

ZEPHYR
TEXTILES LIMITED

Zephyr Textiles Limited
ANNUAL REPORT 2023

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Company Information

BOARD OF DIRECTORS:	Mr. Mussaid Hanif Mr. Arbab Muhammad Khan Mr. Rana Kamal Ud Din Ms. Tehniyat Mussaid Ms. Sabah Burhan Ms. Sarah Naviwala Ms. Nuzhat Kamran	CEO Chairperson
AUDIT COMMITTEE:	Ms. Nuzhat Kamran Mr. Rana Kamal Ud Din Ms. Tehniyat Mussaid	Chairperson/Member Member Member
HR & REMUNERATION COMMITTEE:	Ms. Nuzhat Kamran Mr. Arbab Muhammad Khan Ms. Sabah Burhan	Chairperson/Member Member Member
CHIEF FINANCIAL OFFICER:	Mr. Naveed Aleem	
COMPANY SECRETARY:	Mr. Abdul Jabbar	
AUDITORS:	BDO Ebrahim & Co.	Chartered Accountants
LEGAL ADVISOR:	Ahmad Law Firm Advocate High Court Suit No. 7, Block No. 9, Shabbir Town, Executive Suits, 2.5 Km Raiwind Road, Lahore-54000, Pakistan	
BANKERS TO THE COMPANY:	Habib Bank Limited Allied Bank Limited Askari Bank Limited United Bank Limited Habib Metropolitan Bank Limited Bank Al Habib Limited	National Bank of Pakistan MCB Bank Limited The Bank of Punjab Faysal Bank Limited Meezan Bank Limited Silk Bank Limited
MILLS:	1 km, Balloki Bhai Pheru Road Bhai Pheru. Phone : 0494 - 512007-9, 513103-5 Fax : 0494 - 512011 63 km, Gulshan Adda, Jumber Khurd, District Kasur.	(Weaving unit & Power plant) (Towel Unit)
REGISTERED & HEAD OFFICE:	3rd Floor, IEP Building, 97 B/D-I, Gulberg III, Lahore E-mail: info@zephyr.com.pk Website: www.zephyrtextiles.com Phone : 042 35782905 - 15 Fax : 042 35753202	

Note: Zephyr's Company Information & Financial Statements are also available at the above website.

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of **Zephyr Textiles Limited** ("ZTL" or "the Company") will be held at the Registered Office of the Company, 3rd Floor IEP Building, 97 B/D-I, Gulberg III, Lahore on Friday, October 27, 2023, at 10:30 AM to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Extra Ordinary General Meeting dated April 13, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023 together with the Chairperson's Review Report, Directors' and Auditor's report thereon.
3. To appoint auditors for the year ending June 30, 2024 and to fix their remuneration. The Board of Directors, on recommendation of the Audit Committee has proposed the appointment of M/s. BDO EBRAHIM & CO., Chartered Accountants, as auditors for the year ending on June 30, 2024.

SPECIAL BUSINESS:

4. Approval of shareholders of Zephyr Textiles Limited (Company) be and is hereby accorded and the Company be and is hereby authorized to circulate Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enable code and weblink.
5. To transact any other business with the permission of the Chair.

By Order of the Board

Abdul Jabbar
Company Secretary
Lahore:
Friday October 06, 2023.

NOTE:

➤ BOOK CLOSURE NOTICE:

Share transfer books of the company will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive) and no transfer will be accepted during this period.

1. Instrument of Proxy

A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting. The CDC account holders are requested to bring their original CNIC and participant ID to attend the meeting. Form of proxy in English and Urdu languages is attached to the notice of meeting sent to the shareholders.

2. Attendance

The Company will provide the video-link facility for participation in the meeting. The entitled shareholders interested in attending the Extraordinary General Meeting (EOGM) are requested to get themselves registered with the Company Secretary office at least Seven working days before the holding of the time of EOGM at corporate.affairs@zephyr.com.pk by providing the following details:-

Name of Shareholder	CNIC Number	Folio Number	Cell Number.	Email Address

3. Upon receipt of the above information from interested shareholders, the Company will send the login details at their email addresses. On the EOGM day, the shareholders will be able to login and participate in the EOGM proceedings through their smart phone or computer devices from their any convenient location. The login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification process and verification process.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the applicable guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 of 2000.
5. Members are requested to be timely notified of any change in their addresses to our independent Share Registrar.

6. Notice to Shareholders who have not provided CNIC:

The shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address given in Note No. 1.

Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Zephyr Textiles Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Extraordinary General Meeting to be held on Friday October 27, 2023, at 10.30 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E-Voting:

- E-Voting facility will be provided by Corplink (Private) Limited, the Share Registrars & Corporate Consultants, acting as E-Voting Services Provider.
- Detail of E-Voting facility will be shared through e-mail with those members of the Company who have valid cell numbers / e-mail addresses available in the Register of Members of the Company by the end of business on October 19, 2023 by Corplink (Private) Limited being the e voting service provider.
- Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast vote for Agenda Items No. 4 through the web portal provided by Corplink (Private) Limited from 9:00 AM {Pakistan Standard Time ("PST")} October 24, 2023 to till 5:00 PM (PST) October 26, 2023. Votes shall only be casted during the aforementioned schedule. A vote once casted shall not be allowed to be changed.

Voting Through Postal Ballot:

- Members may alternatively opt for voting through postal ballot, which has been made available; (i) as attachment to this notice dispatched to each Member and (ii) on Company's website, i.e. www.zephyrtextiles.com ;
- Members casting their votes for Agenda Items No. 4 should send the postal ballot, duly filled in, signed and accompanied with a copy of valid Computerized National Identity Card ("CNIC") to the Chairman of EOGM at 3rd Floor I.E.P Building 97-B/D-1, Gulberg-III, Lahore and/or through email at corporate.affairs@zephyr.com.pk. The postal ballot should reach the aforementioned office on or before 5:00 pm, October 26, 2023. Any postal ballot received after this time/date, will not be considered for voting.
- Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner)
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
- **Transmission of audited financial statements / notices through email**

As notified by the SECP vide SRO.787(I)/2014 dated September 8, 2014, all listed companies are allowed to circulate audited financial statements along with notice of annual general meetings to its shareholders through their email addresses subject to written consent of the shareholders. Standard Request Form available on the Company's website:

<http://www.zephyrtextiles.com>

- **Transmission of annual financial statements through cd/dvd/usb**

SECP through its SRO.470(I)/2016 dated May 31, 2016 have allowed companies to circulate their annual balance sheet, profit and loss account, auditor's report and directors' report to its members through CD/DVD/USB at their registered addresses. In view of the above the Company has sent its Annual Report to the shareholders in the form of CD/DVD. Any Member can send request for printed copy of the Annual Report to the Company on standard request form placed under the Investor Information section on its website <http://zephyrtextiles.com/investor-information>

- **Unclaimed Dividends:**

As per the provision of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claim. In this regards, a notice to shareholder was sent at their provided addresses and subsequently final notice was Published in newspapers having nationwide circulation.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged timely. In case, no claim is lodged with the Company in the given time, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of companies Act, 2017.

➤ **Conversion of Shares into Book Entry Form (CDC)**

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

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

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of the Company to be held on 27th October, 2023.

Agenda Items No. 5 – Approval of Shareholder to circulate Annual Audited Financial through QR enable code and weblink.

Approval of shareholders of Zephyr Textiles Limited (Company) be and is hereby accorded and the Company be and is hereby authorized to circulate Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enable code and weblink .

The following is proposed to be passed as special resolution, with or without any modification:

Resolved that approval of shareholders of Zephyr Textiles Limited (Company) be and is hereby accorded and the Company be and is hereby authorized to circulate Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enable code and weblink. Also resolved that Chief Executive and / or Company Secretary be and are hereby authorized to do all such acts, deeds and things and take all such actions as may be necessary for implementing this resolution.

The Company has showed worthy performance during financial year 2023, despite numerous challenges posed by the economic landscape. The sales revenue grew by 7.34% whereas gross margins grew by 41.31% as compared by last corresponding period.

Board Performance

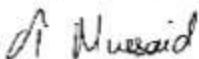
I, on behalf of the Board of Directors (Board), would like to extend our sincere appreciation for the Management, particularly for CEO's leadership and dedication, attributing to our shared success. Looking ahead, I am confident that the Board's visionary leadership will continue to inspire excellence across all facets of our operations. The Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements which are adopted by the Company and fully support the same in attaining the objectives dilated therein. I would also like to appreciate the performance of the Board of Directors in devising excellent tactical, operational and financial strategies for the Company utilizing their broad visions, in depth knowledge and vast market experience in this difficult time.

The Board sets high standards of honesty and integrity which we consider are vital for success of the business. Best utilization of the available resources remained at the core of operations to achieve the best results under the given circumstances.

Key highlights of the board's achievements are as follows:

- Routine BMR
- Quarterly and annual financial statements
- Ensured the quality and appropriateness of financial reporting and the transparency of disclosures in annual and quarterly financial statements.
- Internal audit and audit committee reports and findings and Reviewed effectiveness of internal control system.
- Appointment of external auditors, and

The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions. I would like to extend my thanks and appreciation to all staff members, customers, suppliers, bankers, shareholders and Board of Directors for their commitment and hard work.



Tehniyat Mussaid
Chairperson

Lahore: September 27, 2023

Dear members,

The Directors of your Company takes pleasure in presenting before you the Annual Report along with audited financial statements and independent auditors' report thereon for the period ended June 30, 2023.

Financial Review

The Company recorded a much improved financial performance compared with preceding period despite challenging economic conditions. Revenue and profitability both witnessed healthy growth. Sales revenue grew by 7.34% whereas gross margins grew by 41.31% as compared by last corresponding period. The main reasons for this growth are better marketing strategies with diversified product mix and better financial planning.

Description	2023	2022 (Restated)	% Increase
Net sales	7,925,939,730	7,384,164,107	7.34
Gross profit	1,044,489,513	739,148,073	41.31
EBITDA	566,747,254	447,175,287	26.74
Depreciation	196,094,225	185,945,639	5.46
Finance cost	189,581,100	98,263,025	92.93
Pre-tax profit	370,653,029	261,229,648	41.89
After tax profit	237,958,441	182,175,103	30.62
EPS	4.00	3.07	30.62

Sales revenue increased from PKR 7.38 billion to PKR 7.93 billion whereas exports increased from PKR 3.69 billion to PKR 5.18 billion as compared to the last corresponding period. In pursuance the Company is gradually materializing its business plan to shift from greige fabric business to value added textiles export business. Resultantly, the gross and net margins increased from PKR 739.15 million to PKR 1,044.49 million and from PKR 182.18 million to PKR 237.96 million which are 41.31% and 30.62% higher respectively. EBITDA also increased from PKR 447.18 million to 566.74 million respectively. Finance cost also increased by 92.93% which reduced the profitability. Fiscal policy implemented by the State Bank of Pakistan under guidance of International Monetary Fund abolished all subsidized loans to the export industry and the 3 months KIBOR stood historically high at 22.91%. Taxation has also been increased by the government particularly in shape of super tax ranging from 2% to 10% of taxable income. The Company repaid long term loans of PKR 183.30 million as compared to PKR 258.57 million in corresponding period last year to reduce liabilities and markup cost.

Capital Expenditures

The Company invested PKR 369.61 million in fixed capital expenditure (CAPEX) with cash generated from business operations, which is 76.46% above last year's CAPEX. This includes purchase of 35.84 acre land from its directors, adjacent to the factory premises at Jumber. This land was required for future expansion for the production facilities and smooth operations. The Company got approval to purchase total 46.28 acre worth PKR 231.40 million land in EOGM dated April 13, 2023 out of which 35.84 acre transferred in the name of the Company. Remaining 10.44 acre land will be transferred in

next financial year. Other CAPEX includes building of PKR 73 million, plant & machinery of PKR 81 million, etc.

Working Capital Management

Current ratio for the period stands at 1.07 (2022: 1.07) along with long term rating of BBB+ and short-term rating of A-2 maintained by VIS Credit Rating Company Limited which shows the Company's ability to meet its long as well as short term obligations. The Company utilized its working capital in most efficient way to achieve 7.34% growth in sales revenue. The Company earned EBITDA of PKR 566.75 million as compared to PKR 447.17 in corresponding period last year. EBITDA to sale percentage was 7.15% as compared to 6.06% last year.

Dividend

Keeping in view economic condition prevailing in the country, Company's needs and future ability of cash generation, the Board of Directors of the Company has not recommended dividend for the year ended June 30, 2023 (June 30, 2022: 5%).

Earnings per Share

The Company maintains a positive stream of earning per share (EPS) which shows effectiveness of management's strategy in order to enhance the shareholders' value. The earning per share (EPS) stands at PKR 4.00 for the period ended June 30, 2023 as compared to PKR 3.07 corresponding previous year.

Market Review and Future Prospects

The global textile industry is facing a perfect storm scenario as production costs continue to climb and demand declines. This is the tenth consecutive month of decline for the country's largest export revenue generating sector. In the first seven months of this calendar year, textile exports recorded a meagre \$9.09 billion, a significant drop from \$11.48 billion in the same period of previous calendar year, resulting in a disheartening 21% negative growth. Apart from order decrease, the cost of manufacturing goods is increasing rapidly which is a serious business concern. The Govt. also forfeited all financial benefits / subsidies under the treaty with IMF and left the textile industry in miserable condition. In current economic conditions with high cost of energy, elevated financial cost and abolition of duty drawback schemes, it is very difficult for the textile industry to compete international market.

The Company prejudged the challenges to be faced in future and devise a plan to shift its flat fabric greige operating to value added terry and knit products. Our new business segment of knits is growing at good pace, and we believe it will contribute equal to the terry business in coming couple of years. The Company has also a plan to install stitching plant for knit garments. For this purpose, 32 Tsudakoma looms already sold in the period under review and further 68 Picanol OmniPlus 800 looms are being sold to quit griedge flat fabric business and to invest in knit dyeing and stitching unit. The Company is also increasing solar power plant capacity from 443 kwh to 945 kwh at its towel manufacturing unit at Jumber in order to reduce energy cost.

