بسم الله الرحمن الرحيم

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Company Information

Board of Directors	Muhammad Ismail (Chief Executive) Sheikh Umar Farooq Mr. Hussain Ahmad Fazal Mr. Mushtaq Ahmad Mst. Ghazala Nasreen Mr. Shafiq Ahmed Mohammad Asif Mr. Nadeem Ahmed
Chief Financial Officer	Muhammad Asif
Auditors	Naveed Mukhtar & Co. Chartered Accountants
Bankers	Allied Bank Limited Askari Bank Limited Faysal Bank Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan Soneri Bank Limited The Bank of Khyber
Offices: Karachi (Registered Office)	 Room No.809, 8th Floor, Saima Trade Tower-B, I.I.Chundrigar Road, Karachi Web Site:www.hussaingroup.com
Multan (Unit No.1&3)	Fazalabad Vehari Road, Multan Ph. 92-61-6527238,6528245,6760524 Fax. 92-61-6526487,6526572
Multan (Unit No.2)	35-KM Bahawalpur Road,Adda Muhammad Pur, Multan Ph. 92-61-4250577,4250603 Fax. 92-61-4250578
Multan (Unit No.4)	Qadirpur Rawan Bypass, Khanewal Road, Multan Ph. 92-61-4423183, Fax. 92-61-4423184
Kabirwala (Unit No.5)	17-KM Mauza Kohiwala, Kabirwala, Khanewal Ph. 92-65-2450308 Fax. 92-65-2450309

DIRECTORS' REPORT

The Board of Directors is pleased to present the 45th Annual Report, which includes the audited financial statements, detailing the company's financial performance for the financial year ending on June 30, 2023.

Performance Highlights:

We would like to provide a concise overview of the key financial results achieved by the company during the financial year 2023, as compared to the previous year:

Particulars	FY 2023	FY 2022
	Rupees	
Sales	5,708,228,592	13,305,237,768
Gross Profit	(553,592,100)	627,830,632
Operating Profit/(Loss)	(966,605,472)	(27,915,368)
Finance Cost	(840,768,339)	(515,322,589)
Profit/(Loss) before Tax	(1,660,799,729)	(420,415,858)
Profit/(Loss) after Tax	(2,128,003,095)	(796,640,657)
Earnings/(Loss) per Share	(113.13)	(42.35)

Sales value of the company squeezed steeply during the financial year under review as compared to the previous financial year owing to the staggering financial challenges. Regrettably, your company found itself confronted by the challenges posed by a significant financial downturn. The relentless onslaught of this economic turmoil resulted in substantial financial losses that our company had to grapple with throughout the year.

Despite being hemmed in by the deluge of the financial meltdown, our team worked diligently to navigate these turbulent waters. We are committed to implementing strategic measures to mitigate the impact of these challenges and steer the company toward a path of recovery and sustainability.

The company experienced financial losses during the year, mainly due to some external threats and weaknesses, including a historically low local currency depreciation, high energy prices, limited availability of raw materials (cotton/yarn) at elevated costs, and depleted working capital. These factors, among others, raised the cost of doing business, leading to a loss of market share due to uncompetitive pricing.

The textile sector, in particular, has been grappling with the ongoing economic recession, necessitating collaborative efforts from all stakeholders, including regulatory authorities and financial partners .

Future Outlook:

To revive the sector, the Board of Directors believes that rigorous efforts are required. Perseverance, resilience & fortitude are the key factors to adhere to in pursuit of revival of the sector. The government must implement measures such as soft financing, swapping existing financing at favorable terms, and providing a moratorium of at least two years on existing financing. Financial partners should also step in with a moratorium on long-term repayments and significant price reductions to help the textile sector improve its revenue and gross margins. It is crucial for influential authorities to make wise decisions to stabilize the economy.

Replenishing working capital through fresh accommodations or enhancing existing lines at favorable rates by financial institutions will help insulate the textile sector from the impact of rising raw material costs and exchange rate fluctuations. We believe that providing both financial and non-financial relief is essential to enable and empower the textile industry to increase sales and contribute to the economic recovery.

While the past year has been difficult, we are confident in our ability to steer the company towards a brighter future. By implementing prudent financial strategies, streamlining operations, pursuing innovation, and embracing sustainability, we are poised to overcome the current challenges and emerge as a stronger and more resilient organization.

Management/Labor Relations:

Management/labor relations remained excellent during the reviewed year. We have a competitive workforce in both administrative and production roles, and we view our staff as a valuable asset to the company. We invest in the professional development and skill improvement of our staff, with the hope of achieving better results in the future. The company's Human Resource policy is grounded in principles of fairness, merit, equal opportunities, and social responsibility.

Acknowledgment:

We extend our sincere appreciation to the company's bankers, valued customers, suppliers, shareholders, and government authorities for their invaluable contributions and cooperation during the financial year under review.

Multan
January 03, 2024

For and on behalf of the Board:

Sd/-
Hussain Ahmad Fazal
(Director)

ڈائریکٹرز کی رپورٹ:۔

بورڈ آف ڈائریکٹرز کو45ویں سالانہ رپورٹ پیش کرنے پر بے حد خوشی ہے جس میں آڈٹ شدہ مالیاتی بیانات شامل ہیں۔جس میں 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کی مالی کارکردگی کی تفصیل ہے۔

کارکردگی کی جھلکیاں:۔

ہم پچھلے مالی سال کے مقابلے میں مالی سال 2023 کے دوران کمپنی کے حاصل کردہ کلیدی مالیاتی نتائج کا ایک مختصر جائزہ فراہم کرنا چاہتے ہیں۔

تفصیل	2023 روپے	2022 روپے
فروختگی	5,708,228,592	13,305,237,768
مجموعی منافع	(553,592,100)	627,830,632
مالیاتی اخراجات سے پہلے کا منافع	(966,605,472)	(27,915,368)
مالیاتی خرچہ	(840,768,339)	(515,322,589)
منافع/(نقصان) قبل از ٹیکس	(1,660,799,729)	(420,415,858)
منافع/(نقصان) بعد از ٹیکس	(2,128,003,095)	(796,640,657)
آمدنی/(نقصان) فی حصص	(113.13)	(42.35)

مالیاتی چیلنجز کی وجہ سے پچھلے مالی سال کے مقابلے میں زیرِ جائزہ مالی سال کے دوران کمپنی کی فروختگی میں بہت تیزی سے کمی واقع ہوئی ہے۔افسوس کے ساتھ کہنا پڑھ رہا ہے کہ آپ کی کمپنی نے خود کو ایک اہم مالی بدحالی کی وجہ سے درپیش چیلنجز کے سامنے پایا۔

اس معاشی بدحالی کے مسلسل حملوں کے نتیجے میں کمپنی کو کافی مالی نقصان ہوا جسے اس کمپنی کو پورا سال جھیلنا پڑا۔ مالی تباہی کے سیلاب سے متاثر ہونے کے باوجود ہماری ٹیم نے بڑی حکمت اور حوصلے سے ان کا سامنا کیا۔تاہم کمپنی ان چیلنجز کے اثرات کو کم کرنے اور کمپنی کی بحالی اور اسے پائیداری کے راستے کی طرف لیجانے کے لیے تدبیری اقدامات کو نافذ کرنے کے لیے پرُعزم ہیں۔

ٹیکسٹائل کا شعبہ خاص طور پر جاری معاشی کساد بازاری سے نبرد آزما ہے جس کے لیے تمام کھاتے دار بشمول حکومتی ادارے اور مالیاتی شراکت داروں کی جانب سے تعاون کی کوششوں کی ضرورت ھے۔

مستقبل کا جائزہ:۔

بورڈ آف ڈائریکٹرز کا خیال ہے کہ اس شعبے کی بحالی کے لیے سخت کوششوں کی ضرورت ہے۔استقامت، مستقل مزاجی اور بلند حوصلہ وہ عوامل ہیں جن پر عمل کرنا اس شعبے کی بحالی کیلیے بہت ضروری ہے۔حکومت کو آسان شرائط پر قرضے دینا ہونگے اور پہلے سے موجود قرضوں کو مزید آسان بنانا ہوگا جن میں کم از کم دو سال کا توقف فراہم کرنا جیسے اقدامات نافذ کرنا ہوں گے۔

مالیاتی شراکت داروں کو ٹیکسٹائل کے شعبے کو اپنی آمدنی اور مجموعی مارجن کو بہتر بنانے میں مدد فراہم کرنے کے لیے طویل المدتی ادائیگیوں اور مارک اپ میں

نمایاں کمی کرنا ہوگی ۔معیشت کو مستحکم کرنے کے لیے بااثر حکام کے لیے دانشمندانہ فیصلے کرنا بہت ضروری ہیں ۔

مالیاتی اداروں کی طرف سے ورکنگ سرمایہ کی کمی پوری کرنے کے لیے نئے قرضے جاری کرنا اور موجودہ قرضوں کو آسان شرائط پر لانا ٹیکسٹائل سیکٹر کو خام مال کی بڑھتی ہوئی قیمتوں اور شرح مبادلہ کے اتار چڑھاؤ کے اثرات سے محفوظ رکھنے میں مدد فراہم کرے گا۔ہمیں یقین ہے کہ ٹیکسٹائل سیکٹر کو مالیاتی اور غیر مالیاتی سہولتیں فراہم کرنا انتہائی ناگزیر ہے تاکہ ٹیکسٹائل سیکٹر کو مضبوط کیا جا سکے اور وہ اپنی فروختگی کو بڑھاتے ہوئے معیشت کی بحالی میں کردار ادا کر سکے۔

اگرچہ گزشتہ مالی سال مشکلات سے گھرا ہوا تھا۔لیکن ہمیں اپنی صلاحیتوں پر اعتبار ہے جسکی بدولت ہم کمپنی کو اچھے مستقبل کی طرف لیجا سکتے ہیں۔دانشمندانہ مالیاتی حکمتِ عملی اپناتے ہوئے ہم موجودہ مشکلات پر قابو پا سکتے ہیں۔اور ایک زیرک اور مضبوط ادارہ بن کر اُبھر سکتے ہیں۔

انتظامیہ اور مزدور تعلقات:۔

رواں مالی سال کے دوران انتظامیہ اور مزدوروں کے درمیان تعلقات بہت بہتر رہے۔آپکی کمپنی کے پاس ایک نہایت قابل (انتظامی، پیداواری) عملہ موجود ہے۔جو کمپنی کے لیے ایک گراں قدر اثاثے کی مانند ہے۔ہم اپنے عملے کی کاروباری مہارت بڑھانے کیلئے کوشاں رہتے ہیں جس سے مستقبل میں اچھے نتائج برآمد ہونے کی توقع ہے۔کمپنی کی ہیومن ریسورس پالیسی مساوی مواقع انصاف، اور پسندیدہ سماجی ذمہ داریوں پر مبنی ہے۔

اظہارِ تشکر:۔

آپ کے ڈائریکٹرز بنکرز کی خدمات اور اسی طرح کسٹمرز، سپلائرز، کھاتے دار اور حکومتی اداروں کی خدمات کے معترف ہیں جنکی کاوش اور خدمات رواں سال بھی کمپنی کے ساتھ رہیں۔

Sd/-

بورڈ کی جانب سے

حسین احمد فضل

(ڈائریکٹر)

ملتان

03 جنوری، 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUSSAIN MILLS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Adverse Opinion

We have audited the annexed financial statements of **Hussain Mills Limited** ("the Company"), which comprise of the statement of financial position as at **30th June, 2023** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and, except for the matters described in para (c) and (d) of Basis for Adverse Opinion section of our report, we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of state of the Company's affairs as at 30th June 2023 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

a) The Company has incurred gross loss amounting to Rs. 553.592, loss after taxation amounting to Rs. 2,128.003 million during the current year and as at 30th June 2023, has accumulated losses amounting to Rs. 3,869.324 million.

   As described in note 1.2 in the financial statements, the current ratio of the Company has further deteriorated and its current liabilities exceeded its current assets by Rs. 2,903.323 million. The Long term Financing amounting to Rs. 703.142 million from financial institution has become overdue. From July-2022 the operations of substantial part of the mills of the Company have been suspended. We have not been provided with any information regarding litigation, if any, in respect of aforesaid overdue finance facilities from the banks. The management has not been able to provide any financial plan for the future particularly for the next 12 months. These events indicate that a material uncertainty exists which may cast significant doubt on 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. The management is anticipating achieving profitability and financial support from the directors in future to overcome cash flow issue but in absence of financial plan and suspension of operations of its units the going concern assumption used in the preparation of financial statements is inappropriate.

b) The Company has recognized a liability amounting to Rs. 125.226 million against Gas Infrastructure Development Cess (GIDC) payable (note 19.1 in the financial statements). However, this has not been measured in accordance with the requirements of IFRS-9 ("Financial Instruments"). Had this been measured in accordance with the requirement of aforesaid IFRS-9, the Loss for the current year would have been higher by Rs. 4.431 million whereas Liabilities & Accumulated Loss as of 30th June, 2023, would have been lower by Rs. 1.924 million.

c) The trading of the shares of the listed companies, wherein the Company has made its long term investments (note 6 in the financial statements), has been suspended by the Pakistan Stock Exchange owing to various defaults on the part of the these Companies. Therefore market quoted prices of shares of these Companies on 30th June, 2023 has not been available. Further, current audited financial statements of Fatima Enterprises Limited are also not available. The Company neither arranged to determine nor has recognized impairment, if any, in respect of aforesaid investments. Consequently, in these financial statements, these investments are not appearing at fair value as of 30th June, 2023, as required under International Financial Reporting Standards (IFRS Standards) 13 'Fair Value Measurement'. In the absence of relevant information, we have not been able to determine the impact of aforesaid non-compliance, on these financial statements.

d) The company has not recognized and measured Staff retirement benefit expense and liability, amounting to Rs. 48.226 million and 73.778 million, respectively (note 3.12 & note 18.4), in accordance with the reporting framework (IAS 19 Employee Benefits) which requires that the defined benefit plans should be measured at present value of defined benefit obligation and current service cost using actuarial valuation method, attribute benefit to periods of service and make actuarial assumption. In the absence of related information, we have not been able to determine the impact of such valuation, on these Financial Statements.

e) The following balances relating to following Banks, in the absence of response to our letters for direct confirmation, remained unverified:

Bank of Khyber		
Demand Finance	(Note No. 16.3)	229,408,345
Short Term Borrowings	(Note No. 20)	543,716,500
Account Balance	(Note No. 12)	115,121,782
		888,246,627
MCB Bank Limited		
Demand Finance	(Note No. 16.11)	362,704,272
Account Balance	(Note No. 12)	18,350
		362,722,622
National Bank Limited		
Demand Finance & Frozen Markup	(Note No. 16.7)	1,697,737,360
Account Balance	(Note No. 12)	70,205
		1,697,807,565

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

Emphasis of Matters

We draw attention to Note 13.2 of the financial statements which describes that the Company is defendant in a lawsuit preferred by the aggrieved share holders, holding 41.28% equity shares in the Company. The pray of aforesaid lawsuit includes the winding up of the Company. Preliminary hearings and case proceeding are in progress. The management of the Company and its legal counsel are confident to defeat the petition being baseless and without merit. However, the Honourable Sindh High Court, Karachi, vide its interim order dated 1st February, 2013, restrained the management of the Company from changing the composition of the shareholding of the Company. Our opinion is not modified on this matter.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises of 'Directors' Report' included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, we have concluded that the other information is materially misstated for the same reasons.

