 2022 and ending on January 01, 2025. The facility is secured by way of:

- 1st equitable charge over industrial land 56 Kanals of Unit-1 & 16 Kanals situated at 3KM Raiwind Manga road, Distt Kasur.
- Hypothecation charge over plant and machinery, stocks and book debts.
- Personal Guarantee of Chief Executive Mr. Noor Elahi and counter guarantee.

16.	**LONG TERM SECURITY DEPOSITS**		**7,731,660**	**7,731,660**

It represent security deposit refundable by lessee agaist lease of warehouse and workers residence premises to M/S style Textile (Pvt) Ltd. The same is interest free.

17.	**DEFERRED LIABILITIES**			
	Staff gratuity-Unfunded	**17.1**	12,624,593	12,712,267
	Deferred taxation	**17.2**	16,779,716	1,257,191
			29,404,309	**13,969,458**

17.1 Staff gratuity - Unfunded

Latest actuarial valuation of the gratuity scheme was conducted as on August 15, 2023. Results of actuarial valuation are as under:

17.1.1 Movement in present value of defined benefit obligation

Present value of defined benefit obligation - opening	12,712,267	12,629,012
Current service cost	667,517	662,461
Interest cost	631,207	423,134
Re-measurements (income)/loss	(1,083,898)	198,626
Benefits paid during the year	(302,500)	(719,910)
Transferred to trade and other payables	-	(481,056)
Present value of defined benefit obligation - closing	**12,624,593**	**12,712,267**

17.1.2 Historical Information

	Amount in Rupees				
	2023	**2022**	**2021**	**2020**	**2019**
Present value of obligation	12,624,593	12,712,267	12,147,954	4,798,547	7,826,580

		2023 Rupees	Re-Stated 2022 Rupees
17.1.3	**Net Liability recognized in Statement of financial position**		
	Present value of obligation	**12,624,593**	**12,712,265**
17.1.4	**Expense recognized**		
	In Statement of Profit or loss		
	Current service cost	667,517	662,461
	Interest cost	631,207	423,134
		1,298,724	**1,085,595**
	In Statement of other comprehensive income		
	Re-measurement in the year	**(1,083,898)**	**198,626**

		2023	2022
17.1.5	**Principle actuarial assumptions**	%	
	Discount factor used	**16.25%**	**13.25%**
	Expected rate of salary increase	**15.25%**	**12.25%**

17.1.6 General description

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charge is made on the basis of actuarial valuation carried on using Projected Unit Credit Method.

	Impact on Present value of defined benefit obligation			
	Change in Percentage		**Increase in assumption**	**Decrease in assumption**
Discount rate	1.00%		4,697,818	4,967,453
Salary growth rate	1.00%		4,980,044	4,683,840

The average duration of the defined benefit obligation is 2 years (2022: 3 years).

Gratuity which was classified in current liabilities in last year has been reclassified to deferred liabilities.

17.2 The net liability for deferred taxation comprises of temporary differences.

			2023	2022
	Taxable temporary difference			
	Accelerated tax depreciation allowance		68,383,819	71,782,711
	Surplus on revaluation of property, plant and equipment		88,298,784	67,223,901
			156,682,603	**139,006,612**
	Deductible temporary differences			
	Staff retirement benefits - gratuity		(3,661,132)	(3,686,557)
	Unused tax losses carried forward		(136,241,755)	(134,062,864)
			(139,902,887)	**(137,749,421)**
			16,779,716	**1,257,191**
17.2.1	**Movement in deferred tax liability is as follows;**			
	Opening deferred tax liability		1,257,191	958,314
	Reversal of Deferred tax expense during the year			
	-Profit or loss	**29**	9,282,434	356,479
	-Other comprehensive income		(24,804,958)	57,602
	Closing deferred tax liability		**16,779,716**	**1,257,191**

17.2.2 The deferred tax asset of Rs. 136.241 million (2022: Rs. 134.062 million) on carried forward losses has been recognized to the extent of its future recoverability in these financial statements. No deferred tax relating to minimum taxes has been recognized.