Corporate Governance

Board of Directors

Following are directors of the Company:

1. Mr. Mussaid Hanif	Executive Director/CEO
2. Mr. Arbab Muhammad Khan	Executive Director
3. Mr. Rana Kamal Ud Din	Independent Director
4. Ms. Tehniyat Mussaid	Director/Chairperson
5. Ms. Sabah Burhan	Director
6. Ms. Nuzhat Kamran	Independent Director
7. Ms. Sarah Naviwala	Director

Directors' Training Program

The Board of directors of the Company consist of 7 Directors out of which the following five directors have obtained a certificate for the Directors' Training Program offered by a local institution that meets the criteria specified by the Securities and Exchange Commission of Pakistan ("SECP"):

- Ms. Tehniyat Mussaid
- Ms. Sabah Burhan
- Mr. Arbab Muhammad Khan
- Ms. Sarah Naviwala
- Ms. Nuzhat Kamran

The remaining two directors including chief executive of the Company meet the exemption requirement of the DTP.

Corporate Briefing Session

Corporate Briefing Session is being held annually to brief investors regarding the performance of the Company and future outlook.

Compliance of Corporate and Financial Reporting Framework

We are committed to good corporate governance and do comply with the requirements of Code of Corporate Governance Regulation 2017 (CCG 2017) included in the listing regulations of Pakistan Stock Exchange Limited. The statement of compliance with the CCG 2017 is enclosed.

Board Committees

Audit Committee

The Audit Committee is comprised of all three non-executive members of the board. The chairperson of the committee is an independent director. The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four audit committee meetings were held, attendance position was as under:

Name	Designation	Meetings attended
Ms. Nuzhat Kamran	Chairperson/Member	4
Ms. Tehniyat Mussaid	Member	4
Mr. Rana Kamal Ud Din	Member	4

Human Resource & Remuneration Committee

The HR and remuneration committee comprised of three members of whom two are non-executive directors and the Chairperson is an independent director. The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, only one HR and Remuneration committee meeting were held and attendance position was as under:

Name	Designation	Meetings attended
Ms. Nuzhat Kamran	Chairperson/Member	1
Mr. Arbab Muhammad Khan	Member	1
Ms. Sabah Burhan	Member	1

Meetings of the Board of Directors

During the year under review, four meetings of the Board of Directors of the Company were held and the attendance position is as follows:

S.No.	Name of Directors	No. of meetings attended
1.	Mr. Mussaid Hanif	4
2.	Mr. Arbab Muhammad Khan	4
3.	Mr. Rana Kamal Ud Din	4
4.	Ms. Nuzhat Kamran	4
5.	Ms. Tehniyat Mussaid	4
6.	Ms. Sabah Burhan	2
7.	Ms. Sarah Naviwala	2

Directors' Remunerations

The Board of Directors has approved Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration and meeting fee to its non-executive directors including independent directors.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending meetings of the Board and its Committees.
- The Directors' Remuneration Policy will be reviewed and approved by the Board of Directors from time to time.

Refer to note 51 of financial statements of the Company for remuneration of Chief Executive Officer and Directors of the Company.

Directors' Statement

In compliance of the Code of Corporate Governance, we give below statements on Corporate and Financial reporting framework:

1. Financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Corporate Social Responsibility

Following is the brief summary of corporate social responsibility initiative taken by the Company:

Equal Opportunity Employment

The Company provides equal employment opportunities to employees and applicants without regard to race, color, religion, gender and disability status.

Environmental Protection

The Company installed 945 kwh solar power plant to shift to renewable energy from conventional sources and committed to ensure environment sustainability and cheap energy. The Company also installed Effluent Water Treatment Plant to treat waste water before its discharge in order to preserve clean water sources. Further, the Company planted, at its premises, more than eight thousand different kind of trees to secure nature and environment.

Health Benefits to Employees

Health and social activities have been arranged at manufacturing facilities. The Company constructed gym and sports compound for the workers and employees of the Company to maintain their physical and mental health. Further, the Company regularly participates in a renowned local cricket tournament which helps the employees to maintain their health along with recreation.

External Auditors

BDO Ebrahim & Co., Chartered Accountants, current auditors will retire on the conclusion of Annual General Meeting of the Company. Being eligible, they have offered themselves for reappointment for the year ending June 30, 2024. As suggested by the Audit Committee, the Board of Directors has recommended reappointment of BDO Ebrahim & Co, Chartered Accountants for approval of shareholders in forth coming Annual General Meeting.

Acknowledgement

The board places on record its profound gratitude for its valued shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have enabled the Company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the staff and workers of the Company.



Mussaid Hanif
Chief Executive

Lahore
September 27, 2023



Arbab Muhammad Khan
Director

HORIZONTAL ANALYSIS

(Rupees in Million)

	2023	Variance vs Last Year Increase/ (Decrease) (%)	2022	Variance vs Last Year Increase/ (Decrease) (%)	2021	Variance vs Last Year Increase/ (Decrease) (%)	2020	Variance vs Last Year Increase/ (Decrease) (%)	2019	Variance vs Last Year Increase/ (Decrease) (%)	2018	Variance vs Last Year Increase/ (Decrease) (%)
OPERATING RESULTS												
Sales - net	7,925.94	7.34	7,384.16	20.48	6,128.89	41.67	4,326.05	(15.03)	5,091.14	19.73	4,252.32	13.41
Cost of sales	6,881.45	3.56	6,645.02	24.87	5,321.34	35.60	3,924.32	(14.08)	4,567.40	20.61	3,786.85	14.09
Gross Profit	1,044.49	41.31	739.15	(8.47)	807.55	101.02	401.73	(23.30)	523.74	12.52	465.47	8.23
Distribution cost	262.24	(21.59)	334.45	58.60	210.88	80.80	131.31	(6.37)	140.24	38.42	101.31	9.67
Administrative expenses	115.72	17.66	98.35	9.87	69.52	5.98	84.47	(0.63)	85.00	23.77	68.68	5.40
Other operating expenses	269.86	485.98	46.06	(3.47)	47.71	113.02	22.40	128.22	9.81	(16.27)	11.72	(81.44)
Financial cost	189.58	92.93	98.26	(12.26)	111.99	(7.82)	121.82	(15.75)	144.38	(8.61)	157.96	29.66
Other operating income	163.59	64.90	99.20	633.38	13.53	(60.74)	34.46	697.29	4.32	26.70	3.41	46.06
Profit/(Loss) before taxation	370.85	41.89	261.23	(27.63)	360.97	372.52	76.39	(48.61)	148.65	15.04	129.21	43.96
Provision for taxation	132.89	67.85	79.05	34.24	58.89	176.24	21.32	(30.80)	30.81	18.32	26.04	25.00
PROFIT/(LOSS) AFTER TAXATION	237.96	30.62	182.18	(39.69)	302.08	448.51	55.07	(53.26)	117.84	14.21	101.17	49.68
BALANCE SHEET												
NON-CURRENT ASSETS												
Property, plant and equipment	2,533.65	16.78	2,169.67	6.59	2,035.55	6.94	1,903.44	(0.33)	1,909.71	(3.62)	1,981.44	(0.71)
Capital work in progress	75.20	89.84	39.59	19.84	33.09	(47.79)	63.32	103.76	31.08	-	-	(100.00)
Long term deposits	25.60	3.80	24.78	6.99	22.74	1.22	22.47	0.03	22.46	(0.18)	22.50	16.65
TOTAL NON-CURRENT ASSETS	2,634.45	17.92	2,234.04	6.82	2,091.38	6.14	1,989.22	1.32	1,963.24	(2.03)	2,003.93	(1.02)
CURRENT ASSETS												
Stores, spare parts and loose tools	261.02	3.50	252.18	45.09	173.82	24.32	139.82	27.34	109.80	8.00	103.59	(23.19)
Stock in trade	1,456.79	8.58	1,341.66	(4.82)	1,411.06	27.82	1,103.93	20.70	914.62	(14.49)	1,069.58	18.20
Trade debts	557.18	(15.76)	661.41	(19.70)	823.67	16.20	708.87	(0.60)	712.46	8.18	658.60	88.04
Loans and advances	80.87	(10.70)	90.56	(32.33)	133.83	74.39	76.74	(23.84)	100.50	179.43	35.97	8.07
Trade deposits and short term prepayments	534.99	16.39	459.65	32.46	347.02	41.03	246.05	15.43	213.16	12.94	188.74	(4.12)
Other receivables	85.28	29.14	66.04	(51.95)	137.44	71.74	80.03	(7.39)	125.77	11.45	117.89	129.65
Investments	107.98	1581.34	6.42	61.93	3.97	(93.71)	63.08	6274.43	0.98	34.79	0.73	(56.31)
Cash and bank balances	156.35	141.66	64.70	(17.97)	78.87	9.87	71.79	29.06	55.62	91.86	28.99	(41.89)
TOTAL CURRENT ASSETS	3,240.44	10.12	2,942.63	(5.37)	3,109.68	24.87	2,490.30	13.63	2,233.91	1.38	2,204.09	26.87
TOTAL ASSETS	5,874.90	13.49	5,176.67	(0.47)	5,201.06	16.11	4,479.52	7.76	4,197.16	(0.26)	4,208.02	11.73
CURRENT LIABILITIES												
Trade and other payables	1,629.13	33.35	1,221.66	(2.50)	1,252.97	47.05	852.08	45.91	583.99	(11.95)	663.21	80.93
Accrued mark-up	62.27	214.80	16.60	(23.92)	21.82	(9.46)	24.10	5.65	22.82	5.28	21.67	38.82
Short term borrowings	1,312.66	1.37	1,294.91	2.05	1,268.83	(3.89)	1,320.19	5.61	1,250.02	7.88	1,158.70	18.04
Current portion of long term financing	34.95	(83.08)	205.64	(20.19)	258.92	295.44	65.48	(60.79)	167.01	1.28	164.91	(17.42)
TOTAL CURRENT LIABILITIES	3,029.02	10.56	2,739.81	(2.24)	2,802.55	23.91	2,261.85	11.76	2,023.84	6.76	2,008.49	28.44
WORKING CAPITAL	211.43	4.25	202.81	(33.96)	307.13	34.44	228.45	(51.03)	210.08	152.03	195.60	(69.15)
TOTAL CAPITAL EMPLOYED	2,845.88	16.78	2,436.86	1.60	2,398.51	8.15	2,217.67	(9.69)	2,173.32	14.31	2,199.53	(17.50)
NON-CURRENT LIABILITIES												
Long term financing	88.45	(28.32)	123.41	(48.94)	241.67	(30.96)	350.04	14.83	304.82	(26.77)	416.22	(23.53)
Deferred liabilities	227.43	8.09	210.41	8.00	194.83	(3.37)	254.37	5.61	241.10	(0.61)	242.57	7.76
TOTAL NON-CURRENT LIABILITIES	315.89	(0.37)	333.82	(23.52)	436.50	(19.35)	684.41	10.71	545.92	(17.13)	658.80	(14.38)
NET WORTH	2,529.99	20.30	2,103.03	7.19	1,962.01	18.46	1,613.26	(3.50)	1,627.40	(6.96)	1,540.73	30.32
NET WORTH REPRESENTED BY												
Issued, subscribed and paid-up capital	594.29	0.00										
Accumulated Profit / Loss	1,361.84	19.38	1,140.57	16.48	979.20	44.58	716.44	7.45	707.09	20.16	595.21	18.32
Surplus on revaluation of property, plant and equipment	574.06	55.92	368.18	(5.24)	388.52	(7.08)	302.53	(7.21)	326.02	(7.18)	351.24	5.30
TOTAL NET WORTH	2,529.99	20.30	2,103.03	7.19	1,962.01	18.46	1,613.26	1.65	1,627.40	5.78	1,540.74	7.41
TOTAL LIABILITIES	5,874.90	13.49	5,176.67	(0.47)	5,201.06	16.11	4,479.52	0.59	4,197.16	9.41	4,208.02	0.15

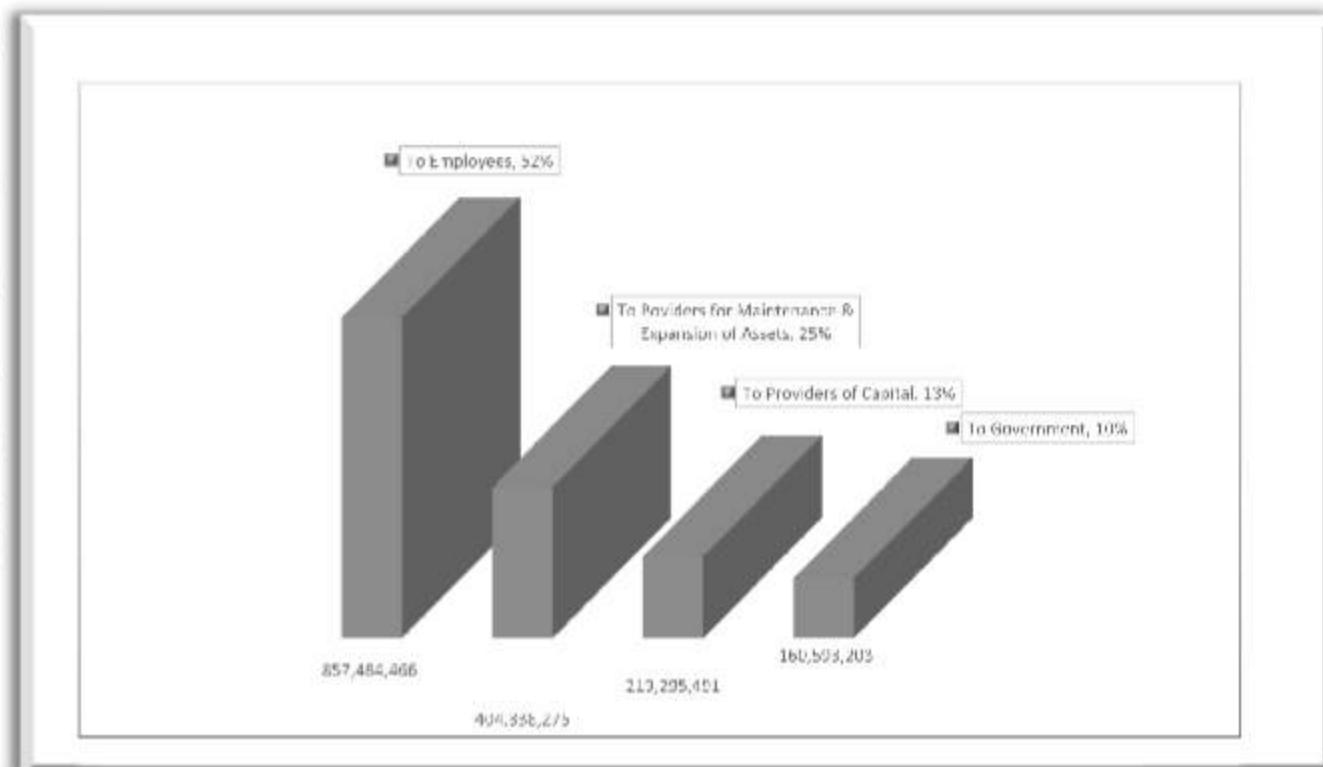
VERTICAL ANALYSIS

(Rupees in Million)