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the possible effects of the matters discussed in the Basis for Adverse Opinion section of our report, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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

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

The engagement partner on the audit resulting in this independent auditor's report is Naveed Mukhtar Rana.

Sd/-

Chartered Accountants
Lahore,
5th January, 2024

UDIN: AR202310540cfNkMsgm4

HUSSAIN MILLS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2023

	NOTE	2023 RUPEES	2022 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	8,927,594,763	9,252,204,098
Right-of-use Assets	5	15,623,282	23,655,271
Long Term Investments	6	12,002,214	12,002,214
Long Term Deposits and Prepayment	7	19,129,737	19,111,737
		8,974,349,996	9,306,973,320
CURRENT ASSETS			
Stores and Spares	8	120,463,181	116,758,237
Stock in Trade	9	454,804,602	928,803,791
Trade and Other Receivables	10	696,592,662	1,436,282,325
Prepayments and Advances	11	263,648,620	129,065,169
Income Tax Refundable		127,117,319	74,810,164
Cash and Bank Balances	12	227,902,786	314,792,600
		1,890,529,170	3,000,512,286
		10,864,879,166	12,307,485,606
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital:			
40,000,000 (2022: 40,000,000) Ordinary Shares of Rs. 10/- each		400,000,000	400,000,000
Issued, Subscribed and Paid-up Capital	13	188,102,570	188,102,570
Capital Reserves:			
Premium on Shares Issued		3,352,334	3,352,334
Merger Reserve		126,385,889	126,385,889
Fair Value Reserve		5,282,942	5,282,942
Surplus on Revaluation of Operating Fixed Assets	14	5,709,590,786	5,845,828,683
		5,844,611,951	5,980,849,848
Revenue Reserve (Accumulated Loss)		(3,869,324,277)	(1,877,559,079)
		2,163,390,244	4,291,393,339
Long Term Loan from Directors	15	332,800,472	314,054,814
Total Equity		2,496,190,716	4,605,448,153
NON-CURRENT LIABILITIES			
Long Term Financing	16	2,365,587,198	2,656,127,307
Lease Liabilities	17	7,505,571	20,171,847
Deferred Liabilities	18	1,201,743,299	798,996,620
		3,574,836,068	3,475,295,774
CURRENT LIABILITIES			
Trade and Other Payables	19	2,089,015,707	1,687,238,929
Short Term Borrowings	20	1,528,399,699	1,751,614,609
Unclaimed Dividend		124,939	124,939
Current/Overdue Portion of Long Term Liabilities	21	1,176,312,037	787,763,202
		4,793,852,382	4,226,741,679
		10,864,879,166	12,307,485,606
CONTINGENCIES AND COMMITMENTS	22	-	-

The annexed Notes from 1 to 40 form an integral part of these Financial Statements

Sd/-	Sd/-
DIRECTOR	**CHIEF EXECUTIVE**

HUSSAIN MILLS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE, 2023

	NOTE	2023 RUPEES	2022 RUPEES
SALES	23	5,708,228,592	13,305,237,768
COST OF SALES	24	(6,261,820,692)	(12,677,407,136)
GROSS (LOSS) / PROFIT		(553,592,100)	627,830,632
MARKETING AND DISTRIBUTION COST	25	(110,241,553)	(225,818,630)
ADMINISTRATIVE AND GENERAL EXPENSES	26	(295,287,019)	(372,849,171)
OTHER OPERATING EXPENSES	27	(7,484,800)	(57,078,199)
		(413,013,372)	(655,746,000)
OPERATING LOSS before Other Income		(966,605,472)	(27,915,368)
OTHER INCOME	28	146,574,082	122,822,099
OPERATING (LOSS) / PROFIT after Other Income		(820,031,390)	94,906,731
FINANCE COST	29	(840,768,339)	(515,322,589)
LOSS FOR THE YEAR before Taxation		(1,660,799,729)	(420,415,858)
INCOME TAX EXPENSE	30	(467,203,366)	(376,224,799)
LOSS FOR THE YEAR after Taxation		(2,128,003,095)	(796,640,657)
OTHER COMPREHENSIVE INCOME:			
Items that will never be reclassified to Statement of Profit or Loss:			
Revaluation Surplus on Operating Fixed Assets		-	3,195,995,551
Related Deferred Tax		-	(292,590,554)
		-	2,903,404,997
TOTAL COMPREHENSIVE INCOME		(2,128,003,095)	2,106,764,340
LOSS PER SHARE - Basic and Diluted	31	(113.13)	(42.35)

The annexed Notes from 1 to 40 form an integral part of these Financial Statements

Sd/-
DIRECTOR

Sd/-
CHIEF EXECUTIVE

HUSSAIN MILLS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE, 2023

	NOTE	2023 RUPEES	2022 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before Taxation		(1,660,799,729)	(420,415,858)
Adjustment for:			
Provision for Staff Gratuity		48,226,436	57,608,963
Provision for Expected Credit Loss on Long Term Prepayments		-	25,000,000
Provision for Slow Moving items		1,904,805	-
Provision for Expected Credit Loss on Trade Receivables		2,681,923	22,864,045
Provision for Expected Credit Loss on Advance to Suppliers		2,898,072	9,185,414
Depreciation on Operating Fixed Assets		320,183,944	245,036,274
Depreciation on Right-of-use Assets		4,112,128	5,888,931
Exchange Gain on Realization of Foreign Debtors		(93,402,319)	(73,553,685)
Unrealised Exchange Gain on Foreign Debtors		-	(108,715)
Gain on Sale of Investments through Profit or Loss		-	(52,975)
Gain on Disposal of Operating Fixed Assets		(29,109,315)	(17,529,268)
Return on Financial Assets		(10,902,587)	(14,981,647)
Finance Cost		840,768,339	515,322,589
		1,087,361,426	774,679,926
Cash (Used in) / Generated from Operations before Working Capital Changes		(573,438,303)	354,264,068
EFFECT ON CASH FLOW OF WORKING CAPITAL CHANGES			
(Increase)/Decrease in Current Assets			
Stores, Spares and Loose Tools		(5,609,749)	(527,564)
Stock in Trade		473,999,189	193,486,161
Trade and Other Receivable		830,410,059	(377,285,883)
Prepayments and Advances		(137,481,523)	(25,699,982)
Increase/(Decrease) in Current Liabilities			
Trade and Other Payables		57,524,451	431,278,916
		1,218,842,427	221,251,648
		645,404,124	575,515,716
Income Tax Paid		(121,396,583)	(206,205,668)
Finance Cost Paid		(326,552,406)	(289,031,716)
Staff Gratuity Paid		(43,593,695)	(50,925,974)
NET CASH INFLOW FROM OPERATING ACTIVITIES		153,861,440	29,352,358
CASH FLOW FROM INVESTING ACTIVITIES			
Return on Bank Deposits		10,902,587	14,981,647
Fixed Capital Expenditure		1,328,916	(155,257,882)
Addition to Right-of-use Assets		-	(22,550,097)
Proceeds from Disposal of Operating Fixed Assets		36,125,651	22,562,346
Short Term Investments		-	1,073,775
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		48,339,154	(139,190,211)
CASH FLOW FROM FINANCING ACTIVITIES			
Disbursement of Long Term Loan from Directors		21,500,000	227,219,990
Repayment of Long Term Loan from Directors		(2,754,342)	(152,060,639)
Repayment of Long Term Finances		(71,274,105)	(161,861,273)
Repayment of Lease Liabilities - net		(13,347,051)	22,379,735
Short Term Borrowings - net		(223,214,910)	181,559,497
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		(289,090,408)	117,237,310
NET (DECREASE) / INCREASEIN CASH AND CASH EQUIVALENTS		(86,889,814)	7,399,457
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		314,792,600	307,393,143
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	227,902,786	314,792,600

The annexed Notes from 1 to 40 form an integral part of these Financial Statements

Sd/-	Sd/-
DIRECTOR	**CHIEF EXECUTIVE**

HUSSAIN MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE, 2023

PARTICULARS	PAID-UP SHARE CAPITAL	CAPITAL RESERVES: PREMIUM ON SHARES ISSUED	CAPITAL RESERVES: MERGER RESERVE	CAPITAL RESERVES: FAIR VALUE RESERVE	CAPITAL RESERVES: SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS	CAPITAL RESERVES: TOTAL	REVENUE RESERVES (ACCUMULATED LOSS)	LONG TERM LOAN FROM DIRECTORS	TOTAL
	RUPEES								
Balance as at 30th June, 2021	**188,102,570**	**3,352,334**	**126,385,889**	**5,282,942**	**3,015,139,391**	**3,150,160,556**	**(1,153,634,127)**	**187,242,901**	**2,371,871,900**
Received during the Year	-	-	-	-	-	-	-	227,219,990	227,219,990
Transfer from Non-Current Liabilities	-	-	-	-	-	-	-	51,652,562	51,652,562
Payment during the Year	-	-	-	-	-	-	-	(152,060,639)	(152,060,639)
TOTAL COMPREHENSIVE INCOME									
Profit for the Year after Taxation	-	-	-	-	-	-	(796,640,657)	-	(796,640,657)
Other Comprehensive income for the Year	-	-	-	-	2,903,404,997	2,903,404,997	-	-	2,903,404,997
	-	-	-	-	2,903,404,997	2,903,404,997	(796,640,657)	-	2,106,764,340
Incremental Depreciation on Revaluation of Operating Assets (net of deferred tax)	-	-	-		(72,715,705)	(72,715,705)	72,715,705	-	-
Balance as at 30th June, 2022	**188,102,570**	**3,352,334**	**126,385,889**	**5,282,942**	**5,845,828,683**	**5,980,849,848**	**(1,877,559,079)**	**314,054,814**	**4,605,448,153**
Received during the Year	-	-	-	-	-	-	-	21,500,000	21,500,000
Payment during the Year	-	-	-	-	-	-	-	(2,754,342)	(2,754,342)
TOTAL COMPREHENSIVE INCOME									
Loss for the Year after Taxation	-	-	-	-	-	-	(2,128,003,095)	-	(2,128,003,095)
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(2,128,003,095)	-	(2,128,003,095)
Incremental Depreciation on Revaluation of Operating Assets (net of deferred tax)	-	-	-		(136,237,897)	(136,237,897)	136,237,897	-	-
Balance as at 30th June, 2023	**188,102,570**	**3,352,334**	**126,385,889**	**5,282,942**	**5,709,590,786**	**5,844,611,951**	**(3,869,324,277)**	**332,800,472**	**2,496,190,716**

The annexed Notes from 1 to 40 form an integral part of these Financial Statements

Sd/-
DIRECTOR

Sd/-
CHIEF EXECUTIVE

HUSSAIN MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2023

1 CORPORATE AND GENERAL INFORMATION

1.1 THE COMPANY AND ITS OPERATIONS

(a) Hussain Mills Limited ("the Company") was incorporated in Pakistan on 31st March, 1980 as a Public Limited Company under the Companies Act 1913 (Now Companies Act, 2017).

This is an unquoted Company which is principally engaged in manufacturing/purchase and sale of cotton Yarn and Fabric.

(b) In terms of classification for the companies under clause (a) of serial No. 2 of table of the third schedule, to the Companies Act, 2017, the Company is a 'large sized' (LSC) Company.

(c) The geographical locations and addresses of the Company's business units, including mills/plant are as follows:

(i) Registered office of the Company is situated at Saima Trade Tower-B, I.I. Chundrigar Road, Karachi
(ii) Spinning Unit situated at Fazalabad Vehari Road, Opp. Timber Market, Multan
(iii) Spinning Unit situated at 35-KM, Bahawalpur Road, Near Adda Muhammad Pur, Multan
(iv) Weaving Unit situated at Qadir Pur Rawan Bypass, Khanewal Road, Multan
(v) Spinning Unit situated at 17-KM, Mauza Kohiwala, Kabirwala, Khanewal

1.2 GOING CONCERN

During the year, the Company incurred gross loss Rs. 553.592 million, net after tax loss amounting to Rs. 2,128.003 million (2022: Rs. 796.641 million), accumulated loss amounts to Rs. 3,869.324 million (2022: Rs. 1,877.559 million), and its current liabilities exceeded its current assets by Rs. 2,903.323 million (2022: Rs. 1,226.229 million). The Long term Financing from financial institution has amounting to Rs. 703.142 million (2022: 231.206 million) become overdue. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, these financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability in the future based on a plan made by the management enabling the Company to continue its business in a profitable manner and discharge its liabilities in the ordinary course of its business.

Financial Commitment from Sponsors

On the basis that the company will be able to obtain continuous financial support from the sponsors to meet the current cash flow requirement to achieve satisfactory level of profitability.

The assessment of appropriateness of using the going concern basis of accounting has been subject to a due governance process involving the Board of Directors of the Company. In making such assessments, the Directors have taken into account all facts and circumstances as referred to in the above paragraphs.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

Notes to the Financial Statements
for the Year ended 30th June, 2023

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 USE OF ESTIMATES AND JUDGMENTS

The preparation of Financial Statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan that have significant effect on the financial statements, and estimates that have a significant risk of resulting in a material adjustments in the subsequent years involve following areas of these financial statements.