		2023 Rupees	Re-Stated 2022 Rupees
18.	**TRADE AND OTHER PAYABLES**		
	Creditors	34,330,448	54,950,315
	Accrued liabilities	26,133,582	56,371,552
	Advance from customers	16,977,357	49,925,306
	Income tax payable	243,670	11,691,928
	Other Payable	403,658	11,358,658
		78,088,715	**184,297,758**
19.	**ACCRUED MARKUP**		
	Short term financing from banking companies	460,852	679,594
	Markup on Long term loan others	11,295,141	8,900,379
	Markup on Long term loan others restated- Refer note no. 3.29	-	275,701
		11,755,993	**9,855,674**

20. UNCLAIMED DIVIDEND

This represent unclaimed dividend unpaid due to non claimant of shareholders and the company has deposited the unclaimed dividend into separate bank account. Upon claim, the same shall be paid to the claimant shareholder or if claimant did not lodge the claim, the same shall be deposited in Government treasury as prescribed by the law. The company is in the process of complying with the requiremetns of section 244 of the Companies Act, 2017.

			2023 Rupees	2022 Rupees
21.	**CURRENT AND OVERDUE PORTION OF LONG TERM LOAN**			
	Current portion			
	- Foreign loan		13,125,000	13,125,000
	- Term finance from Bank Al-Habib		9,719,667	9,719,664
			22,844,667	**22,844,664**
	Overdue portion			
	- Foreign loan		19,687,500	6,562,500
	- Term finance from Bank Al-Habib		2,429,917	-
		15.2	**22,117,417**	**6,562,500**
			44,962,083	**29,407,164**
22.	**PROVION FOR TAXATION**			
	Opening balance		164,977	820,784
	Prior year adjustment		-	-
	Provision for the year		153,732	356,479
			318,709	**1,177,263**
	Less: Adjusted against available tax/tax deducted at source		**(2,027,953)**	**(1,012,286)**
			-	**164,977**

23. CONTINGENCIES AND COMMITMENTS

23.1 'Mr. Khurram Shahzad Mughal, Mr. Muhammad Afzal and Mr. Muhammad Waseem, ex-employees of the company have filed suits against the company before the compensation Commissioner/ wages Authority Lahore for compensation amounting Rs. 510,000, Rs. 103,576 and Rs. 123,000 as damages against lost of eye-sight and pending wages claim respectively. Legal counsel of the company is hopeful that there is no scope of any fiscal loss to the company in this case.

23.2 Commitments

There are no commitments as at year end. (2022: Rs. Nil).

		2023 Rupees	2022 Rupees
24.	**TURNOVER - NET**		
	Local sales - gross	14,687,902	-
	Less: sales tax	(2,389,342)	-
	Local sales - net	**12,298,560**	**-**