	2023	% of Total Value	2022	% of Total Value	2021	% of Total Value	2020	% of Total Value	2019	% of Total Value	2018	% of Total Value
OPERATING RESULTS												
Sales - net	7,925.94	100.00	7,384.16	100.00	6,128.89	100.00	4,326.05	100.00	5,091.14	100.00	4,252.32	100.00
Cost of sales	6,881.45	86.82	6,645.02	89.99	5,321.34	86.82	3,824.32	80.71	4,567.40	89.71	3,786.85	89.05
Gross Profit	1,044.49	13.18	739.15	10.01	807.55	13.18	401.73	9.29	523.74	10.29	465.47	10.95
Distribution cost	252.24	3.31	334.45	4.53	210.88	3.44	131.31	3.04	140.24	2.75	101.31	2.38
Administrative expenses	115.72	1.48	98.35	1.33	89.52	1.48	84.47	1.95	85.00	1.67	68.68	1.62
Other operating expenses	269.88	3.41	46.06	0.62	47.71	0.76	22.40	0.52	9.81	0.19	11.72	0.28
Financial cost	189.58	2.39	98.26	1.33	111.99	1.83	121.62	2.81	144.36	2.84	157.96	3.71
Other operating income	163.59	2.08	99.20	1.34	13.53	0.22	34.45	0.80	4.32	0.06	3.41	0.08
Profit/(Loss) before taxation	370.65	4.68	261.23	3.54	380.97	5.89	76.39	1.77	148.65	2.82	129.21	3.04
Provision for taxation	132.89	1.67	79.05	1.07	58.89	0.96	21.32	0.49	30.81	0.61	26.04	0.61
PROFIT/(LOSS) AFTER TAXATION	237.96	3.00	182.18	2.47	302.08	4.93	55.07	1.27	117.84	2.31	110.17	2.43
BALANCE SHEET												
NON-CURRENT ASSETS												
Property, plant and equipment	2,533.65	43.13	2,169.67	41.91	2,035.55	39.14	1,903.44	42.49	1,909.71	45.50	1,981.44	47.09
Capital work in progress	75.20	1.28	39.59	0.76	33.09	0.64	63.32	1.41	31.08	0.74	-	0.00
Long term deposits	25.80	0.44	24.78	0.48	22.74	0.44	22.47	0.50	22.46	0.54	22.50	0.53
TOTAL NON-CURRENT ASSETS	2,634.45	44.84	2,234.04	43.16	2,091.38	40.21	1,989.22	44.41	1,963.24	46.78	2,003.93	47.62
CURRENT ASSETS												
Stores, spare parts and loose tools	261.02	4.44	252.18	4.87	173.82	3.34	139.82	3.12	109.80	2.62	103.59	2.46
Stock in trade	1,456.79	24.80	1,341.68	25.92	1,411.06	27.13	1,103.93	24.64	914.62	21.79	1,009.56	25.42
Trade debts	557.18	9.48	661.41	12.78	823.67	15.84	708.87	15.82	712.48	16.97	658.60	15.65
Loans and advances	80.87	1.38	90.56	1.75	133.83	2.57	76.74	1.71	100.50	2.39	35.97	0.85
Trade deposits and short term prepayments	534.99	9.11	459.65	8.88	347.02	6.87	246.05	5.49	213.16	5.08	188.74	4.49
Other receivables	85.28	1.45	66.04	1.28	137.44	2.64	80.03	1.79	126.77	3.02	117.89	2.80
Investments	107.98	1.84	6.42	0.12	3.97	0.08	63.08	1.41	0.99	0.02	0.73	0.02
Cash and bank balances	156.35	2.66	84.70	1.25	78.87	1.52	71.79	1.60	55.62	1.33	28.99	0.69
TOTAL CURRENT ASSETS	3,240.44	55.16	2,942.63	56.84	3,109.68	59.79	2,490.30	55.59	2,233.91	53.22	2,204.09	52.38
TOTAL ASSETS	5,874.90	100.00	5,176.67	100.00	5,201.06	100.00	4,479.52	100.00	4,197.16	100.00	4,208.02	100.00
CURRENT LIABILITIES												
Trade and other payables	1,629.13	27.73	1,221.68	23.60	1,252.97	24.09	852.08	19.02	583.99	13.91	683.21	15.76
Accrued mark-up	62.27	0.89	16.60	0.32	21.82	0.42	24.10	0.64	22.82	0.64	21.67	0.61
Short term borrowings	1,312.66	22.34	1,294.91	26.01	1,268.83	24.40	1,120.19	29.47	1,250.02	29.78	1,158.70	27.64
Current portion of long term financing	34.95	0.59	206.64	3.99	258.92	4.98	65.48	1.46	167.01	3.98	164.91	3.92
TOTAL CURRENT LIABILITIES	3,029.02	51.56	2,739.81	52.93	2,802.55	53.88	2,261.85	50.49	2,023.84	48.22	2,008.49	47.73
WORKING CAPITAL	211.43	3.60	202.81	3.92	307.13	5.91	228.45	5.10	210.08	5.01	195.60	4.65
TOTAL CAPITAL EMPLOYED	2,845.88	48.44	2,436.86	47.07	2,398.51	46.12	2,217.67	49.51	2,173.32	51.78	2,199.53	52.27
NON-CURRENT LIABILITIES												
Long term financing	88.45	1.51	123.41	2.38	241.87	4.65	350.04	7.81	304.82	7.26	416.22	9.89
Deferred liabilities	227.43	3.87	210.41	4.06	194.83	3.76	254.37	5.68	241.10	5.74	242.57	5.76
TOTAL NON-CURRENT LIABILITIES	315.89	5.38	333.82	6.48	436.50	8.39	604.41	13.49	545.92	13.01	658.80	15.66
NET WORTH	2,529.99	43.06	2,103.03	40.63	1,962.01	37.72	1,613.26	36.01	1,627.40	38.77	1,540.73	36.61
NET WORTH REPRESENTED BY												
Issued, subscribed and paid-up capital	694.29	10.12	594.29	11.48	594.29	11.43	594.29	13.27	594.29	14.16	594.29	14.12
Accumulated Profit / Loss	1,361.64	23.18	1,140.57	22.03	979.20	18.83	716.44	15.99	707.09	16.85	595.21	14.14
Surplus on revaluation of property, plant and equipment	574.06	9.77	368.18	7.11	388.52	7.47	302.53	6.75	326.02	7.77	351.24	8.35
TOTAL NET WORTH	2,529.99	43.06	2,103.03	40.63	1,962.01	37.72	1,613.26	36.01	1,627.40	38.77	1,540.73	36.61
TOTAL LIABILITIES	5,874.90	100.00	5,176.67	100.00	5,201.06	100.00	4,479.52	100.00	4,197.16	100.00	4,208.02	100.00

STATEMENT OF VALUE ADDITION

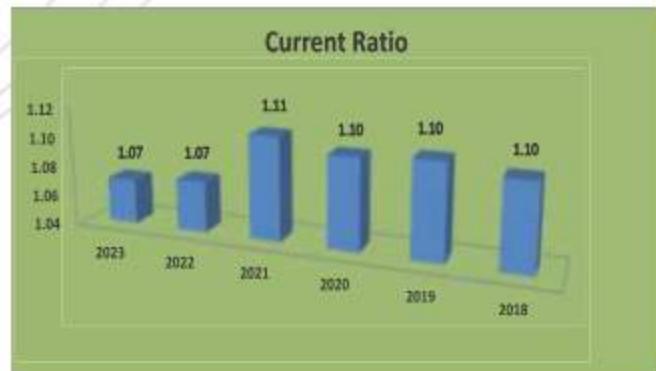
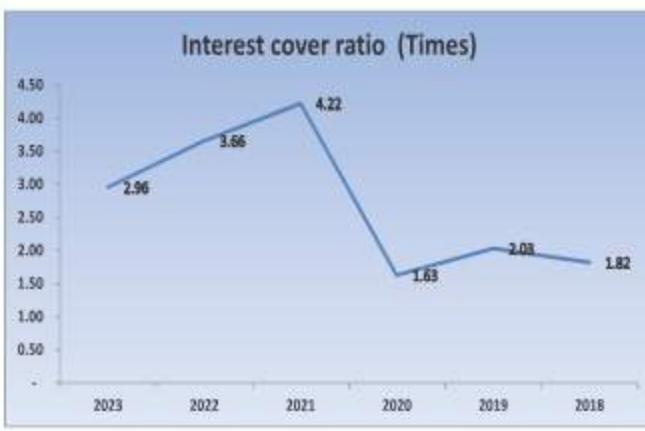
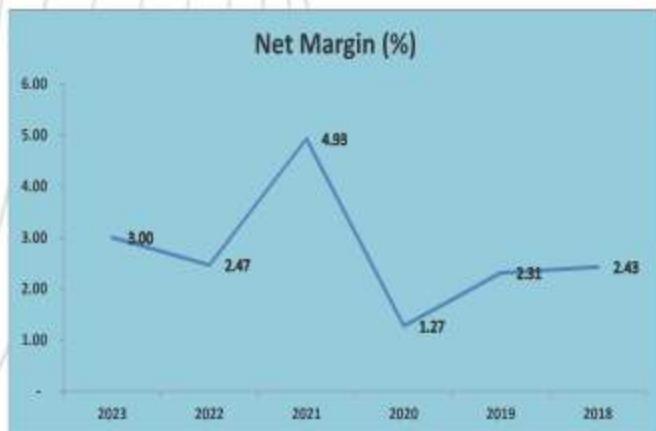
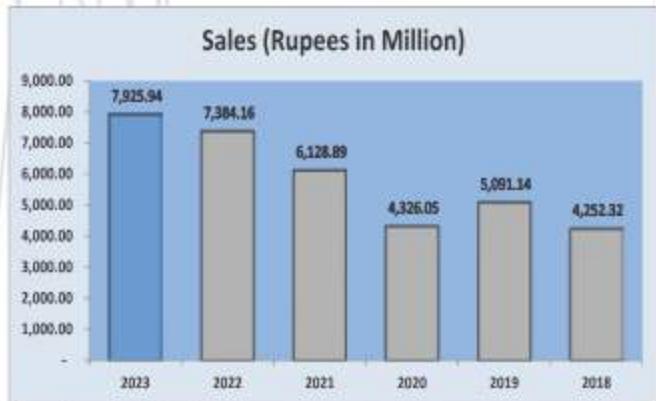
WEALTH GENERATED	2023		2022	
	Amount Rs.	%	Amount Rs.	%
Sales Revenue	7,925,939,730		7,384,164,107	
Other Income	163,586,404		99,200,771	
	8,089,526,134		7,483,364,878	
Less:				
Material & Services				
Material & Factory Cost	5,880,910,478		5,967,995,780	
Administrative Cost	86,132,513		44,574,495	
Distribution & Other Cost	480,771,708		332,120,033	
	6,447,814,699		6,344,690,308	
Total Wealth Generated	1,641,711,435	100	1,138,674,570	100
WEALTH DISTRIBUTED	2023		2022	
	Amount Rs.	%	Amount Rs.	%
To Employees				
Salaries & Benefits	857,484,466	52.23%	587,100,619	51.56%
To Government				
Tax	132,694,588	8.08%	70,765,045	6.21%
Worker Profit Participation Fund	19,927,582	1.21%	13,782,737	1.21%
Worker Welfare Fund	7,971,033	0.49%	642,348	0.06%
To Providers of Capital				
Dividends to Share Holders	29,714,391	1.81%	29,714,365	2.61%
Mark Up/Interest on Borrowed Funds	189,581,100	11.55%	98,263,024	8.63%
To Providers for Maintenance & Expansion of Assets				
Depreciation	196,094,225	11.94%	185,945,694	16.33%
Profit Retained	208,244,050	12.68%	152,460,738	13.39%
	1,641,711,435		1,138,674,570	