- Depreciation rates for useful life of the operating assets	(Note 4.2)
- Provision for Expected Credit Loss of Long term Prepayments	(Note 7.3)
- Provision for Slow Moving Store Items	(Note 8)
- Provision for Expected Credit Loss of Trade Receivables	(Note 10.5)
- Provision for Expected Credit Loss of Advances	(Note 11.4)
- Revaluation of Property, Plant and Equipment	(Note 14)
- Provision for defined benefit obligation	(Note 18.4)
- Estimate of contingent liabilities	(Note 22)
- Revenue Recognition	(Note 23)
- Taxation	(Note 30)

2.4 AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN CURRENT YEAR AND

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of Fulfilling a Contract which amended IAS 1 'Presentation of Financial Statements'.
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.
- Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

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

2.5 AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN CURRENT YEAR BUT NOT RELEVANT TO THE COMPANY

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.6 AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE BUT RELEVANT TO THE COMPANY

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2023 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

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

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors) effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

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

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

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

The above amendments and improvements do not have a material impact on the financial statements.

Notes to the Financial Statements
for the Year ended 30th June, 2023

2.7 STANDARDS AND AMENDMENTS TO APPROVED PUBLISHED STANDARDS THAT ARE NOT YET EFFECTIVE AND NOT CONSIDERED RELEVANT TO THE COMPANY

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

2.8 FUNCTIONAL AND PRESENTATION CURRENCY

These Financial Statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

2.9 FIGURES

Amounts presented in the financial statements have been rounded off to the nearest of Rupee, unless otherwise stated. Figures of the previous year, are rearranged and reclassified, wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison.

2.10 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which may require adjustment of and /or disclosure in these Financial Statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 PROPERTY AND EQUIPMENT

(a) Operating Assets:

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent Measurement

Items of property, plant and equipment, other than land, are measured at cost less accumulated depreciation and impairment loss (if any). Land, Buildings and Plant and Machinery are stated at revalued amount less accumulated Depreciation thereon.

Land is stated at Re-Valued amount.

Subsequent Costs:

These are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when its probable that future economic benefits associated with the items will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of property, plant and equipment is capitalized and asset so replaced is retired from use. Normal repairs and maintenance are charged to current year's income.

Depreciation:

Depreciation on all items of property, plant and equipment (except land), is charged to income applying the reducing balance method so as to write off the depreciable amount of an asset over its useful life. Depreciation is being charged at the rates specified in Note 4.2. Depreciation and useful lives are reviewed at each reporting date.

Depreciation on additions to an item of property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which an asset is disposed off.

Disposal:

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss.

Judgment and Estimates:
The useful lives and depreciation rates are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

(b) Capital Work in Progress:
All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use.

3.2 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT
Revaluation of items of property, plant and equipment measured at revalued amount is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase arising on the revaluation is recognized, by restating gross carrying amounts of respective assets being revalued according to the change in their carrying amounts due to revaluation, in other comprehensive income and presented as a separate component of equity as 'Revaluation surplus on property, plant and equipment', except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The revaluation surplus on item of property, plant and equipment measured at revalued amount, except land, is transferred to unappropriated profit to the extent of incremental depreciation charged (net of deferred tax).

3.3 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 re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for shortterm 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.

3.4 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 amortised 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.

Notes to the Financial Statements
for the Year ended 30th June, 2023

3.5 STORES AND SPARES

These are stated at lower of moving average cost and estimated net realizable value. Provision is made for obsolete items, if any, and is based on their condition as at the financial position date depending upon the management's judgment. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Net realisable value specifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessarily to be incurred to make the sale.

3.6 STOCKS IN TRADE

These are valued at the lower of cost and net realizable value except waste, which is valued at net realizable value determined on the basis of contract price. Cost is determined as under:

Raw materials	- Weighted average
Work-in-progress and finished goods	- At average manufacturing cost including a proportion of production overheads

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

Average manufacturing cost in relation to work-in-process and finished goods consist of the direct materials costs and labour costs and an appropriate proportion of manufacturing overheads based on normal capacity.

Net Realizable Value signifies the Selling Price in the ordinary course of business less cost necessary to be incurred to effect such Sale.

3.7 TRADE DEBTS

Trade receivables arise when the Company performs its performance obligations by the transferring goods to a customer and the Company has an un-conditional right to receive the consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. These are carried at original invoice amount less an estimated allowance made for doubtful receivables based on review of outstanding amounts at the year end. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Debts, considered irrecoverable, are written off, as and when identified.

3.8 LONG TERM DEPOSITS

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

3.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

3.10 METHOD OF PREPARATION OF CASH FLOW STATEMENT

The cash flow statement is prepared using indirect method.

3.11 FINANCIAL INSTRUMENTS

(i) Recognition and Initial Measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial Assets

A financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized Cost

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

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

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

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, long term deposits, loan and advances, mark up accrued, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

Equity Instrument - FVOCI

The Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to statement of profit or loss.

Financial assets measured at FVOCI comprise of long term investments in equity securities as detailed in note 6 of these financial statements.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

Notes to the Financial Statements
for the Year ended 30th June, 2023

The Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.

Financial asset measured at FVTPL comprise of short term investments in equity securities.

Financial assets - Business model Assessment:
For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial Liabilities
Financial liabilities are classified as measured at amortized cost or FVTPL.A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Ot her financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

Financial liabilities comprise trade and other payables, long term and short term financing, dividend payable and accrued markup.

(iii) Derecognition
Financial Assets
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial Liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

(iv) Trade Debts, Deposits and other Receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

(v) Impairment

Financial Assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The Company measured its long term advances and related markup to subsidiary and associated companies under the General approach.

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

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

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

The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-Financial Assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Notes to the Financial Statements
for the Year ended 30th June, 2023

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

(vi) Off-setting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.12 EMPLOYEES' RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme covering all eligible employees of the Company who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually, on the basis of last drawn salary assuming that such benefits are payable at the end of accounting period, to cover the obligation and is charged to income currently.

3.13 TRADE AND OTHER PAYABLES

These are stated 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.

3.14 BORROWINGS

Financing and Borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured are amortized cost using the effective interest method.

3.15 BORROWING COSTS

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost 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.

3.16 PROVISIONS

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

3.17 CONTINGENCIES AND COMMITMENTS

Contingent Liabilities are disclosed when there is:

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

Present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets

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

3.18 DIVIDEND AND OTHER APPROPRIATIONS

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

3.19 REVENUE RECOGNITION

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step-1
Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step-2
Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step-3
Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step-4
Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step-5
Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Sale of Goods
The Company's contracts with customers for the sale of goods generally include one performance obligation for both local and export sales i.e. provision of goods to the customers.

Notes to the Financial Statements
for the Year ended 30th June, 2023

i) Local Sales
Sale of goods are recognized at the point in time when control is transferred to the customer, generally upon delivery of goods.

ii) Export Sales
Sale of goods are recognized at the point in time when control is transferred to the customer, dependent on the related inco-terms generally on date of good declaration form being issued by customs authorities or delivery of the product to the port of destination.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

3.20 CONTRACT LIABILITIES
A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

3.21 CONTRACT ASSETS
Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is pending to be due for payment for want of some performance of obligation on part of the Company. Contract assets are treated as financial assets for impairment purposes.

Revenue represents the fair value of the consideration received or receivable for sale of goods, net of returns, allowances, trade discounts, rebates and sales tax. Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised goods or services to a customer, and control either transfers over time or point in time.

3.22 TAXATION
Income tax expense comprises current tax and deferred tax. It is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in equity.

Current:
Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

Deferred:
Deferred tax is recognised using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognised for all major taxable temporary differences.

Deferred tax assets are recognised for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of the deferred tax asset is reviewed at each date of statement of financial position and is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each date of statement of financial position and are recognised to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the financial position date.

3.23 FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated in Pakistan rupees (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan rupees at the rates of exchange approximating those prevalent at the date of statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

3.24 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm's length except for the transactions as disclosed in the relevant notes.

3.25 EARNINGS PER SHARE ('EPS')

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 calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

		2023 RUPEES	2022 RUPEES
4 PROPERTY, PLANT AND EQUIPMENT			
4.1 These Comprise of:			
Operating Assets	(Note 4.2)	8,927,594,763	9,238,265,732
Capital Work in Progress:			
Plant and Machinery	(Note 4.5)	-	7,212,366
Vehicles	(Note 4.6)	-	6,726,000
		-	13,938,366
		8,927,594,763	9,252,204,098

4.2 These represent operating assets and are made up as follows:

PARTICULARS	COST / REVALUATION						DEPRECIATION						
	AT BEGINNING OF THE YEAR	ADDITIONS	TRANSFERS FROM RIGHT-OF-USE ASSETS	DELETIONS	REVALUATION SURPLUS	AT END OF THE YEAR	RATE %	TO BEGINNING OF THE YEAR	ON TRANSFERS FROM RIGHT-OF-USE ASSETS	ON DELETIONS	PROVIDED FOR THE YEAR	TO END OF THE YEAR	WRITTEN DOWN AT END OF THE YEAR
30TH JUNE, 2023													
LAND - Freehold													
Cost	65,045,316	-	-	-	-	65,045,316	-	-	-	-	-	-	65,045,316
Revaluation Surplus	3,084,995,684	-	-	-	-	3,084,995,684	-	-	-	-	-	-	3,084,995,684
	3,150,041,000	-	-	-	-	3,150,041,000		-	-	-	-	-	3,150,041,000
BUILDINGS - on Freehold Land													
Cost -Factory	505,560,527	-	-	-	-	505,560,527	5	286,281,541	-	-	10,963,950	297,245,491	208,315,036
Cost -Non Factory	324,464,560	-	-	-	-	324,464,560	5	172,711,961	-	-	7,587,631	180,299,592	144,164,968
Revaluation Surplus	2,039,076,560	-	-	-	-	2,039,076,560	5	410,024,145	-	-	81,452,622	491,476,767	1,547,599,793
	2,869,101,647	-	-	-	-	2,869,101,647		869,017,647	-	-	100,004,203	969,021,850	1,900,079,797
PLANT AND MACHINERY													
Cost	3,965,940,891	337,800	-	-	-	3,966,278,691	5	2,044,290,951	-	-	96,097,261	2,140,388,212	1,825,890,479
Revaluation Surplus	2,342,955,703	-	-	-	-	2,342,955,703	5	653,695,643	-	-	84,463,002	738,158,645	1,604,797,058
	6,308,896,594	337,800	-	-	-	6,309,234,394		2,697,986,594	-	-	180,560,263	2,878,546,857	3,430,687,537
POWER HOUSE	518,252,325	-	-	-	-	518,252,325	5	243,302,517	-	-	13,747,490	257,050,007	261,202,318
WEIGHING BRIDGE AND SCAL	2,325,374	-	-	-	-	2,325,374	10	2,022,579	-	-	30,280	2,052,859	272,515
LABORATORY EQUIPMENT	73,722,397	-	-	-	-	73,722,397	10	58,588,894	-	-	1,513,351	60,102,245	13,620,152
ELECTRIC INSTALLATION	184,876,607	-	-	-	-	184,876,607	5	106,376,167	-	-	3,925,022	110,301,189	74,575,418
TARPULINE	739,107	-	-	-	-	739,107	10	641,194	-	-	9,792	650,986	88,121
TUBE WELL	8,873,559	-	-	-	-	8,873,559	10	7,178,931	-	-	169,462	7,348,393	1,525,166
FURNITURE AND FIXTURE	39,584,100	-	-	-	-	39,584,100	10	28,738,775	-	-	1,084,533	29,823,308	9,760,792
COMPUTER	1,540,772	-	-	-	-	1,540,772	30	1,535,017	-	-	1,727	1,536,744	4,028
OFFICE EQUIPMENT	23,771,731	-	-	-	-	23,771,731	10	16,087,317	-	-	768,442	16,855,759	6,915,972
VEHICLES	175,910,713	12,271,650	7,584,870	30,471,498	-	165,295,735	20	94,099,783	3,665,009	23,455,162	17,748,856	92,058,486	73,237,249
FIRE FIGHTING EQUIPMENT	8,022,969	-	-	-	-	8,022,969	10	6,214,002	-	-	180,898	6,394,900	1,628,069
TELEPHONE	6,822,493	-	-	-	-	6,822,493	10	5,455,328	-	-	136,716	5,592,044	1,230,449
ARMS AND AMMUNITION	717,750	-	-	-	-	717,750	10	423,709	-	-	29,404	453,113	264,637
AIR CONDITIONERS AND REFRIGERATORS	2,808,369	-	-	-	-	2,808,369	10	1,087,859	-	-	172,051	1,259,910	1,548,459
TOOLS AND EQUIPMENTS	5,206,611	-	-	-	-	5,206,611	10	4,192,073	-	-	101,454	4,293,527	913,084
	13,381,214,118	12,609,450	7,584,870	30,471,498	-	13,370,936,940		4,142,948,386	3,665,009	23,455,162	320,183,944	4,443,342,177	8,927,594,763
30TH JUNE, 2022													
LAND - Freehold													
Cost	65,045,316	-	-	-	-	65,045,316	-	-	-	-	-	-	65,045,316
Revaluation Surplus	1,524,750,184	-	-	-	1,560,245,500	3,084,995,684	-	-	-	-	-	-	3,084,995,684
	1,589,795,500	-	-	-	1,560,245,500	3,150,041,000		-	-	-	-	-	3,150,041,000
BUILDINGS - on Freehold Land													
Cost -Factory	505,560,527	-	-	-	-	505,560,527	5	274,740,542	-	-	11,540,999	286,281,541	219,278,986
Cost -Non Factory	324,464,560	-	-	-	-	324,464,560	5	164,724,983	-	-	7,986,978	172,711,961	151,752,599
Revaluation Surplus	1,383,484,741	-	-	-	655,591,819	2,039,076,560	5	358,789,377	-	-	51,234,768	410,024,145	1,629,052,415
	2,213,509,828	-	-	-	655,591,819	2,869,101,647		798,254,902	-	-	70,762,745	869,017,647	2,000,084,000
PLANT AND MACHINERY													
Cost	3,847,705,507	118,235,384	-	-	-	3,965,940,891	5	1,946,029,993	-	-	98,260,958	2,044,290,951	1,921,649,940
Revaluation Surplus	1,362,797,471	-	-	-	980,158,232	2,342,955,703	5	616,374,495	-	-	37,321,148	653,695,643	1,689,260,060
	5,210,502,978	118,235,384	-	-	980,158,232	6,308,896,594		2,562,404,488	-	-	135,582,106	2,697,986,594	3,610,910,000
POWER HOUSE	518,252,325	-	-	-	-	518,252,325	5	228,831,474	-	-	14,471,043	243,302,517	274,949,808
WEIGHING BRIDGE AND SCAL	2,325,374	-	-	-	-	2,325,374	10	1,988,935	-	-	33,644	2,022,579	302,795
LABORATORY EQUIPMENT	73,722,397	-	-	-	-	73,722,397	10	56,907,393	-	-	1,681,501	58,588,894	15,133,503
ELECTRIC INSTALLATION	184,876,607	-	-	-	-	184,876,607	5	102,244,564	-	-	4,131,603	106,376,167	78,500,440
TARPULINE	739,107	-	-	-	-	739,107	10	630,314	-	-	10,880	641,194	97,913
TUBE WELL	8,873,559	-	-	-	-	8,873,559	10	6,990,638	-	-	188,293	7,178,931	1,694,628
FURNITURE AND FIXTURE	39,584,100	-	-	-	-	39,584,100	10	27,533,739	-	-	1,205,036	28,738,775	10,845,325
COMPUTER	1,540,772	-	-	-	-	1,540,772	30	1,532,550	-	-	2,467	1,535,017	5,755
OFFICE EQUIPMENT	23,429,722	342,009	-	-	-	23,771,731	10	15,242,077	-	-	845,240	16,087,317	7,684,414
VEHICLES	145,093,865	22,060,416	31,609,640	22,853,208	-	175,910,713	20	81,539,005	14,930,989	17,820,130	15,449,919	94,099,783	81,810,930
FIRE FIGHTING EQUIPMENT	8,022,969	-	-	-	-	8,022,969	10	6,013,005	-	-	200,997	6,214,002	1,808,967
TELEPHONE	6,822,493	-	-	-	-	6,822,493	10	5,303,420	-	-	151,908	5,455,328	1,367,165
ARMS AND AMMUNITION	717,750	-	-	-	-	717,750	10	391,038	-	-	32,671	423,709	294,041
AIR CONDITIONERS AND REFRIGERATORS	2,126,662	681,707	-	-	-	2,808,369	10	914,364	-	-	173,495	1,087,859	1,720,510
TOOLS AND EQUIPMENTS	5,206,611	-	-	-	-	5,206,611	10	4,079,347	-	-	112,726	4,192,073	1,014,538
	10,035,142,619	141,319,516	31,609,640	22,853,208	3,195,995,551	13,381,214,118		3,900,801,253	14,930,989	17,820,130	245,036,274	4,142,948,386	9,238,265,732