			2023 Rupees	Re-Stated 2022 Rupees
25.	**COST OF SALES**			
	Raw material	**25.1**	78,034,385	-
	Depreciation	**4.5**	26,540,064	27,924,492
			104,574,449	**27,924,492**
	Adjustment of work-in-process:			
	Opening stock		4,320,513	4,320,513
	Closing stock	**7**	-	(4,320,513)
			4,320,513	-
	Cost of goods manufactured		**108,894,962**	**27,924,492**
	Adjustment of finished goods:			
	Opening stock		433,955	433,955
	Closing stock	**7**	-	(433,955)
			433,955	-
			109,328,917	**27,924,492**
25.1	**Raw material**			
	Opening stock		78,034,385	78,938,223
	Purchases		-	-
	Direct expenses		-	-
	Purchases- net		-	-
	Available for consumption		**78,034,385**	**78,938,223**
	Less: Cost of Stock damage by Fire		-	(903,838)
	Less: Closing stock	**7**	-	(78,034,385)
			78,034,385	-
26.	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Directors' remuneration		-	-
	Salaries, allowances and other benefits	**26.1**	17,265,229	17,934,578
	Fees and subscription		367,693	17,395
	Traveling and conveyance		621,471	644,308
	Vehicle running and maintenance		133,713	339,699
	Electricity, Gas & Water		5,768,083	4,100,802
	Telephone, postage and telegram		657,259	549,440
	Printing and stationery		247,515	303,190
	Repair and maintenance		893,725	2,299,612
	Insurance		-	138,485
	Rent, rates and taxes		34,754	25,000
	Entertainment		237,051	160,685
	Legal and professional charges		699,907	245,240
	Auditors' remuneration		881,000	881,000
	Provision for obsolete stores and spares and written down to NRV		-	11,488,003
	Depreciation	**4.5**	426,278	480,587
	Advertisement		137,300	34,381
	Miscellaneous		129,000	137,785
	Others		404,115	725,663
			28,904,094	**40,505,853**

26.1 This includes Rs. 1,298,724 (2022: 1,085,595) in respect of staff gratuity.

		2023 Rupees	Re-Stated 2022 Rupees
26.2	**Auditor's remuneration**		
	Statutory audit fee	625,000	625,000
	Half yearly review and other certifications	125,000	125,000
	Review of code of corporate governance	90,500	90,500
	Out of Pocket Expenses	30,800	40,500
		871,300	**881,000**
27.	**OTHER INCOME/(EXPENSES)**		
	Weigh bridge income	2,280,000	1,990,000
	Rental Income	6,871,460	10,699,788
	Scrap sales/ other income	2,117,500	921,000
	Other Income	3,485,810	-
	Stock lost-fire loss		-
	Gain due to insurance claim	-	96,162
	Balances written back- net	36,793,293	39,562,174
	SNGP balance written back		-
	Reversal of Provision of Stores & Spares	9,311,566	-
	Exchange gain on foreign currency	-	-
		60,859,629	**53,269,124**
28.	**FINANCE COST**		
	Mark-up on:		
	Long term loans and financing	4,250,664	10,319,082
	Short term finances	-	1,999,942
	Bank charges and commission	74,596	82,903
		4,325,260	**12,401,927**
29.	**TAXATION**		
	Current tax	153,732	-
	Prior year adjustemnt	-	-
	Deferred tax - net	(9,282,434)	356,479
		(9,128,702)	**356,479**

No tax to deferred tax reconciliation has been provided as the company has been charged to tax on basis of minimum tax provision. Furthermore, the company is non operational to date but have plans to revive it in the future.

30. EARNING PER SHARE

30.1 Basic

		2023	2022
Loss after taxation	**Rupees**	**(60,271,380)**	**(27,919,627)**
Weighted average number of ordinary shares	**No.**	**52,214,400**	**52,214,400**
Loss per share	**Rupees**	**(1.15)**	**(0.53)**

	2023 Rupees	Re-Stated 2022 Rupees

30.2 Diluted

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

31. CASH AND CASH EQUIVALENTS

	2023 Rupees	Re-Stated 2022 Rupees
Cash and bank balances	638,678	9,676,755
Short term financing	-	-
	638,678	**9,676,755**

32. RELATED PARTY TRANSACTIONS

Disclosure of transactions between the Company and related parties have disclosed in the relevant notes to the financial statements except followings:

Name of Related Party	Basis of relationship	2023 RUPEES	Re-Stated 2022 RUPEES
Loan obtained from;			
Mr. Noor Elahi	Chief executive	21,619,800	21,975,000
Mrs. Parveen Elahi	Director	4,905,000	650,000
Mrs. Naheed Javed	Director	1,450,000	1,100,000
Naheed Noor Enterprises (Pvt) Limited	Common Directorship	1,586,000	11,432,500
Loan repaid to;			
Naheed Noor Enterprises (Pvt) Limited	Common Directorship	-	-
Aroma drinks (Pvt.) Limited		-	12,000

32.1 Maximum aggregate amount due to any related party at any month end during the year was due to Mr.Noor Elahi amounting Rs. 267.753 million (2022: Rs. 246.384 million).