Key Operating and Financial Data of Last Six Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Rupees in Million						
PROFIT AND LOSS						
Sales	7,926	7,384	6,129	4,326	5,091	4,252
Cost of Sales	6,881	6,645	5,321	3,924	4,567	3,787
Gross Profit	1,044	739	808	402	524	465
Operating Profit	560	359	473	198	293	287
EBITDA	567	447	540	247	318	298
Financial & Other charges	190	98	112	122	144	158
Taxation	133	79	59	21	31	26
Net Profit after tax	238	182	302	55	118	103
BALANCE SHEET						
Capital	594	594	594	594	594	594
Reserves	1,362	1,141	979	716	707	595
Surplus on revaluation of fixed assets	574	368	389	303	326	351
Net worth	2,530	2,103	1,962	1,613	1,627	1,541
Long Term Liabilities	88	123	242	350	305	416
Deferred liabilities	227	210	195	254	241	243
Current Liabilities	3,029	2,740	2,803	2,262	2,024	2,008
Total Liabilities	3,345	3,074	3,239	2,866	2,570	2,667
Total Equity & Liabilities	5,875	5,177	5,201	4,479	4,197	4,208
Fixed Assets	2,534	2,170	2,036	1,903	1,910	1,981
Capital Work in Progress	75	40	33	63	31	-
Long Term Deposits	26	25	23	22	22	22
Current Assets	3,240	2,943	3,110	2,490	2,234	2,204
Total Assets	5,875	5,177	5,201	4,479	4,197	4,208
INVESTOR INFORMATION						
Break up value per share (Rs.)	42.57	35.39	33.01	27.14	27.38	25.93
Bonus/Cash dividend (Rs. In Million)	29.71	-	29.71	29.71	-	-
Earning Per Share (Rs.)	4.00	3.07	5.08	0.93	1.98	1.74
Return on Equity (%)	9.41	8.66	15.40	3.41	7.24	6.70
Return on Assets (%)	4.05	3.52	5.81	1.23	2.81	2.45
FINANCIAL RATIOS						
Gross Margin (%)	13.18	10.01	13.18	9.29	10.29	10.95
Net Margin (%)	3.00	2.47	4.93	1.27	2.31	2.43
EBITDA (%)	7.15	6.06	8.82	5.70	6.25	7.01
Current Ratio	1.07	1.07	1.11	1.10	1.10	1.10
Long Debt to Equity ratio (%)	04.96	14.86	26.74	29.71	36.64	48.52
Interest cover ratio (Times)	2.96	3.66	4.22	1.63	2.03	1.82
Gearing ratio (%)	36.64	43.57	47.53	52.48	52.48	53.47

Graphical Representation



Pattern of Share Holding

As on June 30,2023

Incorporation Number 0039902

The Companies Ordinance, 1984 (Section 236 (1) & 464) Form 34

Number of Shareholders	Shareholding		Total Shares held
	From	To	
85	1	100	817
142	101	500	70,225
61	501	1000	60,529
102	1001	5000	307,373
22	5001	10000	171,500
13	10001	15000	168,000
8	15001	20000	153,500
4	20001	25000	96,500
6	25001	30000	168,798
1	30001	35000	31,000
5	40001	45000	218,000
3	45001	50000	147,000
2	55001	60000	113,000
2	65001	70000	138,000
1	75001	80000	77,000
3	95001	100000	297,500
2	100001	105000	206,000
1	205001	210000	206,500
1	300001	305000	302,500
1	425001	430000	428,500
1	530001	535000	532,000
1	685001	690000	688,000
1	1560001	1565000	1,561,000
1	1945001	1950000	1,949,171
1	2165001	2170000	2,166,800
1	2465001	2470000	2,465,300
1	2640001	2645000	2,644,139
1	4485001	4490000	4,485,151
1	4760001	4765000	4,761,056
1	5285001	5290000	5,288,277
1	5380001	5385000	5,384,277
1	7315001	7320000	7,317,951
1	16820001	16825000	16,823,365
478		59,428,729	

Categories of Shareholders

As on June 30, 2023

Shareholder's category	No.of shareholders	Share held	Percentage
1 Directors, Chief Executive Officer and their spouses and minor children			
Mr. Mussaid Hanif	3	21,611,016	36.3646
Ms. Sabah Burhan	4	11,965,922	20.1349
Mr. Arbab Muhammad Khan	1	5,288,277	8.8985
Ms. Tehniyat Mussaid	2	4,026,300	6.7750
Ms. Sarah Naviwala	1	50,000	0.0841
Ms. Nuzhat Kamran	1	500	0.0008
Mr. Rana Kamal Ud Din	1	2,500	0.0042
Total	13	42,944,515	72.26
2 Associated companies, undertaking and related parties	0	-	-
3 Executive	0	-	-
4 Public Sector Companies and Corporation	0	-	-
5 Banks, Development Financial Institutions, Non-Banking Financial Institutions	1	4,761,056	8.0114
6 General public - Local	451	11,677,155	19.6490
7 General public - Foreign	10	35,002	0.0589
8 Others	3	11,001	0.0185
Total	465	16,484,214	27.74
Grand Total	478	59,428,729	100.00
Shareholders holding 5% or more		Shares held	Percentage
Mr. Mussaid Hanif		21,611,016	36.3646
Ms. Sabah Burhan		11,965,922	20.1349
Mr. Arbab Muhammad Khan		5,288,277	8.8985
Ms. Tehniyat Mussaid		4,026,300	6.7750
Mr. Khitab Muhammad Khan		5,384,277	9.0601
The Bank of Punjab, Treasury Division		4,761,056	8.0114
General public		6,327,880	10.6478

- The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
- The Board of Directors of the Company consist of seven (7) Directors out of which the five (5) Directors have obtained a certificate for the Directors' Training Program offered by a local institution that meets the criteria specified by the Securities and Exchange Commission of Pakistan ("SECP"): The remaining two (2) Directors including chief executive of the Company meet the exemption requirement of the DTP.
- During the year, there was no appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit.
- The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- The Board of Directors have formed committees comprising of the members given below:

Audit Committee:	Ms. Nuzhat Kamran Ms. Tehniyat Mussaid Mr. Rana Kamal ud Din	Chairperson/ Member Member Member
Human Resource & Remuneration Committee:	Ms. Nuzhat Kamran Mr. Arbab Muhammad Khan Ms. Sabah Burhan	Chairperson/ Member Member Member

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings of the committee were as per following:
 - Audit Committee** 4 quarterly
 - HR and Remuneration Committee** 1 annual meeting
- The Board has set up an effective internal audit function and the persons involved are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other requirements of the regulations 3,6,7,8,27,32,33 and 36 been complied with.
- Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: ZEPHYR TEXTILES LIMITED (the “Company”)

For the year ended: June 30, 2023

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

1. The total number of Directors are “seven” as per the following:
 - a) Male: 3
 - b) Female: 4
2. The composition of the Board of Directors is as follow:

Category	Names
Independent Directors	1. Ms. Nuzhat Kamran 2. Mr. Rana Kamal-ud-Din
Executive Directors	3. Mr. Mussaid Hanif (CEO) 4. Mr. Arbab Muhammad Khan
Non-Executive Directors	5. Ms. Tehniyat Mussaid (Chairperson) 6. Ms. Sabah Burhan 7. Ms. Sarah Naviwala

Determination of number of independent Directors comes to 2.33 (rounded to 2.0) which is based on seven elected Directors. The Fraction of one-third is not rounded up, as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

The Independent Directors meet the criteria of independence as defined under the Companies Act 2017.

3. The Directors have confirmed that none of them is serving as a Director of more than seven listed Companies (Excluding the listed subsidiaries of listed holding companies where applicable), including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensure that complete record of particulars of significant policies along with the date on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a Director elected by the Board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of Meeting of Board.

**STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

Sr. No	Requirement	Explanation of Non-Compliance	Regulation Number
1.	<p>Policies</p> <p>The Board shall ensure that complete record of particulars of the significant policies along with their dates of approval or updating is maintained by the Company.</p> <p>As per regulations "Disclosure of significant policies on website" the Company may post the following on its website:</p> <ul style="list-style-type: none"> • Key element of its significant policies 	The Company is in the process of developing significant policies in documented form and the same will be posted in the website.	10
	<ul style="list-style-type: none"> • Brief synopsis of terms of reference of the Board Committees • Key element of the directors' remuneration policy 		35
2.	<p>Nomination Committee</p> <p>The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem Appropriate in its circumstances.</p>	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.	29
3.	<p>Risk Management Committee</p> <p>The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.</p>	Currently, the Board has not constituted a risk management committee and senior officer of the Company performs the requisite functions and apprise the Board accordingly. When needed so a separate committee is not considered to be necessary.	30

A. Mussaid

Tehniyat Mussaid
Chairperson

September 27, 2023
Lahore

ansar Ali

Mussaid Hanif
Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED, REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Zephyr Textiles Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

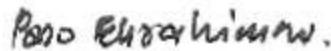
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

LAHORE

DATED: 05 OCT 2023

UDIN: CR202310131p14hA5DSW



CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Imran

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

S. No	Key audit matters	How the matters were addressed in our audit
1.	Revenue Recognition (Refer note 34 to the annexed financial statements) The Company is principally engaged in the production and sale of fabric, towels, knitting and other related items, in the local and export markets.	Our audit procedures in relation to the matter, amongst others, included the following: <ul style="list-style-type: none">Understood and evaluated management controls over revenue and checked their validation;

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES
LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

S. No	Key audit matters	How the matters were addressed in our audit
	<ul style="list-style-type: none"> • Revenue from sale of goods is recognized when the performance obligation is satisfied by transferring control of promised goods to the customers. • We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of an inherent risk of material misstatement and significant audit risk as part of the audit process. 	<ul style="list-style-type: none"> • Performed verification of sales with underlying documentation including dispatch documents and sales invoices; • Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period; • Verified that sales prices are approved by the appropriate authority; • Tested on a sample basis, specific discounts as per Company's policy; • Performed analytical procedures to analyses variation in the price and quantity sold during the year; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Assessed the adequacy of disclosures made in the financial statements related to revenue.
2.	<p>Inventory valuation</p> <p>As at June 30, 2023, the Company held Rs. 1,456.787 million in inventories. Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgements described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note 5.6, inventory is held at the lower of cost and net realizable value determined using the weighted average cost method / prime cost plus appropriate production overheads determined on weighted average basis. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost.</p>	<p>Our audit procedures involved assessing the Company's accounting policies over recognizing and valuation of inventory in compliance with applicable accounting standards.</p> <ul style="list-style-type: none"> • We tested the costing of the inventory and performed net realizable value testing to assess whether the cost of the inventory exceeds net realizable value. • We performed an analytical review of the inventory to compare and investigate any unexpected or unusual variation between current year and prior year and discuss these with management and also corroborate with underlying record.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

S. No	Key audit matters	How the matters were addressed in our audit
	<p>The determination of whether inventory will be realized for a value less than cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required:</p> <ul style="list-style-type: none"> • Use inventory aging reports together with historical trends to estimate the likely future salability of slow-moving and older inventory items; • The Company reviews the carrying amount of inventories on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related inventories. • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognized if required. <p>Refer to Notes 5.6 & 13 of the financial statements.</p>	<ul style="list-style-type: none"> • We checked final stock valuation sheet to physical stock taking sheet to ensure that all items are included. • We reconciled final stock valuation sheet to general ledger and stock ledger and checked amount to appropriate sources and investigate unusual items. • We assessed the Company's disclosures in the financial statements in respect of inventory. • We checked that the provision made is appropriate in the circumstances.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZEPHYR TEXTILES
LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and however, it was not deposited in the Central Zakat Fund established under section 7 of that Ordinance as per the prescribed timeline.

Other Matter

The financial statements of the Company for the year ended June 30, 2022 were audited by another firm of Chartered Accountants who vide their report dated September 28, 2022, expressed an unmodified opinion thereon.

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

LAHORE

DATED: 05 OCT 2023

UDIN: AR202310131PhJylFBRk

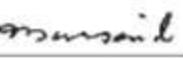
Muhammad Imran.

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees) (Restated)	June 30, 2021 (Rupees) (Restated)
ASSETS				
NON CURRENT ASSETS				
Property, plant and equipment				
Operating fixed assets	7	2,420,908,614	2,049,896,162	2,031,916,154
Right of use asset	8	110,024,981	115,845,812	-
Capital work in progress	9	75,202,086	39,591,876	33,093,809
		2,606,135,681	2,205,333,850	2,065,009,963
Intangible assets	10	2,716,222	3,924,394	3,633,180
Long term deposits	11	25,602,294	24,783,801	22,739,301
		2,634,454,197	2,234,042,045	2,091,382,444
CURRENT ASSETS				
Stores, spares and loose tools	12	261,019,771	252,184,856	173,818,512
Stock in trade	13	1,456,787,939	1,341,658,731	1,411,063,195
Loans and advances	14	80,868,194	90,558,985	133,825,882
Trade debts	15	557,182,004	661,414,117	823,673,013
Trade deposits and prepayments	16	13,516,245	11,630,394	23,958,066
Tax refunds due from Government	17	521,469,078	447,087,898	323,057,413
Taxation-net	18	-	935,531	-
Other receivables	19	85,275,159	66,035,362	137,443,759
Short term investments	20	107,975,933	6,422,014	3,965,854
Cash and bank balances	21	156,348,980	64,697,152	78,873,188
		3,240,443,303	2,942,625,040	3,109,678,882
		5,874,897,500	5,176,667,085	5,201,061,326
TOTAL ASSETS				
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital	22.1	625,000,000	625,000,000	625,000,000
Issued, subscribed and paid up share capital	22.2	594,287,290	594,287,290	594,287,290
Accumulated profit		1,361,643,813	1,140,570,712	979,204,031
Surplus on revaluation of property, plant and equipment	23	574,060,494	368,175,679	388,520,063
		2,529,991,597	2,103,033,681	1,962,011,384
NON CURRENT LIABILITIES				
Long term financing	24	64,111,427	78,687,008	241,674,201
Deferred liabilities	25	227,434,587	210,413,457	194,828,077
Lease liabilities	26	21,388,890	44,722,323	-
Deferred grant	27	2,954,065	-	-
		315,888,969	333,822,788	436,502,278
CURRENT LIABILITIES				
Trade and other payables	28	1,602,937,009	1,196,136,870	1,196,315,205
Contract liabilities	29	17,880,030	24,763,837	55,961,706
Mark-up accrued	30	52,271,856	16,604,711	21,824,137
Short term borrowings	31	1,312,657,119	1,294,906,119	1,268,832,350
Taxation-net	18	7,486,163	-	-
Uncollected dividend		829,907	761,498	694,043
Current portion of long term liabilities	32	34,954,850	206,637,581	258,920,223
		3,029,016,934	2,739,810,616	2,802,547,664
		5,874,897,500	5,176,667,085	5,201,061,326
TOTAL EQUITY AND LIABILITIES				
CONTINGENCIES AND COMMITMENTS	33			