Notes to the Financial Statements
for the Year ended 30th June, 2023

4.3 DISPOSAL OF OPERATING FIXED ASSETS comprises of:

	COST	ACCUMULATED DEPRECIATION	BOOK VALUE	SALE PROCEEDS	GAIN	MODE OF DISPOSAL	PARTICULARS OF PURCHASER	RELATIONSHIP
	------- 30TH JUNE, 2023 -------							
VEHICLES								
Honda CG 125 AKS-22-6832	163,260	23,582	139,678	158,000	18,322	Insurance Claim	EFU Life Assurance Limited	Third Party
Honda Cg 125 ALV-22-9428	172,640	19,662	152,978	163,500	10,522	Insurance Claim	EFU Life Assurance Limited	Third Party
Honda CD 70 MNR-18-5090	69,895	47,294	22,601	31,956	9,355	Negotiation	Muhamamd Hanif	Third Party
Suzuki Mehran MNB-16-127	729,282	547,664	181,618	850,000	668,382	Negotiation	Noshad Ahmed	Third Party
Toyota Land Cruiser LEB-16-8	23,532,500	18,062,739	5,469,761	28,000,000	22,530,239	Negotiation	Mr. Sherjeel Adnan Sheikh	Third Party
Honda Civic LEH-16-1987	2,757,750	2,107,147	650,603	3,500,000	2,849,397	Negotiation	Malik Mushtaq Ahmed	Third Party
Toyota Corolla Gli MN-15-502	1,918,842	1,604,961	313,881	2,500,000	2,186,119	Negotiation	Malik Mushtaq Ahmed	Third Party
Suzuki Swift MN-11-2576	1,056,329	977,286	79,043	870,000	790,957	Negotiation	Muhammad Tariq	Third Party
Honda CD-70 LEW-8644	71,000	64,827	6,173	52,195	46,022	Negotiation	Mr. Ghulam Fareed	Third Party
	30,471,498	23,455,162	7,016,336	36,125,651	29,109,315			
	-	-			-			
	------- 30TH JUNE, 2022 -------							
VEHICLES								
Honda CG 125 MNP-13-7352	102,790	86,946	15,844	83,875	68,031	Negotiation	Muhamamd Imran	Third Party
Honda CD 70 MNP-13-7340	71,985	60,890	11,095	52,195	41,100	Negotiation	Ghazanfar Javed	Third Party
Honda CD 70 MNQ-13-5764	72,695	61,261	11,434	52,195	40,761	Negotiation	Ansar Mehmood	Third Party
Honda CD 70 MNN-14-6647	73,299	60,156	13,143	52,195	39,052	Negotiation	Ahmed Riffat	Third Party
Honda CD 70 MNM-14-9511	78,420	62,077	16,343	55,825	39,482	Negotiation	Umar Sajjad	Third Party
Honda CG 125 MN-15-241	87,250	54,416	32,834	83,875	51,041	Negotiation	Muhammad Aslam	Third Party
Honda CD 70 MNX-16-5196	67,735	46,511	21,224	52,195	30,971	Negotiation	Gulzar	Third Party
Honda CG 125 MNW-16-992	111,155	78,260	32,895	87,725	54,830	Negotiation	Muhammad Arif	Third Party
Honda CD 70 MNY-16-3009	67,735	47,297	20,438	55,000	34,562	Negotiation	Ali Bahadur	Third Party
Honda CD 70 MNO-16-1120	68,039	49,330	18,709	48,950	30,241	Negotiation	Tariq Aziz	Third Party
Honda CG 125 Deluxe MNL-16-7637	129,440	96,356	33,084	103,400	70,316	Negotiation	Fazal ur Rehman	Third Party
Honda CD 70 MNY-14-6584	62,350	46,221	16,129	55,000	38,871	Negotiation	Aslam Maseeh	Third Party
Honda Civic LEB-17-8200	3,118,630	1,947,688	1,170,942	3,500,000	2,329,058	Negotiation	Qamar Zaman	Third Party
Honda City MNE-18-290	1,854,071	881,714	972,357	2,200,000	1,227,643	Negotiation	Muhammad Mubeen	Third Party
Toyota Altis LEH-14-8010	2,394,740	2,024,776	369,964	2,300,000	1,930,036	Negotiation	Muhammad Javed	Third Party
Suzuki Swift MNE-17-528	1,434,723	944,800	489,923	1,450,000	960,077	Negotiation	Usama Saeed	Third Party
Honda Civic MN-09-3726	1,849,817	1,741,679	108,138	1,230,000	1,121,862	Negotiation	Sufyan Majeed	Third Party
Shahzor MNS-1113	1,560,940	1,409,723	151,217	1,350,000	1,198,783	Negotiation	Asif Nauman	Third Party
Honda CD 70 MNW-14-5456	73,449	59,270	14,179	52,195	38,016	Negotiation	Zafar Shehzad	Third Party
Honda Civic MN-14-4007	2,602,240	2,110,137	492,103	2,250,000	1,757,897	Negotiation	Muhammad Waqas	Third Party
Honda City MN-12-4841	1,538,600	1,344,784	193,816	1,550,000	1,356,184	Negotiation	Muhammad Asif Nauman	Third Party
Honda CD 70 MNL-14-285	76,685	63,900	12,785	55,825	43,040	Negotiation	Muhammad Ameer	Third Party
Honda CG 125 MNM-16-2069	108,540	79,218	29,322	83,875	54,553	Negotiation	Muhammad Baqir	Third Party
Honda CD 70 MNK-15-8788	73,649	58,585	15,064	52,195	37,131	Negotiation	Asif	Third Party
Shahzor MLG-7296	714,295	692,877	21,418	1,350,000	1,328,582	Negotiation	Muhammad Aslam	Third Party
Toyota Grande MN- 4277	2,388,640	1,987,893	400,747	2,500,000	2,099,253	Negotiation	Afshan Mansoor	Third Party
Honda CD 70 MNM-3003	78,195	63,710	14,485	55,825	41,340	Negotiation	Afshan Mansoor	Third Party
Suzuki Mehran MN-5007	736,181	610,097	126,084	750,000	623,916	Negotiation	Muhammad Abid	Third Party
Suzuki Swift MN-12-4034	1,256,920	1,049,559	207,361	1,050,000	842,639	Negotiation	Muhammad Imran	Third Party
	22,853,208	17,820,130	5,033,078	22,562,345	17,529,268			
	-	-			-			

		2023 RUPEES	2022 RUPEES
4.4 DEPRECIATION ALLOWANCE provided for the year has been allocated as follows:			
Cost of Goods Manufactured	(Note 24.2)	299,959,863	226,861,815
Administrative and General Expenses	(Note 26.1)	20,224,081	18,174,459
		320,183,944	245,036,274
4.5 PLANT AND MACHINERY is made up as follows:			
Balance at the beginning of the Year		7,212,366	-
Add: Addition during the Year		-	7,212,366
		7,212,366	7,212,366
Less: Transfer to Store and Sapres		7,212,366	-
		-	7,212,366
4.6 VEHICLES is made up as follows:			
Balance at the beginning of the Year		6,726,000	-
Add: Addition during the Year		5,545,650	6,726,000
		12,271,650	6,726,000
Less: Capitalize during the Year		12,271,650	-
		-	6,726,000

4.7 All assets of the Company as at 30th June, 2023 are located in Pakistan.

Notes to the Financial Statements
for the Year ended 30th June, 2023

5 RIGHT-OF-USE ASSETS

5.1 These comprise of:

PARTICULARS	COST				DEPRECIATION					WRITTEN DOWN AT END OF THE YEAR
	AT BEGINNING OF THE YEAR	ADDITIONS	TRANSFERS TO OPERATING ASSETS	AT END OF THE YEAR	RATE %	TO BEGINNING OF THE YEAR	ON TRANSFERS TO OPERATING ASSETS	PROVIDED FOR THE YEAR	TO END OF THE YEAR	
	30TH JUNE, 2023									
VEHICLES	30,134,967	-	(7,584,870)	22,550,097	20	6,479,696	(3,665,009)	4,112,128	6,926,815	15,623,282
	30,134,967	-	(7,584,870)	22,550,097		6,479,696	(3,665,009)	4,112,128	6,926,815	15,623,282
	30TH JUNE, 2022									
VEHICLES	39,194,510	22,550,097	(31,609,640)	30,134,967	20	15,521,754	(14,930,989)	5,888,931	6,479,696	23,655,271
	39,194,510	22,550,097	(31,609,640)	30,134,967		15,521,754	(14,930,989)	5,888,931	6,479,696	23,655,271

5.2 DEPRECIATION ALLOWANCE provided for the year has been allocated to Administrative and General Expenses. (Note 26.1)

			2023 RUPEES	2022 RUPEES
6 LONG TERM INVESTMENTS				
6.1 At Fair Value through OCI:				
	2023	**2022**		
Fatima Enterprises Limited - Related Party			6,536,572	6,536,572
No of Ordinary Shares of Rs. 10 each	829,808	829,808		
Per Share Quoted Price at Year End	(Note 6.2)			
Equity Held	5.83%	5.83%		
Fair Value Adjustment			5,329,682	5,329,682
			11,866,254	11,866,254
Mubarak Textile Mills Limited			182,700	182,700
No of Ordinary Shares of Rs. 10 each	66,000	66,000		
Per Share Quoted Price at Year End	(Note 6.3)			
Equity Held	1.22%	1.22%		
Fair Value Adjustment			(46,740)	(46,740)
			135,960	135,960
Fair Value at end of the Year			12,002,214	12,002,214

6.2 The fair value of this investment is stated at Rs. 14.30 per share which is the last available quoted Price of the share of Fatima Enterprises Limited (FEL) on the close of trading on 21st March, 2012, since when the trading of shares of FEL has been suspended by Pakistan Stock Exchange. For the purpose of determination of any impairment, per share break-up value as of 30th June, 2019 (on the basis of latest available audited financial statements) has been considered which works out at Rs. 131.17 and (Rs. 130.30) (2018: Rs. 158.98 and (Rs. 108.35)) per share, including and excluding revaluation surplus, respectively.

6.3 The fair value of this investment is stated at Rs. 2.06 per share which is the last available quoted Price of the share of Muarak Textile Mills Limited (MUBT) on the close of trading on 28th February, 2019, when the trading of shares of MUBT has been suspended by Pakistan Stock Exchange. For the purpose of determination of any impairment, per share break-up value as of 30th June, 2020 (on the basis of latest available audited financial statements) has been considered which works out at Rs. 15.35 and (Rs. 7.43) (2019: Rs. 15.31 and (Rs.7.88)) per share, including and excluding revaluation surplus, respectively.

7 LONG TERM DEPOSITS AND PREPAYMENTS			
7.1 These Comprise of:			
Deposits	(Note 7.2)	19,129,737	19,111,737
Prepayments		-	25,000,000
		19,129,737	44,111,737
Less: Provision for Expected Credit Loss	(Note 7.3)	-	25,000,000
		19,129,737	19,111,737

7.2 These represent security deposits with utility companies against utility connections. These are not being carried at amortized cost, as required by IFRS 9 as it will have immaterial impact and thus carried at historical cost.

7.3 **EXPECTED CREDIT LOSS** is made up as follows:

Balance at the beginning of the Year	25,000,000	-
Less: Write Off during the Year	25,000,000	-
	-	-
Add: Recognized during the Year	-	25,000,000
Balance at end of the Year	-	25,000,000

Notes to the Financial Statements
for the Year ended 30th June, 2023

		2023 RUPEES	2022 RUPEES
8 STORES AND SPARES comprise of:			
Stores		61,287,188	60,085,710
Spares			
At Factory		56,485,609	56,672,527
In Transit		4,595,189	-
		61,080,798	56,672,527
		122,367,986	116,758,237
Less: Provision for Slow Moving Items		1,904,805	-
		120,463,181	116,758,237

9 STOCK IN TRADE

9.1 This comprise of:

Raw Material			
In Godown	(Note 24.3)	214,474,785	204,712,213
In Transits		13,678,475	122,799,129
		228,153,260	327,511,342
Work in Process	(Note 24.2)	74,714,191	181,377,110
Finished Goods	(Note 24.1)	151,937,151	419,915,339
		454,804,602	928,803,791

9.2 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rs. 34.979 million (2022: 56.699 million).