32.2 Remuneration and benefits to chief executive, directors, and executives / key management personnel under the term of their employment are disclosed in note 33.

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

		2023	Re-Stated 2022
CHIEF EXECUTIVE AND DIRECTORS			
Remuneration and other benefits	**Rupees**	-	-
Number of persons	**No.**	Nil	Nil
EXECUTIVES			
Remuneration and other benefits	**Rupees**	-	-
Number of persons	**No.**	Nill	Nill

33.1 The Chief Executive and Directors are also provided with free use of company maintained cars.

33.2 No remuneration is paid to any other director.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments. Category wise detail of financial instruments is as follows:

	Notes	2023 Rupees	Re-Stated 2022 Rupees
Financial assets as per statement of financial position			
Long term deposits	5	1,303,945	1,303,945
Trade debts	8	17,737,426	1,720,390
Advances and prepayments	9	6,310,764	9,398,951
Cash and bank balances	11	638,678	9,676,755
		25,990,812	**22,100,041**
Financial liabilities as per statement of financial position			
At cost / amortized cost:			
Loan from sponsors and other related parties	14	653,309,709	624,593,909
Long term financing from others	15	79,477,250	102,321,919
Trade and other payables	18	78,088,715	184,297,758
Accrued markup	19	11,755,993	9,855,674
Unclaimed dividend		402,570	402,570
Short term financing	21	-	-
Current & overdue portion of long term loans	21	44,962,083	29,407,164
		867,996,320	**950,878,994**

35. FINANCIAL INTRUMENTS AND RELATED DISCLOSURES

35.1 Financial risk factors

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

35.2 Market risks

i) Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The sensitivity on interest rate is calculated on following floating instruments;

	2023 RUPEES	Re-Stated 2022 RUPEES
Floating rate instruments:		
Financial Liabilities:		
Long term financing from others	79,477,250	102,321,919
Short term financing	44,962,083	29,407,164
	124,439,333	**131,729,083**

If the interest rates at the statement of financial position date, fluctuate by 1% higher/ lower with all other variables held constants, profit or loss after taxation for the year would have been Rs. 883,519 (2022: Rs. 935,276) higher/lower, mainly as a result of higher/lower interest expenses on floating rate borrowings. The analysis is prepared assuming the actual amounts of liabilities shall remain outstanding during the whole year.

ii) Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risks arise mainly from future commercial transactions or receivables and payables that exists due to transactions in foreign currencies. The company is not exposed to currency risk, as financial asset and financial liabilities both are denominated in functional currency and during the year, the foreign currency loan has been restructured in functional currency and the company is not exposed to currency risk for foreign loan.

iii) Other price risk
Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risks), whether those changes are caused by factors specified to the individual financial instruments or its issuers or factors affecting all similar instruments traded in the market and the company is not exposed to other price risk

iv) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As the company is unable to meet its financial obligation and also financial facilities are not renewed by the lenders. The company is exposed to liquidity risk in respect of the non current interest bearing liabilities, short terms borrowings, trade and other payables and accrued markup. The following are the contractual maturities of the financial liabilities, including estimated interest payments:-