The annexed notes from 1 to 60 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees) (Restated)
Sales - net	34	7,925,939,730	7,384,164,107
Cost of sales	35	(6,881,450,217)	(6,645,016,034)
Gross profit		1,044,489,513	739,148,073
Distribution cost	36	(262,243,573)	(334,449,905)
Administrative expenses	37	(115,719,473)	(98,350,516)
Other operating expense	38	(269,878,742)	(46,055,750)
Other income	39	163,586,404	99,200,771
		(484,255,384)	(379,655,400)
Operating profit		560,234,129	359,492,673
Finance costs	40	(189,581,100)	(98,263,025)
Profit before taxation		370,653,029	261,229,648
Taxation	41	(132,694,588)	(79,054,545)
Profit after taxation		237,958,441	182,175,103
Earnings per share - basic and diluted (Rupees)	42	4.00	3.07

The annexed notes from 1 to 60 form an integral part of these financial statements.

mansukh
CHIEF EXECUTIVE

G. J.
DIRECTOR

David A. Lewis
CHIEF FINANCIAL OFFICER

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

	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees) (Restated)
Profit for the year		237,958,441	182,175,103
Other comprehensive income for the year			
Items that will not be reclassified subsequently to profit or loss			
Loss on remeasurement of staff retirement benefit plan	25.2	(12,576,645)	(12,157,288)
Related deferred tax	25.1	1,097,752	718,873
		(11,478,893)	(11,438,415)
Revaluation surplus on property, plant and equipment	7.1	248,711,073	-
Related deferred tax liability on revaluation surplus	25.1	(18,518,314)	-
		230,192,759	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		456,672,307	170,736,688

The annexed notes from 1 to 60 form an integral part of these financial statements.

mansoor
CHIEF EXECUTIVE

G. J.
DIRECTOR

David A. Lewis
CHIEF FINANCIAL OFFICER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	June 30, 2023 (Rupees)	June 30, 2022 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash flows from operating activities before working capital changes	46	902,069,779	501,219,646
(Increase)/ decrease in current assets			
Stores, spare parts and loose tools		(8,834,915)	(78,366,343)
Stock in trade		(115,129,208)	69,404,464
Trade debts		33,067,387	161,713,985
Loans and advances		9,690,791	43,266,897
Trade deposits and prepayments		(818,493)	-
Other receivables		(19,239,797)	80,990,685
Tax refund due from government		(175,029,993)	(114,632,993)
		(276,294,228)	162,376,695
Increase / (decrease) in current liabilities			
Trade and other payables		379,151,524	58,160,307
Contract liabilities		(6,883,807)	(31,197,869)
		372,267,717	26,962,438
Cash flows generated from operations			
Finance cost paid		(122,536,318)	(106,111,678)
Taxes paid		(101,131,766)	(91,665,562)
Staff retirement benefits - gratuity paid		(30,261,785)	(31,550,989)
		(253,929,869)	(229,328,229)
Net cash generated from operating activities		744,113,399	461,230,550
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		21,243,326	5,390,150
Purchase of property, plant and equipment		(369,608,282)	(209,459,269)
Purchase of intangible assets		-	(1,499,386)
Addition to right of use asset		(6,525,000)	(116,819,306)
Long term deposits		(818,493)	(2,044,500)
Purchase of short term investments-net		(101,553,919)	2,543,840
Net cash used in investing activities		(457,262,368)	(350,128,430)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		-	17,874,944
Dividend-net		(29,645,956)	(28,239,959)
Long term financing repaid		(183,304,247)	(258,556,960)
Short term borrowings - net		17,751,000	26,073,772
Net cash used in financing activities		(195,199,203)	(242,848,203)
Net increase in cash and cash equivalents		91,651,828	(14,176,036)
Cash and cash equivalents at the beginning of the year		64,697,152	78,873,188
Cash and cash equivalents at the end of the year		156,348,980	64,697,152

The annexed notes from 1 to 60 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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

		Issued, subscribed and paid-up shares capital	Surplus on revaluation of fixed assets	Accumulated profit	Total
	Note	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2021 as reported		594,287,290	281,076,200	1,035,674,899	1,911,038,389
Effect of prior period error	43	-	107,443,863	(56,470,868)	50,972,995
Balance as at July 01, 2021 - restated		594,287,290	388,520,063	979,204,031	1,962,011,384
Transaction with owners:					
Final cash dividend 2021:					
Rs. 0.50 per share		-	-	(29,714,391)	(29,714,391)
Transfer of surplus on revaluation on disposal of property, plant and equipment		-	21,448	(21,448)	-
Total comprehensive income for the year ended June 30, 2022					
Profit for the year - restated		-	-	182,175,103	182,175,103
Other comprehensive income for the year					
Actuarial loss on staff retirement benefits		-	-	(11,438,415)	(11,438,415)
Transfer of incremental depreciation from revaluation surplus on property, plant and equipment - net of tax	23.1	-	(20,365,832)	20,365,832	-
Balance as at June 30, 2022 - restated		594,287,290	368,175,679	1,140,570,712	2,103,033,681
Transaction with owners:					
Final dividend @ Rs. 0.50 per share		-	-	(29,714,391)	(29,714,391)
Total comprehensive income for the year ended June 30, 2023					
Profit for the year		-	-	237,958,441	237,958,441
Other comprehensive income for the year					
Actuarial loss on staff retirement benefits		-	-	(11,478,893)	(11,478,893)
Revaluation surplus on property, plant and equipment-net of tax		-	230,192,759	-	230,192,759
Transfer of incremental depreciation from revaluation surplus on property, plant and equipment - net of tax	23.1	-	(24,307,944)	24,307,944	-
Balance as at June 30, 2023		594,287,290	574,060,494	1,361,643,813	2,529,991,597

The annexed notes from 1 to 60 form an integral part of these financial statements.

mansukh
CHIEF EXECUTIVE

G. J.
DIRECTOR

David A. Lewis
CHIEF FINANCIAL OFFICER

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

1 LEGAL STATUS AND NATURE OF BUSINESS

Zephyr Textiles Limited ("the Company") was incorporated in Pakistan on February 26, 1999 as a private limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently on October 04, 2004, it was converted into a public limited Company and its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in the manufacturing, dying and trading of woven cloth which also includes towels.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 3rd Floor, IEP Building, 97B/D-1, Gulberg III, Lahore, Punjab. The manufacturing facilities of the Company are located as follows:

Manufacturing Facilities	Address
Weaving Unit and Power plant	1 KM, Balloki Bhai Pheru Road, Bhai Pheru.
Towel Unit	63 KM, Gulshan Adda, Jamber Khurd, District Kasur.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at fair values and / or amortized cost, staff retirement benefits - gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets and certain items of property, plant and equipment at revalued amounts. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

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

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency for the Company.

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

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022
Certain annual improvements have also been made to a number of IFRSs.	

4.2 New accounting standards, amendments and interpretations that are not yet effective

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

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
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Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
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Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

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

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

5 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements except as stated otherwise in notes to these financial statements.

5.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment are initially recognized at acquisition cost. Subsequently, property, plant and equipment, except for free hold land, building on free - hold land and plant & machinery are stated at cost less accumulated depreciation and impairment, if any. Free - hold land, building on free - hold land and plant & machinery are stated at revalued amounts less subsequently accumulated depreciation and impairment, if any.

Cost of property, plant and equipment consists of historical cost, borrowing costs pertaining to the erection and other directly attributable costs of bringing the assets to their working condition or for commencement of commercial production.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Depreciation on all the items of property, plant and equipment except for free - hold land is charged to income applying the reducing balance method at the rates specified in Note 7.

Depreciation on additions to property, plant and equipment is charged from the month in which asset become available for use, while on disposals depreciation is charged up to the month of disposal.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Gain/loss on disposal of property, plant and equipment is credited or charged to income in the year of disposal.

Any surplus arising on revaluation of property, plant and equipment is credited to the surplus on revaluation of property, plant and equipment account. Revaluation is carried with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred tax) is transferred directly to accumulated (loss)/profit.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

b) Capital work in progress

Capital work in progress is stated at cost less impairment, if any. Cost of property, plant and equipment consists of historical cost, borrowing costs pertaining to the erection/construction period and other directly attributable costs of bringing the assets to their working condition or for commencement of commercial production. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

c) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Impaired assets are reviewed for possible reversal of the impairment at each statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the profit and loss account.

5.2 Intangible assets

Intangible assets (including computer software) acquired by the Company are stated at cost less accumulated amortization and impairment losses, if any.

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are expensed as incurred.

Amortization is charged to statement of profit or loss on straight line basis over a period of five years. Amortization on addition is charged from the year the asset is put to use while no amortization is charged in the year the asset is disposed off.

5.3 Investments

Investments are stated at fair value plus directly attributable transaction costs. Subsequently investments which are traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each balance sheet date.

Any gain or loss arising from a change in fair value is recognized in the statement of profit or loss.

5.4 Leases

Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Lease liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of its assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

5.5 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, except for items in transit, which are valued at cost comprising of invoice value plus other charges paid thereon till the statement of financial position date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools. For items which are slow moving and / or identified as surplus to the company's requirements, adequate provision is made for any excess book value over estimated realisable value.

5.6 Stock-in-trade

Stock in trade is valued at lower of cost and net realizable value (NRV), except waste which is valued at net realizable value. Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

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

Cost of major components of stock in trade is determined as follows:-

Raw materials	- at weighted average cost.
Work in process and	
Finished goods	- at prime cost plus appropriate production overheads determined on weighted average basis.
Stock in transit	Invoice value plus other charges paid thereon up to the reporting date.

Adequate provision is made for slow moving and obsolete items. Provision for obsolete and slow moving stock in trade is based on management's estimate and is recognised in financial statements whenever necessary.

Net realizable value represents the estimated selling prices in the ordinary course of business less expenses incidental to make the sale.

5.7 Trade debts 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. An impairment allowance i.e. expected credit loss is calculated based on actual credit loss experience over the past years. The Company applies a simplified approach in calculating Expected Credit Loss (ECL). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company recognises a loss allowance based on lifetime ECLs at each reporting date. The impairment allowance is recognized in the statement of profit or loss. These assets are written off when there is no reasonable expectation of recovery.

5.8 Taxation

a) Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the statement of profit or loss, except in case of items charged or credited directly to equity in which case it is included in the statement of comprehensive income.

5.9 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

5.10 Borrowing Cost

Interest, markup and other charges on finances are capitalized up to the date of commissioning of respective qualifying asset acquired out of the proceeds of such finances. All other interest, markup and other charges are recognized in profit and loss account.

5.11 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.12 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 out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.13 Deferred grant

The deferred grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument. Subsequently, the grant is recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.

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

5.14 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

5.15 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

5.16 Dividend and appropriation to reserve

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

5.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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 profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, 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 profit or loss.

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.

On initial recognition, 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 profit or loss.

Impairment

The Company recognizes loss allowances for ECLs on:

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

The Company recognizes loss allowance for Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs, on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime 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).

**NOTES TO THE FINANCIAL STATEMENTS
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Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized 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 a financial asset in its entirety or a portion thereof.

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 applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Management uses actual credit loss experience over a past years to base the calculation of ECL.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

b) Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

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

Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

5.18 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.19 Foreign currency transactions and translation

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in the profit and loss account.

5.20 Staff retirement benefits

The Company's employees benefits comprise of gratuity fund.

a) Defined benefit plan (Gratuity Fund)

The Company operates an unfunded gratuity scheme (defined benefit plan) covering all eligible employees, payable at the cessation of employment. Contribution is made in accordance with actuarial recommendations. Actuarial valuation is conducted by an independent actuary, annually using projected unit credit method related details of which are given in note 25.2 to the financial statements. The obligation at the balance sheet date is measured at the present value of the estimated future cash outflows. All contributions are charged to profit or loss for the year. Subsequent to the year-end, the Company has changed its retirement benefits policy effective from July 01, 2023 and as per new policy all officers and above, existing and newly hired, shall be entitled for provident fund only. The Company has withdrawn gratuity on a permanent basis for officers and above. However, labors/workers will be entitled for gratuity as per current policy.

b) Defined contribution plan - Provident fund

The Company has planned to operates an approved provident fund scheme, effective from July 01, 2023, for all its eligible employees. Equal monthly contributions are made, both by the Company and the employees to the fund at the rate of 8.33% of basic salary. Staff is eligible to opt for provident fund upon their confirmation their job. Obligation for contribution to defined contribution plan is recognized as an expense in the profit or loss as and when incurred.

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

5.21 Revenue recognition

Revenue comprises the fair value for the sale of goods net of sales taxes and discounts. Revenue from the sale of goods is recognized when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Revenue is recognized when specific criteria have been met for each of the Company's activities as described below.

Revenue from contracts with customers

Sale of goods

- Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products.
- Local sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery of goods.
- Export sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides either with the date of bill of lading or upon delivery to customer or its representative, based on the terms of arrangements.

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 due.

Contract liabilities

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

Others

- Scrap sales are recognized on delivery to customers
- Return on deposits is accrued using effective interest rate.
- Export and other rebates are accounted for on accrual basis. Investment and interest income is recognized on time proportion basis.
- Capital gains or losses arising on sale of investments are taken to income in the period in which they arise.
- Dividend income on ordinary shares is recognized when the right to receive dividend has been established.

5.22 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

5.23 Contingencies

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

5.24 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs, net of tax, directly attributable to the issue of new shares are shown as a deduction in equity.

5.25 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.26 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company has only one reportable segment.