10 TRADE AND OTHER RECEIVABLES

10.1 These comprise of:

Trade Receivables	(Note 10.2)	104,669,749	934,369,123
Other Receivables	(Note 10.6)	591,922,913	501,913,202
		696,592,662	1,436,282,325

10.2 TRADE RECEIVABLES are made up as follows:

Export - Secured	(Note 10.3)	-	87,182,802
Local - Unsecured	(Note 10.4)	104,669,749	847,186,321
		104,669,749	934,369,123

10.3 Secured debtors represent foreign bills under collection secured against letters of credit from banks.

10.4 LOCAL TRADE RECEIVABLES are unsecured and are made up as follows:

Considered Good		104,669,749	847,186,321
Considered Doubtful		46,506,976	43,825,053
		151,176,725	891,011,374
Less: Provision for Expected Credit Loss	(Note 10.5)	46,506,976	43,825,053
		104,669,749	847,186,321

10.5 EXPECTED CREDIT LOSS is made up as follows:

Balance at the beginning of the Year		43,825,053	23,092,722
Less: Recovered during the Year	(Note 28)	-	2,131,714
		43,825,053	20,961,008
Add: Recognized during the Year	(Note 27)	2,681,923	22,864,045
Balance at end of the Year		46,506,976	43,825,053

10.6 OTHER RECEIVABLES comprise of:

Insurance Claims		2,433,620	793,000
Sales Tax		584,094,459	500,221,966
Others		5,394,834	898,236
		591,922,913	501,913,202

		2023 RUPEES	2022 RUPEES
11 PREPAYMENTS AND ADVANCES			
11.1 These are unsecured but are considered good by the management and comprise of:			
Advances to:			
Employees against Salaries and Expenses	(Note 11.2)	9,163,375	7,061,193
Suppliers of Goods and Services	(Note 11.3)	222,164,387	91,145,174
Immature Letters of Credit	(Note 11.5)	368,372	-
Security Deposits	(Note 11.6)	4,000,000	4,000,000
Prepayments		2,850,636	5,256,952
Margin against Guarantee		25,101,850	21,601,850
		263,648,620	129,065,169
11.2 Include therein amounts due from Executives.		429,133	2,620,611

11.3 ADVANCES TO SUPPLIERS OF GOODS AND SERVICES are unsecured and are made up as follows:

		2023 RUPEES	2022 RUPEES
Considered Good		222,164,387	91,145,174
Considered Doubtful		21,199,525	18,301,453
		243,363,912	109,446,627
Less: Provision for Expected Credit Loss	(Note 11.4)	21,199,525	18,301,453
		222,164,387	91,145,174

11.4 EXPECTED CREDIT LOSS is made up as follows:

		2023 RUPEES	2022 RUPEES
Balance at the beginning of the Year		18,301,453	9,998,474
Less: Recovered during the Year	(Note 28)	-	882,435
		18,301,453	9,116,039
Add: Recognized during the Year	(Note 27)	2,898,072	9,185,414
Balance at end of the Year		21,199,525	18,301,453

11.5 These comprise of opening charges, bank charges and insurance.

11.6 This includes amount of Rs. 4,000,000/- (2022: Rs.4,000,000/-) relating to Collector of Custom, Multan, in connection with a case pending before the Customs Appellate Tribunal, Lahore and is indicated in Note 22.1 (c) in the financial statements.

12 CASH AND BANK BALANCES

12.1 These comprise of:

		2023 RUPEES	2022 RUPEES
Cash in Hand		2,164,096	4,249,105
Cash with Banks in:			
Current Accounts		15,769,436	59,677,097
Deposit Accounts	(Note 12.2)	209,969,254	250,866,398
		225,738,690	310,543,495
		227,902,786	314,792,600

12.2 Deposit Accounts are subject to return ranging from 7.25% to 13.35% (2022: 7.25% to 12.50%) per annum.

13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

13.1 This represents Ordinary Shares of Rs.10 each and comprises of:

2023 NUMBER OF SHARES	2022 NUMBER OF SHARES			2023 RUPEES	2022 RUPEES
17,024,093	17,024,093	Fully paid in Cash		170,240,930	170,240,930
1,760,809	1,760,809	Fully paid Bonus Shares		17,608,090	17,608,090
25,355	25,355	Consideration Other than Cash	(Note 13.3)	253,550	253,550
18,810,257	18,810,257			188,102,570	188,102,570

Notes to the Financial Statements
for the Year ended 30th June, 2023

13.2 The Company is defendant in a lawsuit preferred by the aggrieved share holders, holding 41.28% equity shares in the Company. The pray of aforesaid lawsuit includes the winding up of the Company. Preliminary hearings and case proceeding are in progress. The management of the Company and its legal counsel are confident to defeat the petition being baseless and without merit. However, the Honorable Sindh High Court, Karachi, vide its interim order dated 1st February, 2013, has restrained the management of the Company from changing the composition of the shareholding of the Company.

13.3 These have been allotted to the share holders of M/S Naseem Enterprises (Private) Limited, against its amalgamation in to the Company in accordance with a Merger Scheme approved by the Court vide its Order dated 28th September, 2010. Merger Reserve relates to this amalgamation.

14 SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS

14.1 This is made up as follows:

Gross Surplus		
Balance at beginning of the Year		
Land - Freehold	3,084,995,684	1,524,750,184
Buildings - on Freehold Land	1,629,052,415	1,024,695,364
Plant and Machinery	1,689,260,060	746,422,976
	6,403,308,159	3,295,868,524
Resulted from Revaluation during the Year - net of Deferred Tax	-	2,903,404,997
Related Deferred Tax	-	292,590,554
	-	3,195,995,551
Incremental Depreciation on Revaluation - net of Deferred Tax	(136,237,897)	(72,715,705)
Related Deferred Tax	(29,677,727)	(15,840,211)
	(165,915,624)	(88,555,916)
Balance at end of the Year	6,237,392,535	6,403,308,159
Deferred Tax liability on Revaluation Surplus		
Balance at beginning of the Year	557,479,476	280,729,133
Deferred Tax Liability Relating to:		
- Surplus Resulted from Revaluation during the Year	-	292,590,554
- Incremental Depreciation on Revaluation	(29,677,727)	(15,840,211)
	(29,677,727)	276,750,343
Balance at end of the Year	527,801,749	557,479,476
Revaluation Surplus on Operating Fixed Assets	5,709,590,786	5,845,828,683

14.2 This represents surplus over book value resulting from the revaluation of Land-Freehold, Building on Freehold Land, Factory and non-Factory Building and Plant and Machinery. The valuation was carried out on 30th June, 2022 by K. G. Traders (Private) Limited an independent valuer not connected with the Company and is on the panel of Pakistan Bankers Association and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations.

Freehold Land
Fair market value of freehold land is assessed through examining plot profile and purchase terms, independent inquiries from local active realtors, current and past occupants, of land, neighboring areas, current asking prices for industrial used land in the vicinity, access roads and independent inquiries from other real estate sources to ascertain the selling prices for the properties of the same nature.

Factory and Non-Factory Building
Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, residual factors are applied based on estimate of balance useful life to determine the current assessed market value.

Plant and Machinery
Plant and machinery have been evaluated/ assessed by inspecting items of plant and machinery. The valuer also consulted industry related dealers, indentors and/ or manufactures in order to ascertain the current replacement values of imported and locally fabricated items. The value assigned reflects the present condition of items while considering age, condition and/ or obsolescence of the items.

14.3 Capital Reserve on account of 'Revaluation surplus on Property, Plant and Equipment' is not available for distribution to the Shareholders in accordance with section 241 of the Companies Act, 2017.

Notes to the Financial Statements
for the Year ended 30th June, 2023

		2023 RUPEES	2022 RUPEES
15 LONG TERM LOAN FROM DIRECTORS - unsecured			
15.1 These comprise of:			
Sh. Umar Farooq	(Note 15.2)	181,888,551	182,076,393
Ghazala Nasreen	(Note 15.3)	47,140,296	47,150,296
Hussain Ahmed Fazal	(Note 15.4)	103,771,625	84,828,125
	(Note 15.5)	332,800,472	314,054,814

15.2 This relates to director, holding 0.41% (2022: 0.41%) equity shares in the Company and is made up as follows:

	2023 RUPEES	2022 RUPEES
Balance at beginning of the Year	182,076,393	130,460,434
Add:		
Disbursements during the Year	-	1,363,397
Transfer from Non-Current Liabilities	-	51,652,562
	-	53,015,959
	182,076,393	183,476,393
Less: Repayments during the Year	187,842	1,400,000
Balance at end of the Year	181,888,551	182,076,393

15.3 This relates to director, holding 0.46% (2022: 0.46%) equity shares in the Company and is made up as follows:

	2023 RUPEES	2022 RUPEES
Balance at beginning of the Year	47,150,296	46,782,467
Add: Disbursements during the Year	-	367,829
	47,150,296	47,150,296
Less: Repayments during the Year	10,000	-
Balance at end of the Year	47,140,296	47,150,296

15.4 This relates to director, holding 51.96% (2022: 51.96%) equity shares in the Company and is made up as follows:

	2023 RUPEES	2022 RUPEES
Balance at beginning of the Year	84,828,125	10,000,000
Add: Disbursements during the Year	21,500,000	225,488,764
	106,328,125	235,488,764
Less: Repayments during the Year	2,556,500	150,660,639
Balance at end of the Year	103,771,625	84,828,125

15.5 These represent unsecured and interest free loans from directors/sponsors of the Company which are repayable at the option of the Company. This loan an amount of Rs. 215 million (2022: Rs. 215 million) which has been subordinated to the Banks against financing availed by the Company. These have been obtained for the purpose of funding requirement of the Company.

16 LONG TERM FINANCING - secured

16.1 Term/Demand finances from banking companies comprising:

		2023 RUPEES	2022 RUPEES
Askari Bank Limited	(Note 16.2)	243,096,689	269,953,912
The Bank of Khyber	(Note 16.3)	116,666,665	149,999,999
Soneri Bank Limited	(Note 16.4)	383,981,996	388,570,457
Allied Bank Limited	(Note 16.5)	93,628,468	110,570,304
National Bank of Pakistan	(Note 16.6)	984,784,170	1,269,965,446
Habib Bank Limited	(Note 16.10)	219,670,098	189,939,763
MCB Bank Limited	(Note 16.11)	318,827,060	268,014,316
Faysal Bank Limited	(Note 16.12)	4,932,052	9,113,110
		2,365,587,198	2,656,127,307

In addition to securities indicated under respective finances, these are secured by way of Joint Pari Passu Charge amounting to Rs. 3,320.000 million (2022: Rs. 3,320.000 million) over Fixed Assets and Personal Guarantees of the Sponsoring Directors of the Company, except other wise stated.

Notes to the Financial Statements
for the Year ended 30th June, 2023

		2023 RUPEES	2022 RUPEES
16.2	**TERM FINANCE FROM ASKARI BANK LIMITED** is made up as follows:		
	Balance at beginning of the Year	269,953,912	313,719,464
	Less: Current Portion Shown under Current Liabilities	26,857,223	43,765,552
	Balance at end of the Year	243,096,689	269,953,912

This includes short term borrowing re-scheduled vide an approval Letter No. 2020/03/CIB/013/33 dated 5th March, 2020 of the bank. These are secured by lien over deposits in the name of the Company, by way of Joint Pari Passu Charge amounting to Rs. 1,475 million (2022: Rs. 1,475 million) over Fixed Assets, and Personal Guarantees of the Directors of the Company. These are repayable over a period from 24th August, 2023 to 5th May, 2033, in 12 to 40 quarterly installments. These carry mark-up ranging from 17.35% to 19.04% (2022: 9.69% to 13.46%) per annum for TF and 5.00% (2022: 5.00%) per annum for LTFF Scheme introduced by SBP, payable quarterly.

16.3	**DEMAND FINANCE FROM THE BANK OF KHYBER** is made up as follows:		
	Balance at beginning of the Year	149,999,999	183,333,333
	Less: Current Portion Shown under Current Liabilities	33,333,334	33,333,334
	Balance at end of the Year	116,666,665	149,999,999

This includes short term borrowing re-scheduled vide an approval letter No. FOL/MFT/BOK/RENEWAL/HUSSAIN MILLS LTD dated 24th June, 2020 of the bank. The re-scheduled term loan carries mark up ranging from 16.85% to 19.04% (2022: 9.17% to 12.96%) per annum and is payable semi-annually. These are secured by way of 1st Joint Pari Passu charge over fixed assets of the company amounting to Rs.267 Million and personal guarantees of the directors of the company. These are repayable over a period from 31st December, 2023 to 13th July, 2027 in 7 half yearly installments.

16.4	**TERM FINANCE FROM SONERI BANK LIMITED**		
	Balance at beginning of the Year	388,570,457	423,969,647
	Add: Re-Scheduled from Accrued Mark-up	76,349,031	45,538,302
		464,919,488	469,507,949
	Less: Current Portion Shown under Current Liabilities	80,937,492	80,937,492
	Balance at the end of the Year	383,981,996	388,570,457

This represents short term borrowing re-scheduled vide an approval Letter No. SBL/CAD-CIBG/19/22 dated 20th March, 2019 and further rescheduled vide an approval letter no. SBL/CAD-CIBG/21/50 dated July 07, 2021 of the bank and is repayable in 61 equal monthly installments commencing from 1st July, 2024. This is secured by way of joint Pari Passu charge amounting to Rs. 620 Million over Fixed Assets of the Company, specific charge amounting to Rs. 130 million (2022: Rs. 130 million) over 17 Air Jet Looms installed at Weaving Unit of the Company located at Qadirpur Rawn Bypass, Multan and Specific Charge of Rs. 200 million (2022: Rs. 200 million) over (03) three Draw Frames and (10) ten Cards installed at Unit - 01 and Personal Guarantees of the Directors of the Company. This carries mark-up ranging from 15.66% to 22.48% (2022: 7.95% to 12.45%) per annum.