	All amounts in Rupees				
	Carrying amount	**Six months or less**	**Six to Twelve months**	**One to Two years**	**More than Two years**
June 30, 2023					
Long term financing from others	79,477,250	-	-	-	79,477,250
Trade and other payables	78,088,715	17,624,685	60,464,030	-	-
Accrued markup	11,755,993	11,755,993	-	-	-
Unclaimed dividend	402,570	402,570	-	-	-
Loan from banking company	44,962,083	44,962,083	-	-	-
Total	**214,686,611**	**74,745,331**	**60,464,030**	-	**79,477,250**
June 30, 2022					
Long term financing from others	102,321,919	-	-	-	102,321,919
Trade and other payables	184,297,758	72,975,892	111,321,866	-	-
Accrued markup	9,855,674	9,855,674	-	-	-
Unclaimed dividend	402,570	402,570	-	-	-
Loan from banking company	29,407,164	29,407,164	-	-	-
Total	**326,285,085**	**112,641,300**	**111,321,866**	-	**102,321,919**

35.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted.

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties to the financial instruments fail to perform as contracted. Out of the total financial assets of Rs. 25,990,812 (2022: Rs. 22,100,041). The management monitors and limits the Company's exposure to credit risk through monitoring of clients credit exposure review and conservative estimates of provision for doubtful receivable. The management is of the view that it is not exposed to significant concentration of credit risk.

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

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

	2023 Rupees	Re-Stated 2022 Rupees
Financial assets		
Long term deposits	1,303,945	1,303,945
Trade debts	17,737,426	1,720,390
Advances and prepayments	6,310,764	9,398,951
Cash and bank balances	364,922	9,595,199
	25,717,056	**22,018,485**

The trade debts are due from local customers local sales respectively. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Loans to employees are secured against their gratuity balances.

The Company always measures the loss allowance for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The credit quality of major financial assets that are neither past due not impaired can be assessed by reference to external credit rating (if available) or to historical information about counter party default rate.

	Rating		Rating agency
	Short term	Long term	
Bank Al-Falah Limited	A-1+	AA+	PACRA
Al-Baraka Bank Pakistan Limited	A-1	A+	VIS
MCB Bank Limited	A-1+	AAA	PACRA
United Bank Limited	A-1+	AAA	VIS
JS Bank Limited	A-1+	AA-	PACRA
Meezan Bank Limited	A-1+	AAA	VIS
Habib Bank Limited	A-1+	AAA	VIS
Bank Al-Habib Limited	A-1+	AAA	PACRA
National Bank of Pakistan	A-1+	AAA	PACRA
The Bank of Punjab	A-1+	AA+	PACRA
Faysal Bank Limited	A-1+	AA	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
Silk bank Limited	A-2	A-	VIS
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA

36. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

36.1 Risk Management Policies

The Company's objective in managing risks is the creation and protection of shareholder's value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instrument it holds.

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

36.2 Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in the similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similar affected by changes in economic, political or other conditions. The Company believe that it is not exposed to major concentration of credit risk.

36.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

36.4 Interest rate risk

The company usually borrows funds at fixed and market based rates as such risk is minimized. Significant interest rates and cash flow risks are primarily managed by contracting floor and cape of interest rates.

36.5 Foreign currency risk

Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. The company operates have no buyer or supplier from foreign countries. Also during the year foreign loan has been converted into Pak rupees due to which Company is not exposed to any foreign currency risk.

37. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company manage its capital risk by monitoring its debts levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowing as shown in the statement of financial position and total capital comprises shareholders equity as shown in the statement of financial position under share capital and reserves.

	2023 Rupees	Re-Stated 2022 Rupees
Total borrowings	124,439,333	131,729,083
Less: Cash and Bank Balances	(638,678)	(9,676,755)
Net debts	**123,800,655**	**122,052,328**
Equity	713,596,942	642,460,641
Total capital	**837,397,597**	**764,512,969**
Gearing ratio	**14.78%**	**15.96%**

Fair value financial assets and liabilities

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transactions. Consequently, differences may arise between carrying amount and the fair value estimates.

38. GEOGRAPHICAL INFORMATION

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

Pakistan - local sales	**12,298,560**	**-**

All non-current assets of the Company are located and operating in Pakistan.