5.27 Loans, advances, deposits, prepayments and other receivables

Loans, advances, deposits, prepayment and other receivables are carried at original amount less provision made for doubtful receivables based on a review of all outstanding amounts at the year end. Balance considered irrecoverable are written off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

6 USE OF JUDGMENTS AND ESTIMATES

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements are:

- Property, plant and equipment	5.1
- Stock in trade	5.6
- Trade debts - unsecured	5.7
- Long term employee benefits	5.20
- Taxation	5.8
- Stores, spare parts and loose tools	5.5

a) Income taxes

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in note 5.8 to these financial statements.

b) Defined benefit plan

Certain actuarial assumptions have been adopted by external professional valuer for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years.

c) Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendation of technical teams of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in note 7 to these financial statements, the Company has revalued its free hold land as on June 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

d) Stores and spares

Management has made estimates for realizable amount of slow moving and obsolete stores and spares items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stores and spares with corresponding affect on amounts recognized in profit and loss account as provision / reversal.

e) Financial instrument

The fair value of the financial instrument that are not traded in an active market is determined by using valuation techniques based on assumption that are dependent on conditions existing at the balance sheet.

f) Provision for doubtful receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

g) Fair value measurement

A number of assets and liabilities included in the financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Establishment's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilised are (the fair value hierarchy):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

h) Provision and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

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

i) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated using criteria given in respective accounting standards to determine the extent of impairment loss, if any.

j) Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

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

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

7.1 Operating fixed assets

The following is the statement of property, plant and equipment:

Description	Freehold land	Buildings on freehold land	Land road	Non factory building	Plant and machinery	Furniture and fixtures	Vehicles	Electrical installation	Office and IT equipments	Total
(Rupees)										

Net carrying value basis

Year ended June 30, 2023 ³										
Opening net book value (NBV)	176,946,000	332,067,313	14,698,978	66,052,084	1,348,842,119	5,698,398	57,297,034	26,612,090	21,682,146	2,049,896,162
Additions (at cost)	188,544,101	73,041,972	-	-	42,689,147	672,601	6,953,910	18,870,340	1,908,968	332,681,039
Transfer (NBV)	-	-	-	-	4,590,161	-	-	-	(4,590,161)	-
Disposals (NBV)	-	-	-	-	(26,625,367)	-	-	-	-	(27,839,438)
Depreciation charge	-	-	-	-	(135,733,950)	(597,660)	(1,214,071)	(12,322,722)	(3,684,394)	(182,540,222)
Revaluation during the year	36,551,899	77,642,659	(16,910,844)	(173,949)	(6,605,209)	-	-	-	-	248,711,073
Closing net book value	402,042,000	465,841,100	13,964,929	70,700,090	1,357,025,500	5,773,339	50,714,151	41,798,036	13,050,459	2,420,908,614
Gross carrying value basis										
Year ended June 30, 2023										
Cost/revalued amount	402,042,000	544,878,480	30,953,318	105,096,079	2,042,644,308	12,139,549	104,465,721	98,171,079	38,007,056	3,378,397,580
Accumulated depreciation	-	(79,037,380)	(16,989,289)	(34,396,079)	(685,618,808)	(6,466,210)	(53,751,570)	(56,373,043)	(24,956,597)	(97,488,976)
Net book value	402,042,000	465,841,100	13,964,929	70,700,090	1,357,025,500	5,773,339	50,714,151	41,798,036	13,050,459	2,420,908,614

Net carrying value basis

Year ended June 30, 2022 ³										
Opening net book value (NBV)	176,946,000	285,688,835	14,841,690	57,419,513	1,413,310,307	5,678,736	36,279,709	21,236,337	20,515,008	2,031,916,155
Additions (at cost) transfer (at cost)	-	61,719,640	61,738,0	15,102,855	19,676,697	622,350	31,893,778	7,768,548	3,379,260	319,780,508
Transfer (at cost) Note 8	-	-	-	-	(116,819,306)	-	-	-	-	(116,819,306)
Disposals / transfers (NBV)	-	-	-	-	(94,694)	-	-	-	-	(41,217,221)
Depreciation charge	-	(15,341,182)	(769,092)	(6,470,584)	(146,210,885)	(602,688)	(1,122,527)	(1,753,926)	(2,392,795)	(183,763,974)
Closing net book value	176,946,000	332,067,313	14,698,978	66,052,084	1,348,842,119	5,698,398	57,297,034	26,612,090	21,682,146	2,049,896,162

Gross carrying value basis

Year ended June 30, 2022 ³										
Cost	176,946,000	394,193,847	30,953,318	93,842,949	1,904,036,427	11,466,948	106,125,75	79,300,738	44,488,762	2,841,354,164
Accumulated depreciation	-	(62,126,534)	(16,254,340)	(27,790,865)	(55,194,308)	(5,768,550)	(48,828,141)	(52,688,648)	(22,806,616)	(791,458,002)
Net book value	176,946,000	332,067,313	14,698,978	66,052,084	1,348,842,119	5,698,398	57,297,034	26,612,090	21,682,146	2,049,896,162

Depreciation rate % per annum	5	5	10	10	20	10	33
Year ended June 30, 2022 ³							
Cost	176,946,000	394,193,847	30,953,318	93,842,949	1,904,036,427	11,466,948	106,125,75
Accumulated depreciation	-	(62,126,534)	(16,254,340)	(27,790,865)	(55,194,308)	(5,768,550)	(48,828,141)
Net book value	176,946,000	332,067,313	14,698,978	66,052,084	1,348,842,119	5,698,398	57,297,034

7.2 Land - freehold of the Company is located at Bhai Phera and Jumber, Punjab, Pakistan, with an area of 928.96 kanals and 58.06 acres. Details of factory and residential buildings of the company constructed on this land are as follows:

Location	Particulars	Covered area Sqft	2023	2022
Weaving Unit, Bhai Phera	Industrial: Lintals, pre stress, TR girder, power house/chiller area, looms shed, production area and godowns.	405,755	405,755	
Towel Unit, Jumber	Industrial: Lintals, pre stress, TR girder, stitching & dyeing hall, godown hall, store, workshop and shed.	245,945	110,318	

7.3 This includes transfer from capital working in progress amounting to Rs. 85,441 million (2022: Rs. 216,533 million).

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

7.4 The depreciation charge for the year has been allocated as follows:

	Note	2023 (Rupees)	2022 (Rupees)
Cost of sales	35	164,899,949	172,403,412
Distribution cost	36	7,355,465	6,284,367
Administrative expenses	37	10,294,808	5,076,195
		<u>182,540,222</u>	<u>183,763,974</u>

7.5 The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
			Rupees				
Vehicles							
Suzuki Cultus LEA-09-5384	861,665	818,242	43,423	700,000	656,577	Negotiation	Muhammad Shahbaz Hussain
Honda City LEF-14-9300	2,213,420	1,885,395	328,025	2,400,000	2,071,975	Negotiation	Khursheed Warraich
Honda City LE-15A-4723	1,680,540	1,291,393	389,147	1,900,000	1,510,853	Negotiation	Abdul Shakor
Honda City LEC-13-8093	1,821,780	1,597,234	224,546	2,050,000	1,825,454	Negotiation	Muhammad Mushtaq
Honda City LEF-12-2373	2,035,960	1,807,027	228,933	1,500,000	1,271,067	Negotiation	Muhammad Naseer
Plant and machinery							
Genset	33,568,393	11,706,565	21,861,828	6,196,588	(15,665,240)	Negotiation	ECO-Constructs Solutions
Yarn Friction Tester							
Tsudakoma Looms (QTY 32)	1,054,064	52,118	1,001,946	1,207,500	205,554	Negotiation	AHS-Textile Machinery Company
	6,145,940	2,384,350	3,761,590	5,289,238	1,527,648	Negotiation	Muhammad Younas
Total - 2023	49,381,762	21,542,324	27,839,438	21,243,326	(6,596,112)		
Total - 2022	4,820,137	3,602,916	1,217,221	5,390,150	4,172,929		
7.6 Allocation of gain/(loss) is as follows:							
	Note	2023 Rupees	2022 Rupees				
Other income	39	9,069,128	(15,665,240)				
Other operating expenses	38						
Total-net		(6,596,112)	4,172,929				

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

7.7 The freehold covering areas 33.144 acres has been purchased from the directors of the Company during the year as approved by members through EOGM held on April 13, 2023. The remaining freehold land has been purchased from other individuals (relative of directors). The land has been purchased for expansion purposes.

7.8 Fair value measurement (revalued property, plant and equipment)

Fair value measurement of free hold land, building on free hold land and plant and machinery was based on the valuations carried out on June 30, 2023 by M/s Tristar International Consultant (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.

7.9 Valuation techniques used to derive level 3 fair values

Valuations for buildings on freehold land and plant and machinery are based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking into account of the age, conditions, and obsolescence. Land was valued on the basis of fair market value. The fair value measurement of the assets are categorized as Level 3. Reconciliation of fair value level 3 has been mentioned in note 7.1.

7.10 Change in accounting estimates

The Company has a policy of charging depreciation on Office and IT equipment having a useful lives of 10 years. The management carried out an exercise in March 2023 to reassess the useful lives of its assets, due to the Company's plan of charging depreciation at as per industry practices, and estimated that the remaining useful lives of the following assets have been reduced to 3 years.

Asset	Assets Net Book Value	Previous Useful life	New Useful Life
Office and IT equipment	13,050,459	10 years	3 years

This change has been recorded as a change in accounting estimates in compliance with IAS 8 (Accounting policies, changes in accounting estimates and errors), and the impact of this change has been reflected prospectively in the statement of profit or loss. If this change had not been made, the depreciation charge on Office and IT equipments for the year would have decreased by Rs. 4.147 million, while the carrying value of these assets and profit before tax would have increased by the same amount.

7.11 Land - freehold, buildings on freehold land, non factory building and plant and machinery represents values subsequent to revaluation as at June 30, 2023. Had there been no revaluation, the cost, accumulated depreciation, and book value of the revalued property, plant and equipment as on June 30, 2023 would have been as follows:

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

Description	Cost as at	Accumulated depreciation as at	Book value as at	Book value as at
	2023	2023	2023	2022
	Rupees	Rupees	Rupees	Rupees
Land-freehold	295,408,377	-	295,408,377	106,864,276
Buildings on freehold land	448,128,841	207,121,861	241,006,980	168,272,486
Non factory building	62,567,053	52,410,758	10,156,295	13,284,648
Plant and machinery	2,256,645,153	687,909,414	1,568,735,739	673,626,391
	<u>3,062,749,424</u>	<u>947,442,033</u>	<u>2,115,307,391</u>	<u>962,047,801</u>

7.12 The forced sale value of revalued assets as per latest available revaluation reports are as follows:

Particulars	Date of revaluation	Note	2023	2022
			Rupees	Rupees
Freehold Land	June 30,2023		477,936,000	150,404,000
Buildings	June 30,2023		761,276,100	365,075,000
Plant and machinery	June 30,2023		1,884,184,400	1,055,000,000
			<u>3,123,396,500</u>	<u>1,570,479,000</u>

8 RIGHT OF USE ASSETS (RoU)

Generators	8.1	104,261,231	115,845,812
Line rent - spun poles	8.3	5,763,750	-
		<u>110,024,981</u>	<u>115,845,812</u>

8.1 Generators

Net carrying value basis

Year ended June 30, 2023

Opening net book value (NBV)	115,845,812	-
Additions (at cost)	-	116,819,306
Depreciation charge	(11,584,581)	(973,494)
Closing net book value	<u>104,261,231</u>	<u>115,845,812</u>
Gross carrying value basis		
Year ended June 30, 2023		
Cost	116,819,306	116,819,306
Accumulated depreciation	(12,558,075)	(973,494)
Net book value	<u>104,261,231</u>	<u>115,845,812</u>
Depreciation rate % per annum	10	10

8.2 The generators have been obtained on finance lease from Primus Leasing Limited.

8.3 Line rent - spun poles

Opening net book value (NBV)	-	-
Addition (at cost) during the year	6,525,000	-
Amortisation charge for the year	(761,250)	-
	<u>5,763,750</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

8.4 The Company has a lease contract with the National Highway Authority for the use of spun poles. Lease liability against this right-of-use asset has been paid off at the start of the contract.

	Note	2023 Rupees	2022 Rupees
9 CAPITAL WORK IN PROGRESS			
Plant and machinery	9.1.1	74,042,086	39,466,414
Building	9.1.2	-	125,462
Advance against vehicle	9.2	1,160,000	-
		75,202,086	39,591,876

9.1 Movement of carrying amount is as follows:

9.1.1 Plant and machinery

Balance at start of the year	39,466,414	-
Additions (at cost) during the year	46,975,285	178,559,699
Transferred to operating fixed assets during the year	(12,399,613)	(139,093,285)
Balance at the end of the year	74,042,086	39,466,414

9.1.2 Building

Balance at start of the year	125,462	33,093,809
Additions (at cost) during the year	72,916,510	44,471,528
Transferred to operating fixed assets during the year	(73,041,972)	(77,439,875)
Balance at the end of the year	-	125,462

9.1.3 The Company is expanding its plant capacity, accordingly a new building and plant is being constructed/installed at the same vicinity of the existing plant. The total project cost is estimated to Rs. 159.483 million. The Company is expecting a test run by mid-October 2023 under the supervision of Chinese consultants and plant suppliers for plant and machinery.

9.2 The advance has been provided to Mr. Sikander against the purchase of a vehicle (Tractor) which will be transferred to operating fixed assets upon delivery of the vehicle.

10 INTANGIBLE ASSETS

Software	2,716,222	3,924,394
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10.1 Software

Net carrying value as at July 01		
Opening balance as on July 01,	3,924,394	3,633,180
Addition during the year	-	1,499,386
Amortization charge	(1,208,172)	(1,208,172)
Net book value as at June 30,	2,716,222	3,924,394

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

	Note	2023 Rupees	2022 Rupees
Gross carrying value as at 30 June			
Cost		6,040,861	6,040,861
Accumulated amortization		(3,324,639)	(2,116,467)
Net book value		<u>2,716,222</u>	<u>3,924,394</u>
Amortization % per annum		<u>20%</u>	<u>20%</u>

The amortization charge for the year has been allocated as follows:

Administrative expenses	37	<u>1,208,172</u>	<u>1,208,172</u>
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11 LONG TERM DEPOSITS

Security deposits-LESCO		9,795,502	9,230,022
Security deposits-SNGPL		11,938,045	11,938,045
Other security deposits	11.1	<u>3,868,747</u>	<u>3,615,734</u>
		<u>25,602,294</u>	<u>24,783,801</u>

11.1 This includes security deposit against rented premises. The said deposit is refundable at the expiry of the respective rent agreement or on vacation of the rented premises. These deposits do not carry any interest or mark-up and are not recoverable within one year. IFRS 9 requires long-term non interest bearing financial assets to be discounted at average borrowing rate of the Company. The impact of discounting is considered insignificant by the management.