16.5	**TERM FINANCE FROM ALLIED BANK LIMITED** is made up as follows:		
	Balance at beginning of the Year	110,570,304	134,887,544
	Add: Re-Scheduled from Accrued Mark-up	7,988,164	6,845,260
		118,558,468	141,732,804
	Less: Current Portion Shown under Current Liabilities	24,930,000	31,162,500
	Balance at end of the Year	93,628,468	110,570,304

This is repayable in 8 equal quarterly installments commencing from 15th September, 2024 to 15th June, 2026. This includes Re-Scheduled from Accrued Mark-up is payable in 12 equal monthly installments commencing from 15th October, 2026 to 15th September, 2027. This is secured by way of 1st Joint Pari Passu charge amounting to Rs. 570 million (2022: Rs. 570 million), over Fixed Assets and Personal Guarantees of the Directors of the Company. This carries Mark-up ranging from 7.54% (2022: 5.65% to 7.54%) per annum.

Notes to the Financial Statements
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		2023 RUPEES	2022 RUPEES
16.6 FINANCE FROM NATIONAL BANK OF PAKISTAN			
Demand Finance	(Note 16.7)	939,534,170	1,206,615,446
Frozen Markup	(Note 16.8)	45,250,000	63,350,000
	(Note 16.9)	984,784,170	1,269,965,446

	2023 RUPEES	2022 RUPEES
16.7 DEMAND FINANCE FROM NATIONAL BANK OF PAKISTAN		
Balance at beginning of the Year	1,206,615,446	1,383,391,787
Add: Re-Scheduled from Accrued Mark-up	-	90,304,935
	1,206,615,446	1,473,696,722
Less: Current Portion Shown under Current Liabilities	267,081,276	267,081,276
Balance at end of the Year	939,534,170	1,206,615,446

	2023 RUPEES	2022 RUPEES
16.8 FROZEN MARKUP FROM NATIONAL BANK OF PAKISTAN		
Balance at beginning of the Year	63,350,000	81,450,000
Less: Current Portion Shown under Current Liabilities	18,100,000	18,100,000
Balance at end of the Year	45,250,000	63,350,000

16.9 This represents short term borrowing re-scheduled vide an approval Letter No. CIBG/MTN/2019/337 dated 19th December, 2019 of the bank and is repayable in 10 quarterly installments commencing from 30th September, 2024. This is secured by way of ranking charge of Rs. 3,000 million (2022: Rs. 3,000 million) over present and future fixed assets of the Company with further upgradation into 1st Joint Pari Passu charge and Personal Guarantees of the Directors of the Company. This carries Mark-up ranging from 16.66% to 23.48% (2022: 8.95% to 13.45%) per annum.

	2023 RUPEES	2022 RUPEES
16.10 TERM FINANCE FROM HABIB BANK LIMITED		
Balance at beginning of the Year	189,939,763	198,640,000
Add: Re-Scheduled from Accrued Mark-up	34,813,667	15,549,763
	224,753,430	214,189,763
Less: Current Portion Shown under Current Liabilities	5,083,332	24,250,000
Balance at end of the Year	219,670,098	189,939,763

This represents short term borrowing re-scheduled vide an approval letter no. nil dated 4th December, 2019 of the bank and is repayable in 55 monthly installments commencing from 31st July, 2024. This is secured by way of ranking charge amounting to Rs. 295.000 million (2022: Rs. 295 million) over Present and Future Fixed Assets of the Company with further upgradation ranking charge into 1st Joint Pari Passu charge and Personal Guarantees of the Directors of the Company. This carries Mark-up ranging from 15.16% to 21.98% (2022: 7.45% to 11.95%) per annum.

	2023 RUPEES	2022 RUPEES
16.11 DEMAND FINANCE FROM MCB BANK LIMITED		
Balance at beginning of the Year	268,014,316	274,585,788
Add: Re-Scheduled from Accrued Mark-up	50,812,744	34,408,528
	318,827,060	308,994,316
Less: Current Portion Shown under Current Liabilities	-	40,980,000
Balance at end of the Year	318,827,060	268,014,316

This represents short term borrowing re-scheduled vide an approval letter no. MCB/GEN/2020/85 dated 23rd January, 2020 of the bank and is repayable in installments commencing from 25th July, 2024.This involves rescheduling of deffered mark up payable in 35 quaterly installments commencing from 25th July, 2024 to 25th June, 2032. This is secured by way of ranking charge of amounting to Rs. 410.000 million (2022: Rs. 410.000 million) over Present and Future Fixed Assets of the Company with further upgradation into 1st Joint Pari Passu charge and Personal Guarantees of the Directors of the Company. This carries markup ranging between 15.66% to 22.48% (2022: 7.95% to 12.45%) per annum.

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for the Year ended 30th June, 2023

		2023 RUPEES	2022 RUPEES
16.12 DIMINISHING MUSHARAKAH FROM FAYSAL BANK LIMITED			
Balance at beginning of the Year		9,113,110	12,009,188
Add: Re-Scheduled from Accrued Mark-up		-	1,003,922
		9,113,110	13,013,110
Less:			
Payment made during the Year		-	300,000
Current Portion Shown under Current Liabilities		4,181,058	3,600,000
		4,181,058	3,900,000
Balance at end of the Year		4,932,052	9,113,110

This represents short term borrowing re-scheduled vide Faisal Bank letter dated 4th Aug, 2020 and is repayable in 19 monthly installments commencing from 31st July, 2024. This is secured by the way of 1st Joint Pari Passu charge amounting to Rs. 200.00 Million (2022: Rs. 200.00 Million) over Current Assets of the Company and personal guarantees of the directors of the Company. This carries markup ranging from 14.16% to 21.70% (2022: 7.50% to 14.31%) per annum.

17 LEASE LIABILITIES

17.1 This is made up as follows:

		2023 RUPEES	2022 RUPEES
Liability due for the year ended 30th June:			
2023		-	17,022,760
2024		14,611,410	14,611,410
2025		7,852,720	7,852,720
		22,464,130	39,486,890
Less: Future Period Financial Charges		2,292,283	5,967,992
Present Value of Gross Minimum Lease Payments		20,171,847	33,518,898
Less: Current Portion Shown under Current Liabilities	(Note 21.1)	12,666,276	13,347,051
		7,505,571	20,171,847

17.2 The reconciliation between Gross Minimum Lease Payments, future Financial Charges and present value of Minimum Lease Payments is as follows:

	2023 RUPEES	2022 RUPEES
GROSS MINIMUM LEASE PAYMENTS		
Not later than one Year	14,611,410	17,022,760
Later than one Year but not later than five Years	7,852,720	22,464,130
Later than Five Years	-	-
	22,464,130	39,486,890
PRESENT VALUE OF MINIMUM LEASE PAYMENTS		
Not later than one Year	12,666,276	13,347,051
Later than one Year but not later than five Years	7,505,571	20,171,847
Later than Five Years	-	-
	20,171,847	33,518,898

17.3 The Company entered into the Finance Lease agreements with various Financial Institutions to acquire Vehicles. The implicit Mark-up rate used to discount the minimum lease payments ranges from 13.41% to 13.75% (2022: 13.41% to 13.75%) per annum. These are secured against Title of the Leased Assets and Personal Guarantees of the Directors of the Company. The Company avails the option to purchase the Assets at the end of respective lease terms.

18 DEFERRED LIABILITIES:

18.1 These comprise of

		2023 RUPEES	2022 RUPEES
Deferred Taxation	(Note 18.2)	1,127,964,918	729,850,980
Staff Retirement Benefits	(Note 18.4)	73,778,381	69,145,640
		1,201,743,299	798,996,620

Notes to the Financial Statements
for the Year ended 30th June, 2023

18.2 DEFERRED TAXATION is in respect of the following temporary differences:

	2023 RUPEES	2022 RUPEES
Accelerated Depreciation	1,127,964,918	990,732,560
Export Debtors	-	871,828
Lease Liability	-	(2,831,840)
Staff Gratuity	-	(12,368,247)
Unused Tax Losses	-	(246,553,321)
	1,127,964,918	729,850,980

18.3 ANALYSIS OF CHANGE IN DEFERRED TAX LIABILITY

PARTICULARS	BALANCE AT BEGINNING OF THE YEAR	RECOGNISED IN PROFIT OR LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	BALANCE AT END OF THE YEAR
Balance as at 30th June, 2023				
Accelerated Depreciation	990,732,560	137,232,358	-	1,127,964,918
Export Debtors	871,828	(871,828)	-	-
Lease Liability	(2,831,840)	2,831,840	-	-
Staff Gratuity	(12,368,247)	12,368,247	-	-
Unused Tax Losses	(246,553,321)	246,553,321	-	-
	729,850,980	398,113,938	-	1,127,964,918

PARTICULARS	BALANCE AT BEGINNING OF THE YEAR	RECOGNISED IN PROFIT OR LOSS	RECOGNISED IN OTHER COMPREHENSIVE INCOME	BALANCE AT END OF THE YEAR
Balance as at 30th June, 2022				
Accelerated Depreciation	512,003,170	186,138,836	292,590,554	990,732,560
Export Debtors	4,405,651	(3,533,823)	-	871,828
Lease Liability	940,818	(3,772,658)	-	(2,831,840)
Staff Gratuity	(5,770,819)	(6,597,428)	-	(12,368,247)
Unused Tax Losses	(304,008,013)	57,454,692	-	(246,553,321)
	207,570,807	229,689,619	292,590,554	729,850,980

18.4 STAFF RETIREMENT BENEFITS represent Staff Gratuity and is made up as follows:

	2023 RUPEES	2022 RUPEES
Balance at beginning of the Year	69,145,640	62,462,651
Expense for the Year	48,226,436	57,608,963
Payments made during the Year	(43,593,695)	(50,925,974)
Present Value of Defined Benefit Obligation	73,778,381	69,145,640

ALLOCATION OF CHARGE FOR THE YEAR is as follows:

	2023 RUPEES	2022 RUPEES
Cost of Goods Manufactured	39,284,657	47,454,970
Administrative Expenses	8,941,779	10,153,993
	48,226,436	57,608,963
	-	-

Historical information is as follows:

	2023	2022	2021	2020	2019
Charge for Gratuity	48,226,436	57,608,963	53,925,447	48,200,898	43,496,814

Notes to the Financial Statements
for the Year ended 30th June, 2023

		2023 RUPEES	2022 RUPEES
19 TRADE AND OTHER PAYABLES comprise of:			
19.1 These comprise of:			
Creditors		1,010,472,803	1,020,803,235
Accrued Liabilities		378,154,837	346,420,163
Contract Liabilities		110,266,218	88,792,396
Accrued Interest and Mark-up	(Note 19.2)	507,769,616	163,517,289
Income Tax Withheld		82,221,433	67,705,846
Other Payable		130,800	-
		2,089,015,707	1,687,238,929

19.2 ACCRUED INTEREST AND MARK-UP relates to:

		2023 RUPEES	2022 RUPEES
Long Term Finances		408,894,908	117,642,434
Short Term Borrowings		97,627,085	44,627,232
Workers' (Profit) Participation Fund		1,247,623	1,247,623
		507,769,616	163,517,289

20 SHORT TERM BORROWINGS

20.1 These comprise of:

		2023 RUPEES	2022 RUPEES
Secured - from Banking Companies:			
Pre/Post-Shipment Advance	(Note 20.2)	429,800,000	437,313,759
Cash/Running Finances	(Note 20.2)	1,070,036,026	1,127,043,057
		1,499,836,026	1,564,356,816
Unsecured - Overdraft	(Note 20.3)	28,563,673	187,257,793
		1,528,399,699	1,751,614,609

20.2 These facilities have been obtained from various Commercial Banks with sanctioned limits aggregating Rs. 1.781 Billion (2022: Rs. 1.731 Billion). The aggregate facilities are secured by a 1st joint pari passu hypothecation charge on all present and future current assets of the Company including Stock in Trade, Trade Debts, Lien on Export Bills and Personal Guarantees of the Working Directors of the Company. These include an amount of Rs. 30.00 million (2022: 30.00 million) which is secured against the personal deposits of the working directors of the Company. The expiry dates of the facilities range during the period from 16th September, 2023 to 31st January, 2024. These facilities carry Mark up rates ranging from 15.66% to 23.20% (2022: 6.35% to 16.49%) per annum. Short term borrowing facilities which remained unutilized at year end are Rs. 0.281 billion (2022: Rs. 0.167 billion).

20.3 This represents the cheques issued in excess of the available balances in the Banks of the Company, which have been presented for payment subsequent to the year end.

21 CURRENT/OVERDUE PORTION OF LONG TERM LIABILITIES

21.1 These comprise of:

		2023 RUPEES	2022 RUPEES
Current Portion of Long Term Finances	(Note 21.2)	1,163,645,761	774,416,151
Current Portion of Lease Liabilities	(Note 17)	12,666,276	13,347,051
		1,176,312,037	787,763,202

21.2 CURRENT PORTION OF LONG TERM FINANCES is made up as follows:

	2023 RUPEES	2022 RUPEES
Balance at beginning of the Year	774,416,151	392,767,270
Less: Payments made during the Year	71,274,105	161,561,273
Overdue Portion	703,142,046	231,205,997
Add: Transferred from Long Term Portion	460,503,715	543,210,154
Balance at end of the Year	1,163,645,761	774,416,151

22 CONTINGENCIES AND COMMITMENTS

22.1 CONTINGENCIES

(a) A case of the Company is pending for decision before the Honorable Sind High Court, Karachi, against the imposition of a levy by the Excise and Taxation Officer, Karachi, amounting to Rs. 145.144 million (2022: Rs. 141.644 million), on imports of the Company, which has not been recognized in the financial statements of the Company.

		2023 RUPEES	2022 RUPEES
(b) Letters of Guarantee issued by the Banks on behalf of the Company in favour of:			
Sui Northern Gas Pipelines Limited		158,429,400	158,429,400
Excise and Taxation	(Note 22.1 (a))	145,144,299	141,644,299
Multan Electric Company		9,770,600	9,770,600
		313,344,299	309,844,299

(c) A case dated 04-12-2018 of the Company is pending before the Customs Appellate Tribunal, Lahore, against the imposition of a Duty & Tax Remission amounting to Rs. 92,157,627/- (2022: Rs. 92,157,627/-) by the Collectorate of (Customs) Adjudication, Faisalabad, alleging export of yarn to have been produced using Pakistani Cotton instead of Imported Cotton by the Company. The aforesaid amount has not been recognized in the financial statements of the Company.