38. NUMBER OF EMPLOYEES

		2023	2022
Employees of the Company as at June 30	**No.**	**27**	**27**
Average number of employees during the year	**No.**	**27**	**28**

40. CAPACITY AND PRODUCTION

Yarn

Number of spindles installed	33,072	33,072
Installed capacity after conversion into 20's count (Kgs)	10,266,624	10,266,624
Actual production of yarn after conversion into 20's count (Kgs)	-	-

It is difficult to describe precisely the production capacity in Spinning Mills since it fluctuates widely depending on various factors such as quality of cotton, count of yarn spun, spindles speed etc. Due to financial constraints, the company could not operate its unit-I and unit-II for whole year. .

41. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 04, 2023 by the Board of Directors of the Company.

42 . GENERAL

Figures have been rounded-off to the nearest Pakistani Rupee except stated otherwise.

Naheed Javed

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

FORM OF PROXY

The Company Secretary,
RUBY TEXTILE MILLS LIMITED,
35-Industrial Area, Gulberg,III, Lahore
Ph: (+92-42)3571-4601, 3576-1243-4
Fax:(+92-42)1400, 3576-1222

PLEASE QUOTE:

Folio No.	No. of Shares held

I/We of ______________________________

being a member of Ruby Textile Mills Limited hereby appoint ______________________________

of ______________________________

____

____

who is also member if Company vide Registered Folio No..............as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held at 35-Industrial Area, Gulberg,III, Lahore on Thursday October 26th, 2023 at 03:00 p.m.

In witness whereof I have set my hand this ____________ day of ____________ 2023.

Date: ____________

Place: ____________

____
Member's Signature:

Notes:

1. This proxy form must be deposited duly completed in the Company's Registered Office at least 48 hours before the meeting.
2. A proxy must be member of the Company.
3. Member's Signature should agree with the specimen registered with the Company.

پراکسی فارم (مختار نامہ)

کمپنی سیکٹری
روبی ٹیکسٹائل ملز لمیٹڈ
35-انڈسٹریل ایریا، گلبرگ III، لاہور۔

براہِ مہربانی تحریر کریں: ______
فولیو نمبر: ______
ملکیتی حصص کی تعداد: ______

میں / ہم ______
ساکن ______
بحیثیت رکن روبی ٹیکسٹائل ملز لمیٹڈ ______
بذریعہ ہذا محترم/محترمہ ______
ساکن ______

جو بروئے رجسٹرڈ فولیو نمبر کمپنی کا ممبر بھی ہے کو اپنے/ ہمارے ایماء پر 35-انڈسٹریل ایریا، گلبرگ III، لاہور، بروز جمعرات 28 اکتوبر 2023 کو سہ پہر 3:00 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/ کرتے ہیں۔

آج بروز ______ بتاریخ ______ 2023ء کو میرے/ ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

-/5 روپے کا رسیدی ٹکٹ

تاریخ: ______

مقام: ______

______
دستخط رکن

نوٹ:

1۔ یہ پراکسی فارم باقاعدہ مکمل شدہ کمپنی کے رجسٹرڈ دفتر میں اجلاس سے کم از کم 48 (اڑتالیس) گھنٹے قبل لازماً جمع کرایا جانا چاہیئے۔
2۔ پراکسی لازماً کمپنی کا رکن ہونا چاہیئے۔
3۔ رکن کے دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخط سے لازماً مطابقت رکھتے ہوں۔

HEAD OFFICE

35-Industrial Area, Gulberg-III,
Lahore-54660, Pakistan.
Ph#(+92-42)3571-4601,3576-1243-4
Fax:(+92-42)3571-1400, 3576-1222
Email:info@rubytextile.com.pk

REGISTERED OFFICE

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Fax:(+92-42)3571-1400, 3576-1222
Email:info@rubytextile.com.pk

MILLS

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Raiwind, District Kasur-55050, Pakistan
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Fax:(+92-42) 3539-1032
Email:wasim@rubytextile.com.pk