12 STORE SPARES AND LOOSE TOOLS

Stores			
in hand	12.1	112,453,560	117,459,386
Spares:			
in hand	12.1	114,356,736	117,992,603
Packing material		<u>42,359,469</u>	<u>16,732,867</u>
		<u>269,169,765</u>	<u>252,184,856</u>
Less: Provision for obsolete stores and spares	12.2	<u>8,149,994</u>	<u>-</u>
		<u>261,019,771</u>	<u>252,184,856</u>

12.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

12.2 Movement of provision for obsolete stores and spares is as follows:

Opening balance		-	-
Provision made during the year		8,149,994	-
		<u>8,149,994</u>	<u>-</u>

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

		Note	2023 Rupees	2022 Rupees
13 STOCK IN TRADE				
Raw materials:				
in hand			410,786,050	220,671,232
Work in process			114,052,797	161,794,567
Finished goods:				
in hand			829,830,812	788,156,746
in transit	13.1		113,189,867	171,036,186
			943,020,679	959,192,932
Less: Provision for slow moving and obsolete stock	13.2		11,071,587	-
			<u>1,456,787,939</u>	<u>1,341,658,731</u>
13.1	This represents stock in transit Rs. 113.189 million (June 30, 2022 : Rs. 171.036 million) which was still on the way to port at the year end.			
13.2	Provision for doubtful stock in trade:			
Opening balance			-	-
Adjustment on account of write off during the year			-	-
Provision made during the year	13.3		11,071,587	-
			<u>11,071,587</u>	<u>-</u>
13.3	This represents a provision created against doubtful stock which was placed for processing/sale at third-party premises, however, due to conflict the customer has confiscated the stock. The Company has filed a case against the customer. However, on prudence basis a provision has been made in the books of account.			
13.4	Stock in trade includes stocks amounting to Rs. 127.116 million (2022: Rs. 3.662 million) which is placed at third party premises for toll manufacturing or other processing purposes.			
13.5	Stock-in-trade up to a maximum amount of Rs. 1,456.787 million (2022: Rs. 1,341.658 million) are under hypothecation of commercial banks as security for short term borrowings.			
14 LOANS AND ADVANCES				
Unsecured				
Considered good				
To employees	14.1		26,856,435	20,236,787
To director	14.2		-	3,572,709
To suppliers			35,959,250	46,963,105
			<u>62,815,685</u>	<u>70,772,601</u>

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

		Note	2023 Rupees	2022 Rupees
Considered doubtful				
Suppliers			7,584,680	-
Less: Allowance for expected credit losses (ECL)	14.3		(7,584,680)	-
Against letter of credits				
			18,052,509	19,786,384
			<u>80,868,194</u>	<u>90,558,985</u>
14.1	These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. These advances are unsecured, interest free and payable on demand. This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.			
14.2	The movement of director advance is as follows:			
Against expenses				
Balance at start of the year			3,572,709	-
Advance (adjusted) / provided during the year			(3,572,709)	3,572,709
Balance at the end of the year			-	<u>3,572,709</u>
14.3	Movement of allowance for ECL is as follows:			
Balance at start of the year			-	-
Allowance charge during the year			7,584,680	-
Balance at the end of the year			<u>7,584,680</u>	<u>-</u>
15	TRADE DEBTS			
Secured - Considered good - against letter of credit			259,603,079	217,020,076
Unsecured (local)				
Considered good			297,578,925	444,394,041
Considered doubtful			19,158,215	544,911
			<u>316,737,140</u>	<u>444,938,952</u>
			<u>576,340,219</u>	<u>661,959,028</u>
Less: Allowance for expected credit losses (ECL)	15.1		(19,158,215)	(544,911)
			<u>557,182,004</u>	<u>661,414,117</u>
15.1	Movement of allowance for ECL is as follows:			
Balance at start of the year			544,911	544,911
Allowance charge during the year			18,613,304	-
Balance at the end of the year			<u>19,158,215</u>	<u>544,911</u>

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

		Note	2023 Rupees	2022 Rupees
16	TRADE DEPOSITS AND PREPAYMENTS			
	Prepayments		2,876,380	1,659,473
	Margin deposits		10,639,865	9,970,921
			<u>13,516,245</u>	<u>11,630,394</u>
17	TAX REFUNDS DUE FROM GOVERNMENT			
	Sales tax refundable - net		574,855,973	388,415,460
	Less: Provision for sales tax refund due from government	17.1	100,648,813	-
			474,207,160	388,415,460
	Income tax refund		47,261,918	58,672,438
			<u>521,469,078</u>	<u>447,087,898</u>
17.1	Movement of provision is as follows:			
	Balance at start of the year		-	-
	Allowance charge during the year	17.2	100,648,813	-
	Balance at the end of the year		<u>100,648,813</u>	<u>-</u>
17.2	This represents a provision made against disallowed/deferred / missing claims/inputs which are not reconciled with the FBR system (Starr). The Company has processed and submitted manual claims and also planning to pursue the matter with FTO. However, on a prudence basis, a provision has been made for old outstanding balances.			
18	TAXATION-NET			
	Advance taxes and taxes withheld		101,131,766	90,311,487
	Adjustments for prior year	41	(10,298,033)	-
	Provision for the year	41	(98,319,896)	(89,375,956)
	Closing balance		<u>(7,486,163)</u>	<u>935,531</u>
19	OTHER RECEIVABLES			
	Unsecured			
	Considered good			
	Export rebate receivable		34,285,966	14,582,288
	Duty drawback receivable	19.1	49,574,125	51,095,497
	Other receivables		1,415,068	357,577
	Considered doubtful			
	Duty drawback receivable		1,521,372	-
	Less: Allowance for expected credit losses (ECL)	19.2	1,521,372	-
			<u>-</u>	<u>-</u>
			<u>85,275,159</u>	<u>66,035,362</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

19.1 This represents balances aggregating to Rs. 51.095 million are appearing in the books of accounts for more than one year against receivable on duty drawback under para 1(2) (b) of Textile Division Notification No. 1(42-B)/TID/18-TR-II and EPD Circular Letter No. 21 against 10% or more increase in export performance. This represents performance-based receivables against export is Rs. 44.123 million and regular receivable is Rs. 6.972 million.

	2023	2022
Note	Rupees	Rupees

19.2 Movement of allowance for ECL is as follows:

Balance at start of the year	-	-
Allowance charge during the year	1,521,372	-
Balance at the end of the year	<u>1,521,372</u>	<u>-</u>

20 SHORT TERM INVESTMENTS

At amortised cost			
Term deposits receipts	20.1	5,000,000	5,000,000
Investment through profit or loss account	20.2	102,975,933	1,422,014
		<u>107,975,933</u>	<u>6,422,014</u>

20.1 This represents investment in Term Deposit Receipts (TDRs) with The Bank of Punjab, having a maturity period of less than one year and maturing on April 04, 2024. These carry mark-up ranging from 19.5% (June 30, 2022: 5.75%) per annum.

20.2 Investment through profit or loss account

Listed entities			
Pak Electron Limited	20.3	8,543	15,000
Attock Refinery Limited	20.3	2,231	2,285
Samba Bank Limited	20.3	191,590	241,080
		<u>202,364</u>	<u>258,365</u>

Mutual funds			
Atlas Money Market Fund	20.3	68,492	59,708
Faysal Money Market Fund	20.3	88,806	71,321
JS Growth Fund	20.3	692,141	705,472
NBP Financial Sector Income Fund	20.3	101,924,130	327,148
		<u>102,773,569</u>	<u>1,163,649</u>
		<u>102,975,933</u>	<u>1,422,014</u>

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

20.3 Equity securities

		Note	2023 Rupees	2022 Rupees
Equity securities				
Listed shares				
Cost/opening carrying value			258,365	200,091
Gain/(loss)/other adjustments on investments			(56,001)	58,274
Carrying value			202,364	258,365
Mutual funds				
Cost/opening carrying value			1,163,649	3,765,765
Gain/(loss)/other adjustments on investments			101,609,920	(2,602,116)
Carrying value			102,773,569	1,163,649
			<u>102,975,933</u>	<u>1,422,014</u>
		2023		2022
		Number of shares/units	Cost/opening carrying value	Cost/opening carrying value
			Gain/(loss)/ adjustment	Gain/(loss)/ adjustment
			Carrying value	Carrying value
Listed shares				
Pak Electron Limited	944	15,000	(6,457)	944
Attock Refinery Limited	13	2,285	(54)	13
Samba Bank Limited	24,500	241,080	(49,490)	24,500
	25,457	258,365	(56,001)	202,364
Mutual funds				
Atlas Money Market Fund	134	59,708	8,784	68,492
Faysal Money Market Fund	866	71,321	17,486	88,807
JS Growth Fund	4,744	705,472	(13,332)	692,140
NBP Financial Sector Income Fund	9,591,143	327,148	101,596,982	101,924,130
	9,596,887	1,163,649	101,609,920	102,773,569
	9,622,344	1,422,014	101,553,919	102,975,933
Total equity securities			62,025	3,965,856
				(2,543,842)
				1,422,014

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

	Note	2023 Rupees	2022 Rupees
21 CASH AND BANK BALANCES			
Cash in hand		5,160,495	1,564,741
Cash at banks - local currency			
Current accounts		103,011,117	61,941,108
Saving accounts	21.1	1,092,573	18,868
Cash at banks - foreign currency	21.2	47,084,795	1,172,435
	21.3	156,348,980	64,697,152

21.1 This carries mark up at the rate ranging from 5.48% to 18.50% (2022: 5.48%) per annum.

21.2 This carries mark up at the rate 3.48% (2022: 2.37%) per annum.

21.3 This includes balance in dormant bank accounts amounting to Rs. 0.0078 millions.

22 SHARE CAPITAL

22.1 Authorized share capital

62,500,000 (June 30, 2022: 62,500,000)		
ordinary shares of Rs. 10/- each	625,000,000	625,000,000

22.2 Issued, subscribed and paid up share capital

51,901,483 (June 30, 2022: 51,901,483)		
ordinary shares of Rs. 10/- each fully paid in cash	519,014,830	519,014,830
7,527,246 (June 30, 2022: 7,527,246)		
ordinary shares of Rs. 10/- each issued as fully paid bonus shares	75,272,460	75,272,460
	594,287,290	594,287,290

22.2.1 Movement of share capital is as follows:

	Number of Shares	Rupees
Opening balance	59,428,729	594,287,290
Bonus shares issued during the period	-	-
Closing balance	59,428,729	594,287,290

22.2.2 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

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

		Note	2023 Rupees	2022 Rupees Restated
23	SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT			
	Surplus arising on revaluation	23.1	608,570,450	386,491,945
	Less: Related deferred tax liability	23.1	34,509,956	18,316,266
			574,060,494	368,175,679
23.1	Surplus arising on revaluation			
	Balance brought forward		386,491,945	408,552,309
	Revaluation during the year	7.1	248,711,073	-
	Less: Transferred to equity in respect of incremental depreciation charged during the year - (net of deferred tax)		24,307,944	20,365,832
	Related deferred tax liability during the year transferred to profit and loss account		2,324,624	1,694,532
			(26,632,568)	(22,060,364)
			608,570,450	386,491,945
	Less: Related deferred tax effect:			
	Balance as at July 01		18,316,266	20,010,798
	Deferred tax impact for the year		18,518,314	-
	Incremental depreciation charged during the year transferred to profit and loss account		(2,324,624)	(1,694,532)
			(34,509,956)	(18,316,266)
			574,060,494	368,175,679
23.2	The Company's freehold land, buildings on freehold land, plant and machinery have been revalued by M/s. Tristar International Consultants (Private) Limited , an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA). The basis of revaluation for items of these fixed assets were as follows:			
	Freehold land			
	Fair market value of freehold land was assessed through inquiries to real estate agents and property dealers in near vicinity of freehold land. Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered all other relevant factors as well.			
	Buildings on freehold land			
	Construction specifications were noted for each building and structure and new construction rates were applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.			
	Plant and machinery			
	For the valuation of the plant and the machinery, a depreciation factor of 10% and an appreciation factor of 25% were applied due to inflation in prices of imported as well as local machinery. Value of plant and machinery assessed on lump sum basis to determine current replacement value.			
23.3	The revaluation surplus on property plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with the section 241 of the Companies Act,2017.			

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

		Note	Rupees	Rupees
24 LONG TERM FINANCING				
Secured:				
Banking Companies				
National Bank of Pakistan Limited		24.1	84,479,604	
The Bank of Punjab		24.2	74,733,107	177,511,652
			74,733,107	261,991,256
Less: Current portion shown under current liabilities		32	10,621,680	183,304,248
			64,111,427	78,687,008
24.1 National Bank of Pakistan Limited				
Demand finance				
Term finance (non-interest bearing)				
24.2 The Bank of Punjab				
Term finance L.T.F.F				
Term finance-L.T.F.F (SBP)				
Term finance - SBP RS (Salaries)				
Term finance L.T.F.F				
Term finance - SBP Renewable energy scheme				
Less: Current portion shown under current liabilities				
24.3 Movement of deferred grant				
Opening balance at start of the year				
Disbursements during the year				
Repayments during the year				
Deferred grant recognized year				
Unwinding of discount on liability				
Closing balance at the end of the year				
24.4	The Company obtained a term finance facility under the 'SBP renewable energy scheme' introduced by the State Bank of Pakistan at the rate ranging of 6% from Bank of Punjab (BOP). ICAP issued the guidance for accounting of said financing through circular No. 1/1/2020 dated August 17, 2020 and based on that circular, referring to the requirement of IAS-20, the Company recognized the Deferred Grant amounting to Rs. 6,735 million and respective loan has been recognized at the fair value. This also includes prior year grant and loans at fair value which was not recorded. The net impact was not material to statement of profit or loss, therefore, this has been recorded in the current period.			
24.5	It represents long term financing from commercial banks (stated above) and the amounts claimed by such institutions. Markup is leviable along with installment (except interest free loans) as per schedule stated above. These loans are secured against first ranking pari passu charge over current and fixed assets of the Company executed through the joint pari passu agreement with the lenders of the Company and joint memorandum of deposit of title deeds, equitable mortgage charge on land and personal guarantees of the directors of the Company.			
24.6	It represents loan from National Bank of Pakistan which was restructured on terms agreed between the parties and loan has been paid during the year.			
24.7	It represents restructured loan converted from mark up payable on the facilities from National Bank of Pakistan till June 30, 2015.			