(d) The officials of LTO, Karachi initiated proceedings for withholding taxes on payments of the Company, for tax year 2021 relevant to the financial year ended 30th June, 2021. The Company submitted its response through its legal council and is unable to determine the outcome of this case.

Based on the opinion of the Company's legal counsel the management is confident of favourable outcome in all aforesaid matters.

22.2 COMMITMENTS

Outstanding Letters of Credit for:		
Store and Spares	16,005,722	53,934,808
Raw Material	134,395,223	-
	150,400,945	53,934,808

23 SALES

23.1 These represent revenue from contracts with customers and is made up as follows:

Local Sales:		
Goods	4,456,123,335	10,755,180,310
Waste	92,910,347	252,515,822
Conversion Income	345,041,948	909,962,606
	4,894,075,630	11,917,658,738
Less: General Sales Tax including Further Tax	718,313,819	1,758,731,336
Total Local Sales	4,175,761,811	10,158,927,402
Export Sales - Goods	1,532,466,781	3,146,310,366
	5,708,228,592	13,305,237,768

23.2 These include revenue amounting to Rs. 88,792,396/- (2022: Rs. 142,031,510/-) recognised that was included in the contract liabilities balance at the beginning of the Year.

23.3 TIMING OF REVENUE RECOGNITION

Goods transferred at a point in time	5,708,228,592	13,305,237,768

PERFORMANCE OBLIGATION

The performance obligation is satisfied upon delivery of goods and payment is generally due within 30 to 120 days from delivery.

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		2023 RUPEES	2022 RUPEES
23.4	**CONTRACT BALANCES**		
	Trade Receivables	104,669,749	934,369,123
	Contract Liabilities	110,266,218	88,792,396

23.5 The increase in trade receivables is due to less recovery made during the Year.

23.6 The increase in contract liabilities pertains to addition in advance due to increase in contracts.

		2023 RUPEES	2022 RUPEES
23.7	**GEOGRAPHIC MARKET**		
	Asia	4,837,504,771	11,980,722,177
	Europe	703,120,410	933,738,457
	America	167,603,411	390,777,133
		5,708,228,592	13,305,237,768

24 COST OF SALES

24.1 This is made up as follows:

		2023 RUPEES	2022 RUPEES
Finished Goods at beginning of the Year		419,915,339	690,726,554
Add: Cost of Goods:			
Manufactured	(Note 24.2)	5,832,567,399	12,382,768,736
Purchased		161,275,105	23,827,185
		5,993,842,504	12,406,595,921
		6,413,757,843	13,097,322,475
Finished Goods at end of the Year		151,937,151	419,915,339
		6,261,820,692	12,677,407,136

24.2 COST OF GOODS MANUFACTURED is made up as follows:

		2023 RUPEES	2022 RUPEES
Work in Process at beginning of the Year		181,377,110	133,539,150
Raw Material Consumed	(Note 24.3)	3,798,951,217	9,344,461,912
Packing Material Consumed		46,865,635	114,017,414
Stores Consumed		179,789,152	468,865,344
Salaries, Wages and Benefits	(Note 24.4)	448,290,545	818,178,661
Power and Fuel		909,865,746	1,400,242,926
Insurance		16,533,201	26,651,108
Repair and Maintenance		19,029,815	25,764,750
Processing Charges		4,030,620	1,045,080
Depreciation	(Note 4.4)	299,959,863	226,861,815
Other Manufacturing Expenses		2,588,686	4,517,686
		5,907,281,590	12,564,145,846
Work in Process at end of the Year		74,714,191	181,377,110
		5,832,567,399	12,382,768,736

24.3 RAW MATERIAL CONSUMED is made up as follows:

	2023 RUPEES	2022 RUPEES
Balance at beginning of the Year	204,712,213	298,024,248
Add: Purchases including Expenses	3,808,713,789	9,251,149,877
Available for Consumption	4,013,426,002	9,549,174,125
Balance at end of the Year	214,474,785	204,712,213
	3,798,951,217	9,344,461,912

24.4 These include Rs. 39.285 million (2022: 47.455 million) in respect of Staff Retirement Benefits.

Notes to the Financial Statements
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		2023 RUPEES	2022 RUPEES
25 MARKETING AND DISTRIBUTION COST comprises of:			
Local Freight, Octroi and Other Charges		1,535,600	17,969,631
Sea and Trailer Freight		50,718,270	105,067,553
Clearing and Forwarding Expenses		2,827,882	4,908,645
Commission on:			
Local Sales		26,566,315	33,946,579
Export Sales		17,047,911	43,120,222
Insurance		313,515	818,974
Bill of Lading Charges		243,743	692,437
Export Development Surcharge		4,797,028	8,161,339
Sales Promotion Expenses		79,000	146,795
Others Expenses		6,112,289	10,986,455
		110,241,553	225,818,630

26 ADMINISTRATIVE AND GENERAL EXPENSES

		2023 RUPEES	2022 RUPEES
26.1 These comprise of:			
Directors' Remuneration		8,020,000	7,020,000
Staff Salaries and Benefits	(Note 26.2)	171,272,027	214,966,142
Printing and Stationery		639,439	837,528
Communication		5,514,834	7,994,498
Sui Gas and Water Charges		4,083,790	3,842,861
Electricity		6,148,626	3,553,378
Insurance		7,475,419	10,484,731
Travelling and Conveyance		13,227,555	25,651,626
Entertainment		5,168,788	6,931,351
Rent, Rates and Taxes		2,883,538	1,981,179
Vehicle Running and Maintenance		12,528,365	21,544,772
Repair and Maintenance		9,797,678	14,369,651
Fees and Subscriptions		2,342,785	6,538,721
Legal and Professional Charges		5,277,450	5,750,100
Auditors' Remuneration	(Note 26.3)	800,000	800,000
Advertisement and Publicity		136,040	72,470
ISO Expenses		1,359,007	4,028,325
Charity and Donations		3,486,596	4,302,097
Newspapers and Periodicals		86,820	79,675
Depreciation - Owned Assets	(Note 4.4)	20,224,081	18,174,459
Depreciation - Right-of-use Assets	(Note 5.2)	4,112,128	5,888,931
General Expenses		10,702,053	8,036,676
		295,287,019	372,849,171

26.2 These include Rs. 8.942 million (2022: 10.154 million) in respect of Staff Retirement Benefits.

26.3 This is in respect of Company's statutory audit.

		2023 RUPEES	2022 RUPEES
27 OTHER OPERATING EXPENSES comprises of:			
Exchange Loss on Realization of Foreign Debtors		-	28,740
Provision for:			
Doubtful Long Term Prepayments	(Note 7.1)	-	25,000,000
Slow Moving items	(Note 8)	1,904,805	-
Doubtful Trade Receivables	(Note 10.5)	2,681,923	22,864,045
Doubtful Advance to Suppliers	(Note 11.4)	2,898,072	9,185,414
		7,484,800	57,078,199

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		2023 RUPEES	2022 RUPEES
28 OTHER INCOME comprises of income from:			
Financial Assets			
Return on Financial Assets		10,902,587	14,981,647
Gain on Sale of Short Term Investment		-	52,975
Rental Income (Godowns)	(Note 4.5)	13,159,861	13,422,485
Dividend Income		-	159,175
Recovered of Provision for Doubtful Trade Receivable	(Note 10.5)	-	2,131,714
Recovered of Provision for Doubtful Advacnes to Suppliers		-	882,435
Exchange Gain on Realization of Foreign Debtors		93,402,319	73,553,685
Unrealised Exchange Gain on Foreign Debtors		-	108,715
		117,464,767	105,292,831
Non Financial Assets			
Gain on Disposal of Operating Fixed Assets		29,109,315	17,529,268
		146,574,082	122,822,099

	2023 RUPEES	2022 RUPEES
29 FINANCE COST comprises of:		
Interest/Mark-up on:		
Short Term Borrowings	160,701,108	121,821,137
Long Term Finance	508,667,687	336,930,652
Worker's (Profit) Participation Fund	-	1,247,623
Finance Lease Charges	5,415,364	2,951,970
Exchange Loss on Foreign Currency Finances	140,848,766	30,055,458
Bank Charges and Commission	25,135,414	22,315,749
	840,768,339	515,322,589

30 INCOME TAX EXPENSE

	2023 RUPEES	2022 RUPEES
30.1 This relates to:		
Current Taxation:		
For the Year	69,113,304	159,944,037
Prior Year	(23,876)	(13,408,857)
	69,089,428	146,535,180
Deferred Taxation		
For the Year	398,113,938	62,034,115
Prior Year	-	167,655,504
	398,113,938	229,689,619
	467,203,366	376,224,799

30.2 In view of available tax losses, current taxation represents tax levied on turnover U/S 113 of the Income Tax Ordinance, 2001 ("the Ordinance"), on Local Sale and tax deducted U/S 169 of the Ordinance on export proceeds realized during the Year.

30.3 Income tax assessments of the Company have been completed or the returns were filed under self assessment scheme in accordance with the provisions of the Income Tax Ordinance, 2001, which are deemed to be assessed as declared.

30.4 Numerical reconciliation between the effective tax and the applicable tax is not required as the entire taxation of the Company comprises of final and minimum tax only, under respective provisions of the Income Tax Ordinance, 2001.

		2023 RUPEES	2022 RUPEES
30.5	Being prudent, in view of economic situation of the country and market condition, the management decided not to recognise following deferred tax asset as extent of probable future taxable profits is not expected to be available against which unused tax losses and unused tax credits can be utilized.		
	Unused Tax Lossess	604,209,243	-
	Staff Gratuity	15,507,513	-
	Trade Receivables	9,775,324	7,839,093
	Advance to Suppliers	4,455,938	3,273,625
	Lease Liability	1,437,881	-
	Slow Moving Items	400,372	-
	Long Term Deposits and Prepayments	-	4,471,810
		635,786,271	15,584,528

31 LOSS PER SHARE

31.1 Basic Loss per Share

	2023	2022
Loss for the Year	(2,128,003,095)	(796,640,657)
	NUMBER OF SHARES	
Shares Outstanding during the Year	18,810,257	18,810,257
	R U P E E S	
Basic Loss per Share	(113.13)	(42.35)

31.2 Diluted Loss per Share

There are no dilutive potential ordinary shares outstanding as at 30th June, 2023 and 2022.

32 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	LOAN FROM DIRECTORS	LONG TERM FINANCING	LEASE LIABILITY	SHORT TERM FINANCING	TOTAL
Balance as at 30th June, 2021	**238,895,463**	**3,398,754,021**	**11,139,163**	**1,570,055,112**	**5,218,843,759**
Disbursements	227,219,990	-	37,998,800	-	265,218,790
Transfer from Current Liabilities - net	-	193,650,710	-	-	193,650,710
Repayments	(152,060,639)	(161,861,273)	(15,619,065)	-	(329,540,977)
Repayments - net	-	-	-	181,559,497	181,559,497
Balance as at 30th June, 2022	**314,054,814**	**3,430,543,458**	**33,518,898**	**1,751,614,609**	**5,529,731,779**
Disbursements	21,500,000	-	-	-	21,500,000
Transfer from Current Liabilities - net	-	169,963,606	-	-	169,963,606
Repayments	(2,754,342)	(71,274,105)	(13,347,051)	-	(87,375,498)
Disbursements - net	-	-	-	(223,214,910)	(223,214,910)
Balance as at 30th June, 2023	**332,800,472**	**3,529,232,959**	**20,171,847**	**1,528,399,699**	**5,410,604,977**

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33 RELATED PARTIES DISCLOSURES

Disclosure of transactions between the Company and Related Parties.

NATURE OF TRANSACTIONS	RELATIONSHIP/PERCENTAGE OF SHARE HOLDING	2023 RUPEES	2022 RUPEES

The related parties comprise of associated undertaking, directors and other key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Long Term Investments		
Fatima Enterprises Limited	Associated Undertaking	(Note 6.1)
Long Term Loan from Directors:		
Sh. Umar Farooq	Director holding 0.41% (2022: 0.41%) equity shares	(Note 15.2)
Ghazala Nasreen	Director holding 0.46% (2022: 0.46%) equity shares	(Note 15.3)
Hussain Ahmed Fazal	Director holding 51.96% (2022: 51.96%) equity shares	(Note 15.4)
Deferred Liabilities	Expense in relation to staff retirement gratuity	(Note 18.4)
Compensation paid to key management personnel	Key management personnel	(Note 34)

These are to be settled as indicated in relevant notes. The receivables and payables in respect of related parties are primarily unsecured in nature and bear no interest.

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

Executive means an employee whose basic salary exceeds Rs. 1,200,000 (2022: Rs. 1,200,000) per year. The aggregate amount charged in the account for the year for remuneration, including certain benefits, to the Chief Executive, Director and Executives of the Company is as follows:

	2023 RUPEES		
PARTICULARS	**Chief Executive**	**Director**	**Executives**
Managerial Remuneration	654,000	7,000,000	36,874,789
House Rent allowance	264,000	-	-
Utility Allowance	36,000	-	-
Medical Allowance	66,000	-	3,687,479
Gratuity	-	-	3,753,896
	1,020,000	7,000,000	44,316,164
NUMBER OF PERSONS	**1**	**1**	**17**

	2022 RUPEES		
PARTICULARS	**Chief Executive**	**Director**	**Executives**
Managerial Remuneration	654,000	6,000,000	56,412,957
House Rent allowance	264,000	-	-
Utility Allowance	36,000	-	-
Medical Allowance	66,000	-	5,641,296
Gratuity	-	-	4,402,705
	1,020,000	6,000,000	66,456,958
NUMBER OF PERSONS	**1**	**1**	**25**

In addition to above Chief Executive, Director and certain Executives are provided with Company maintained vehicles.

35 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	CARRYING AMOUNT						FAIR VALUE			
AS AT 30TH JUNE, 2023	FINANCIAL ASSETS AT AMORTIZED COST	FAIR VALUE THROUGH PROFIT OR LOSS	FAIR VALUE THROUGH OCI	CASH AND CASH EQUIVALENTS	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	---------- R U P E E S ----------									
Financial Assets - Measured at Fair Value										
Long Term investment	-	-	12,002,214	-	-	12,002,214	-	-	12,002,214	12,002,214
Financial Assets - Not Measured at Fair Value										
Trade and Other Receivables	112,498,203	-	-	-	-	112,498,203	-	-	-	-
Prepayments and Advances	29,101,850	-	-	-	-	29,101,850	-	-	-	-
Bank Balances	-	-	-	225,738,690	-	225,738,690	-	-	-	-
Long Term Deposits and Prepayments	19,129,737	-	-	-	-	19,129,737	-	-	-	-
	160,729,790	-	12,002,214	225,738,690	-	398,470,694	-	-	12,002,214	12,002,214
Financial Liabilities - Not Measured at Fair Value										
Long Term Financing	-	-	-	-	2,365,587,198	2,365,587,198	-	-	-	-
Lease Liabilities	-	-	-	-	7,505,571	7,505,571	-	-	-	-
Trade and Other Payables	-	-	-	-	1,896,528,056	1,896,528,056	-	-	-	-
Short Term Borrowings	-	-	-	-	1,528,399,699	1,528,399,699	-	-	-	-
Unclaimed Dividend	-	-	-	-	124,939	124,939	-	-	-	-
Current Portion of Long Term Liabilities	-	-	-	-	1,176,312,037	1,176,312,037	-	-	-	-
	-	-	-	-	6,974,457,500	6,974,457,500	-	-	-	-

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AS AT 30TH JUNE, 2022	CARRYING AMOUNT						FAIR VALUE			
	FINANCIAL ASSETS AT AMORTIZED COST	FAIR VALUE THROUGH PROFIT OR LOSS	FAIR VALUE THROUGH OCI	CASH AND CASH EQUIVALENTS	OTHER FINANCIAL LIABILITIES	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	R U P E E S									
Financial Assets - Measured at Fair Value										
Long Term investment	-	-	12,002,214	-	-	12,002,214	-	-	12,002,214	12,002,214
Financial Assets - Not Measured at Fair Value										
Trade and Other Receivables	936,060,359	-	-	-	-	936,060,359	-	-	-	-
Prepayments and Advances	25,601,850	-	-	-	-	25,601,850	-	-	-	-
Bank Balances		-	-	310,543,495	-	310,543,495	-	-	-	-
Long Term Deposits and Prepayments	19,111,737	-	-	-	-	19,111,737	-	-	-	-
	980,773,946	-	12,002,214	310,543,495	-	1,303,319,655	-	-	12,002,214	12,002,214
Financial Liabilities - Not Measured at Fair Value										
Long Term Financing	-	-	-	-	2,656,127,307	2,656,127,307	-	-	-	-
Lease Liabilities	-	-	-	-	20,171,847	20,171,847	-	-	-	-
Trade and Other Payables	-	-	-	-	1,530,740,687	1,530,740,687	-	-	-	-
Short Term Borrowings	-	-	-	-	1,751,614,609	1,751,614,609	-	-	-	-
Unclaimed Dividend	-	-	-	-	124,939	124,939	-	-	-	-
Current Portion of Long Term Liabilities	-	-	-	-	787,763,202	787,763,202	-	-	-	-
	-	-	-	-	6,746,542,591	6,746,542,591	-	-	-	-

Notes to the Financial Statements
for the Year ended 30th June, 2023

36 FINANCIAL RISK MANAGEMENT

36.1 The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

36.2 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and over-sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

36.3 CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counterparty. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Most of the customers are also secured, where possible, by way of letters of credit.

EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date is:

	2023 RUPEES	2022 RUPEES
Assets as per Statement of Financial Position		
At Amortized Cost		
Long Term Deposits and Prepayments	19,129,737	19,111,737
Trade and Other Receivables	112,498,203	936,060,359
Prepayments and Advances	29,101,850	25,601,850
Cash and Cash Equivalents		
Bank Balances	225,738,690	310,543,495
	386,468,480	1,291,317,441

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COUNTERPARTIES WITH EXTERNAL CREDIT RATING

Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect nonperformance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating			2023	2022
	Short Term	Long Term	Agency	RUPEES	RUPEES
AL Baraka Bank (Pakistan) Ltd.	A-1	A	PACRA	23,722	23,722
Allied Bank Ltd.	A1+	AAA	PACRA	408,861	406,938
Askari Bank Ltd.	A1+	AA+	PACRA	74,711,952	137,146,455
Bank Al- Habib Ltd.	A1+	AAA	PACRA	1,119,086	3,527,239
Bank Alfalah Ltd.	A-1+	AA+	PACRA	1,066,852	3,313,083
Bank Islami Pakistan Ltd.	A1	A+	PACRA	382,390	382,390
Habib Bank Ltd.	A-1+	AAA	VIS	419,885	260,168
Habib Metropolitan Bank Ltd.	A1+	AA+	PACRA	1,186,916	1,828,921
JS Bank Ltd.	A1+	AA-	PACRA	114,603	114,603
MCB Bank Ltd.	A1+	AAA	PACRA	2,809,611	2,968,964
National Bank of Pakistan	A1+	AAA	VIS	101,689	24,517,204
Soneri Bank Ltd.	A1+	AA-	PACRA	26,548,210	201,456
Bank of Khyber	A1	A	PACRA	116,657,282	116,657,282
The Bank of Punjab	A1+	AA+	PACRA	64,489	18,945,898
United Bank Ltd.	A-1+	AAA	VIS	123,142	249,172
				225,738,690	310,543,495

COUNTERPARTIES WITHOUT EXTERNAL CREDIT RATING

These mainly include customers which are counter parties to local and foreign trade debts against sale of yarn and fabric. The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. The management uses an allowance matrix to base the calculation of ECL of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'role rate' method based on the probability of receivable progressing through successive stages of delinquency to write-off. The Company has used three years quarterly data in the calculation of historical loss rates along with the matching quarterly ageing brackets for the computation of roll rates. These rates are multiplied by scalar factors to reflect the effect of forward looking macro economic factors. These mainly include customers which are counter parties to trade debts. The Company is exposed to credit risk. The analysis of ages of trade debts and loss allowance using the aforementioned approach as at 30th June, 2023 was determined as follows:

The aging of Trade Debts at the reporting date is:	Expected loss rate %		
Export Debtors - Secured			
Neither past due nor impaired	0%	-	87,182,802
Local Debtors - Unsecured			
Neither past due nor impaired	0%	104,669,749	847,186,321
Above 360 days	100%	46,506,976	43,825,053
		151,176,725	978,194,176
		-	-

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and shipments to the export customers are generally covered by letters of credit or other form of credit insurance.

Credit risk on loans and advances and markup accrued from associated companies are measured under General Approach and with respect to external credit ratings of the holding company.

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CONCENTRATION OF CREDIT RISK

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

36.4 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations/ commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained various short term facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

Exposure to liquidity risk

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

Financial Liabilities' Maturities as at 30th June, 2023:

	Carrying Amount	6 Month or Less	6-12 Months	1-2 Years	More than 2 Years
	Rupees				
Long Term Financing - Secured	3,529,232,959	698,187,457	465,458,304	1,163,645,761	1,201,941,437
Lease Liabilities	20,171,847	6,333,138	6,333,138	7,505,571	-
Trade and Other Payables	2,089,015,707	1,462,310,995	626,704,712	-	-
Short Term Borrowings - Secured	1,499,836,026	974,893,417	524,942,609	-	-
	7,138,256,539	3,141,725,006	1,623,438,764	1,171,151,332	1,201,941,437

Financial Liabilities' Maturities as at 30th June, 2022:

	Carrying Amount	6 Month or Less	6-12 Months	1-2 Years	More than 2 Years
	Rupees				
Long Term Financing - Secured	3,430,543,458	464,649,691	309,766,460	774,416,151	1,881,711,156
Lease Liabilities	33,518,898	6,673,526	6,673,526	20,171,847	-
Trade and other Payables	1,530,740,687	1,071,518,481	459,222,206	-	-
Short Term Borrowings - Secured	1,564,356,816	1,016,831,930	547,524,886	-	-
	6,559,159,859	2,559,673,628	1,323,187,078	794,587,998	1,881,711,156

It is not expected that the cash flows on the maturity analysis could occur significantly earlier, or at significant different amount.

36.5 MARKET RISK

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

(i) 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 risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

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for the Year ended 30th June, 2023

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

	2023 USD	2022 USD	2023 RUPEES	2022 RUPEES
Financial Assets				
Trade Receivables	-	416,396	-	87,182,802
Net Exposure	-	416,396	-	87,182,802

The following significant exchange rates have been applied:

	AVERAGE RATE		REPORTING RATE	
	2023	2022	2023	2022
USD to PKR	0.00	209.11	286.60	205.50

Sensitivity Analysis:

At reporting date, if the PKR had strengthened by 10% (2022: 10%) against the foreign currencies with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign debtors.

	2023 RUPEES	2022 RUPEES
Effect on Profit and Loss		
Trade Receivables	-	8,718,280
Net Exposure	-	8,718,280

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the post tax profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on Profit / (Loss) for the year and assets / liabilities of the Company.

(ii) 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 market prices (other than those arising from interest rate risk or currency risk), Other price risk arises from the Company's investment in ordinary shares of listed companies. To manage its price risk arising from aforesaid investments, the Company actively monitors the key factors that affect stock price movement.

(iii) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments is as follows:

	EFFECTIVE PERCENTAGE		CARRYING AMOUNT	
	2023	2022	2023 RUPEES	2022 RUPEES
Liabilities as per Statement of Financial Position				
Fixed Rate Instruments				
Long Term Financing	5	5	2,703,550	4,055,326
Variable Rate Instruments				
Long Term Financing	7.54 - 23.48	0.75 - 14.31	3,526,529,409	3,426,488,132
Lease Liabilities	13.41 - 13.75	13.41 - 13.75	20,171,847	33,518,898

	EFFECTIVE PERCENTAGE 2023	2022	CARRYING AMOUNT 2023 RUPEES	2022 RUPEES
Short Term Borrowings	15.66 - 23.20	6.35 - 16.49	1,499,836,026	1,564,356,816
Assets as per Statement of Financial Position				
Variable Rate Instruments				
Deposit Accounts	7.25 - 12.50	7.25 - 12.50	209,969,254	250,866,398

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at financialposition dates were outstanding for the whole year.

		Changes in Interest Rate	Effects on Loss before Tax (Rupees)
Bank balances - deposit accounts			
	2023	+1.50	3,149,539
		-1.50	(3,149,539)
	2022	+1.50	3,762,996
		-1.50	(3,762,996)
Long term financing			
	2023	+2.00	(70,530,588)
		-2.00	70,530,588
	2022	+2.00	(68,529,763)
		-2.00	68,529,763
Lease Liabilities			
	2023	+2.00	(403,437)
		-2.00	403,437
	2022	+2.00	(670,378)
		-2.00	670,378
Short term borrowings			
	2023	+2.00	(29,996,721)
		-2.00	29,996,721
	2022	+2.00	(31,287,136)
		-2.00	31,287,136

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36.6 OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

37 CAPITAL RISK MANAGEMENT

The Board of Directors' policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio - calculated as a ratio of total debt to capital employed.

	2023 RUPEES	2022 RUPEES
(A) The gearing ratio of the Company as on the financial position sheet date was as follows:		
External Borrowings	5,029,068,985	4,994,900,274
Loan from Directors	332,800,472	314,054,814
Total Debt	5,361,869,457	5,308,955,088
Total Equity	2,496,190,716	4,605,448,153
Total Capital Employed	7,858,060,173	9,914,403,241
Gearing Ratio	68.23%	53.55%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, commonly imposed by the providers of debt finance.

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	2023 RUPEES	2022 RUPEES
(B) Financial Instruments by Categories		
Assets as per Statement of Financial Position		
At FVOCI		
Long Term Investment	12,002,214	12,002,214
At Amortized Cost		
Long Term Deposits and Prepayments	19,129,737	19,111,737
Trade and Other Receivables	112,498,203	936,060,359
Prepayments and Advances	29,101,850	25,601,850
Cash and Cash Equivalents		
Bank Balances	225,738,690	310,543,495
	398,470,694	1,303,319,655
Liabilities as per Statement of Financial Position		
Long Term Financing	2,365,587,198	2,656,127,307
Lease Liabilities	7,505,571	20,171,847
Trade and Other Payables	1,896,528,056	1,530,740,687
Short Term Borrowings	1,528,399,699	1,751,614,609
Unclaimed Dividend	124,939	124,939
Current Portion of Long Term Liabilities	1,176,312,037	787,763,202
	6,974,457,500	6,746,542,591

	2023	2022
38 NUMBER OF EMPLOYEES		
Number of Employees including Contractual Employees at end of the Year	1,214	3,300
Average Number of Employees including Contractual Employees during the Year	1,473	2,714
Number of Employees of Factory including Contractual Employees at end of the Year	733	2,863
Average Number of Employees of Factory including Contractual Employees during the Year	1,079	2,364
39 PLANT CAPACITY AND ACTUAL PRODUCTION		
Ring Spinning Sections		
Number of Spindles Installed	75,360	75,360
Number of Spindle Shifts Worked	3	3
Installed Capacity at 20/S Count (Kgs) 365 Days	27,605,148	27,605,148
Actual Production of All Counts (Kgs)	3,704,777	16,370,099
Actual Production Converted into 20/S Count (Kgs)	5,025,612	22,096,880
Weaving Section		
Number of Looms Installed	130	130
Number of Looms Shifts Worked	3	3
Capacity at 50 picks/inch (Meters) - 365 days	31,287,622	31,287,622
Actual Production of All picks/inch	11,427,367	19,006,759
Actual Production Converted into 50 picks/inch	14,816,418	22,821,326

It is difficult to describe precisely the production capacity in Spinning/Weaving Mills since it fluctuates widely depend on various factors such as count of yarn spun, spindles speed, twist and raw materials used, etc. It also varies according to the pattern of production adopted in a particular Year. The reason for under utilization of available capacity is attributable to normal Repair and Maintenance, Power failures and count changes.

40 DATE OF AUTHORIZATION FOR ISSUE

These Financial Statements have been authorized for issue by the Board of Directors of the Company on **3rd January, 2024**.

Sd/-
DIRECTOR

Sd/-
CHIEF EXECUTIVE