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

		Note	2023 Rupees	2022 Rupees Restated
25	DEFERRED LIABILITIES			
	Deferred tax liabilities	25.1	117,236,588	75,739,367
	Staff retirement benefits	25.2	110,197,999	134,674,090
			<u>227,434,587</u>	<u>210,413,457</u>
25.1	Deferred tax liabilities			
	Deferred tax liability comprises as follows:			
	Taxable temporary differences			
	Tax depreciation allowances		94,162,073	65,418,736
	Revaluation surplus		34,509,956	18,316,266
	Right of use		9,603,530	-
	Deductible temporary differences			
	Deferred tax related to actuarial loss (OCI)		1,097,752	718,873
	Provision for gratuity		13,703,377	7,244,541
	Lease liabilities		3,903,588	-
	Provision for doubtful debts (ECL)		1,672,225	32,221
	Provision for doubtful advances		662,029	-
		25.1.1	<u>117,236,588</u>	<u>75,739,367</u>
25.1.1	The gross movement in the deferred tax liability during the year is as follow:			
	Balance as at July 01,		75,739,367	75,243,713
	Charge to the statement of profit or loss	41	24,076,659	(223,219)
	Charge to the statement of OCI		17,420,562	718,873
	Balance as at June 30		<u>117,236,588</u>	<u>75,739,367</u>
25.1.2	The corresponding figures of deferred tax liability has been restated as explained in Note 43.			
25.1.3	Owing to uncertainty relating to future taxable profits, against which the Company can utilize its deferred tax asset, the Company has not recognized any deferred tax asset related minimum tax credits amounting to Rs. 31.331 million (June 2022: Rs. 43.553 million). Expiry of minimum tax and excess of corporate alternative tax carried forward is as follows:			
	Expiry tax year	Nature		
	2029	Alternative corporate tax -2019	14,240,620	14,240,620
	2025	Minimum tax-2020	-	8,720,580
	2026	Minimum tax-2021	5,936,958	9,438,535
	2027	Minimum tax-2022	11,154,088	11,154,088
			<u>31,331,666</u>	<u>43,553,823</u>
25.1.4	The tax rate includes the super tax rate based on the current taxable income. The deferred tax has been calculated based on a ratio of taxable income which is subject to normal tax regime.			

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

25.2 Staff retirement benefits

a) General description

The scheme provides for terminal benefits for all its permanent employees who qualify for the scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/s TRT Associates as at June 30, 2023 using the Projected Unit Credit method.

The Company faces the following risks on account of gratuity:

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

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

Withdrawal rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate will decrease the liability and vice versa.

Mortality rate risk - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during employment. An increase in the life expectancy of the participants will increase the liability and vice versa.

b) Significant actuarial assumptions

	2023 Percentage Per annum	2022 Percentage Per annum
--	---------------------------------	---------------------------------

Following are significant actuarial assumptions used in the valuation:

Discount rate	16.25%	13.25%
Expected rate of increase in salary	15.25%	12.25%
Withdrawal rates	9.5%	9.5%
Expected mortality rate	10.5%	10.5%
Retirement age	60	60

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

		2023	2022
	Note	Rupees	Rupees
c) Reconciliation of payable to defined benefit plan			
Present value of obligation and liability recognized in balance sheet		169,572,420	134,674,090
Less: Current portion shown under the current liabilities	28	59,374,421	-
		<u>110,197,999</u>	<u>134,674,090</u>
d) Movement of the liability recognized in the statement of financial position			
Balance sheet liability at the beginning of the year		134,674,090	118,346,459
Amount recognized during the year		52,583,470	35,721,332
Amount paid during the year		(30,261,785)	(31,550,989)
Unrecognised actuarial loss		12,576,645	12,157,288
Present value of defined benefit obligation		<u>169,572,420</u>	<u>134,674,090</u>
e) Charge for the year			
Current service cost		36,743,996	25,207,808
Interest cost		15,839,474	10,513,524
Charge for the year		<u>52,583,470</u>	<u>35,721,332</u>
f)	The expected charge in respect of defined benefit plan for the year ending June 30, 2024 will be Rs. 18,074 million.		
g) Sensitivity analysis			
The impact of 1% change in following variables on defined benefit obligation is as follows:			
		Rupees	
		Increase in assumption	Decrease in assumption
2023			
Discount rate		155,048,721	185,460,681
Salary increase		<u>185,460,681</u>	<u>155,048,721</u>
2022			
Discount rate		121,917,199	148,762,152
Salary increase		<u>148,765,807</u>	<u>121,918,697</u>

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

		Note	2023 Rupees	2022 Rupees	
h) Maturity profile	Time in year				
1			10,218,454	9,205,814	
2			15,092,482	12,473,126	
3			19,688,405	15,029,317	
4			25,689,384	18,219,421	
5			32,239,442	21,350,624	
6-10 onwards			172,669,854	115,219,539	
i) Remeasurement chargeable to other comprehensive income					
Experience adjustment and actuarial loss on obligation			12,576,645	12,157,288	
Related deferred tax	25.1		(1,097,752)	-	
			<u>11,478,893</u>	<u>12,157,288</u>	
j) The charge for the year has been allocated as follows:					
Cost of sales	35.2		43,884,822	30,122,888	
Selling and distribution expenses	36.1		3,440,285	2,271,283	
Administrative and general expenses	37.1		5,304,363	3,327,161	
			<u>52,629,470</u>	<u>35,721,332</u>	
k) Historical information					
Present value of defined benefit obligation					
	2023 Rupees	2022 Rupees	2021 Rupees	2020 Rupees	2019 Rupees
	<u>169,572,420</u>	<u>134,674,090</u>	<u>118,346,459</u>	<u>118,181,227</u>	<u>95,309,300</u>
26 LEASE LIABILITIES					
Against right of use assets					
Lease liabilities			68,055,556	70,000,000	
Payments / adjustments during the year			(31,067,820)	(2,588,985)	
Interest expense during the year			7,734,487	644,641	
Less: Current portion	32		(23,333,333)	(23,333,333)	
			<u>21,388,890</u>	<u>44,722,323</u>	

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

		Note	2023 Rupees	2022 Rupees
26.1	Maturity analysis-contractual undiscounted cash flow			
	Less than one year		31,067,820	31,067,820
	One to five year		28,478,779	59,546,599
	More than five year		-	-
	Total undiscounted lease liability		<u>59,546,599</u>	<u>90,614,419</u>
26.2	When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which is 13.8% per annum.			
26.3	The above liabilities were obligations under leases with various lessors for lease of buildings.			
26.4	The lease agreement less than one year are not classified under IFRS-16 leases.			
27	DEFERRED GRANT			
	Deferred Grant		3,953,902	-
	Current portion of grant	32	<u>(999,837)</u>	<u>-</u>
			<u>2,954,065</u>	<u>-</u>
27.1	This represents deferred grant recognised in respect of the benefit of below-market interest rate on long term finance facility as 'referred to in note 24.3. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:			
27.2	Following is the movement in government grant during the year:			
	Opening balance as at July 01,		-	5,142,741
	Addition during the year	24.3	6,735,267	-
	Amortized during the year	40	<u>(2,781,365)</u>	<u>(5,142,741)</u>
	Closing balance as at June 30		<u>3,953,902</u>	<u>-</u>
28	TRADE AND OTHER PAYABLES			
	Creditors		969,673,650	933,408,787
	Accrued liabilities	28.1	238,360,522	117,050,820
	Retention money payable		-	700,000
	Tax deduction at source		34,867,962	44,489,566
	Workers' Profit Participation Fund	28.2	61,813,284	37,704,296
	Workers' Welfare Fund	28.3	18,936,018	13,571,289
	Payable against purchase of land	28.4	170,699,040	-
	Gas infrastructure development cess payable	28.5	49,212,112	49,212,112
	Current portion of gratuity payable	25.2	<u>59,374,421</u>	<u>-</u>
			<u>1,602,937,009</u>	<u>1,196,136,870</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

28.1 Employees Old-Age Benefits Institution has issued notification for EOBI contribution and deduction based on revised minimum wage rates. The industry has gone into litigation the decision of which is still pending. However, the Company has recorded the contribution/provision amounting to Rs. 73.610 million for EOBI as per the revised rates on a prudence basis based on the recommendation of the legal advisor as it may not eventually be decided in the industry/company's favor. In regard to social security, the Company has also made a provision amounting to Rs. 17.795 million and paid the amount subsequently.

		2023	2022
	Note	Rupees	Rupees
28.2 Workers' Profit Participation Fund			
Opening balance as at July 01,		37,704,296	28,629,630
Expense for the year	38	19,927,582	13,782,737
Payment made during the year		-	(6,445,890)
Interest on funds utilized in Company's business	28.2.1	4,181,406	1,737,819
Closing balance as at June 30		<u>61,813,284</u>	<u>37,704,296</u>

28.2.1 Mark up on Workers' Profit Participation Fund has been provided at 11.09% per annum (2022: 6.070% per annum).

28.3 Workers' Welfare Fund

Opening balance as at July 01,		13,571,289	12,928,941
Expense for the year	38	7,971,033	642,348
Payment made during the year		(2,606,304)	-
Closing balance as at June 30		<u>18,936,018</u>	<u>13,571,289</u>

28.4 Payable against purchase of land

To directors of the Company			
Mussaid Hanif		108,667,728	-
Arbab Muhammad Khan		29,460,576	-
Sabah Burhan		13,502,382	-
To family members of the directors			
Others		19,068,354	-
	44	<u>170,699,040</u>	<u>102,551,170</u>

28.5 Pursuant to the order of Honorable Supreme Court of Pakistan in August, 2020 and its subsequent dismissal of review petition in November 2020, the Company is making accrual of levy as per GIDC monthly billing by Sui Northern Gas Pipeline Limited (SNGPL).

However, due to stay order granted by the High Court of the Sindh, the Company is not paying the levy. Due to non-payment of the levy, SNGPL is charging surcharge on unpaid amount. As of June 30, 2023, the surcharge charged to the Company is Rs. 160.733 million against which the Company is not making any accrual and is confident based on the advice of its legal counsel, that no liability will be raised to the Company relating to this surcharge.

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

	Note	2023 Rupees	2022 Rupees
Provision for Gas infrastructure development cess			
Opening balance as at July 01,		49,212,112	49,212,112
Provision for the year		-	-
Closing balance as at June 30		<u>49,212,112</u>	<u>49,212,112</u>
29 CONTRACT LIABILITIES			
Opening balance as at July 01,		24,763,837	55,961,706
Advance received		133,216,370	155,689,546
Income reconsidged		(140,100,177)	(186,887,415)
Closing balance as at June 30		<u>17,880,030</u>	<u>24,763,837</u>
29.1	Contract balances primarily comprises of contract liabilities, representing advance consideration received from customers for the purchase of products. Balance as at reporting date amounted to Rs. 17.880 million (2022: 24.763 million). Revenue recognized during the reporting period which was included in the contract liabilities at the beginning of the period amounted to Rs. 140.100 million (2022: Rs. 186.887 million).		
30 ACCRUED MARK-UP			
Long term financing		1,060,063	4,776,276
Short term borrowings		<u>51,211,793</u>	<u>11,828,435</u>
		<u>52,271,856</u>	<u>16,604,711</u>
31 SHORT TERM BORROWINGS			
Secured			
From banking companies and financial institutions			
Running finances			
The Bank of Punjab	31.1	565,000,000	565,000,000
Habib Metropolitan Bank Limited	31.2	68,000,000	-
National Bank of Pakistan Limited	31.3	420,000,000	420,000,000
United Bank Limited	31.4	-	50,000,000
Habib Bank Limited	31.5	<u>237,000,000</u>	<u>237,000,000</u>
		<u>1,290,000,000</u>	<u>1,272,000,000</u>
Unsecured			
From related party			
Loan from directors	31.7	<u>22,657,119</u>	<u>22,906,119</u>
		<u>1,312,657,119</u>	<u>1,294,906,119</u>

31.1 This represents short term export refinance facilities from Bank of Punjab aggregated to Rs. 565.00 million (2022: Rs. 565.00 million) and carries mark-up of SBP rate plus 1% on utilized limits. This facility is secured against first pari passu charge and joint pari passu charge over present and future current assets of the Company and also on exports documents.

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

31.2 This represents short-term post-shipment working capital facilities from Habib Metropolitan Bank Limited aggregated to Rs. 150.00 million (2022: Rs. 75.00 million) and carries a markup of 3 months kibor rate plus 2% on utilized limits. This facility is secured against joint pari passu of Rs. 120.00 million on current assets of the company registered with SECP which will be upgraded to joint pari passu within 180 days of disbursement.

31.3 This represents short term export refinance facilities from National Bank of Pakistan Limited aggregated to Rs. 420.00 million (2022: Rs. 420.00 million) and carries mark-up of SBP rate plus 1% on utilized limits. This facility is secured against first pari passu charge and joint pari passu charge over present and future current assets of the Company.

31.4 This represents short-term pre-shipment export financing facilities from United Bank Limited aggregated to Rs. 150.00 million (2022: Rs. 150.00 million) and carries a mark-up of SBP rate plus 1% on utilized limits. This facility is secured against joint pari passu over current and future fixed assets and present and future current assets of the company registered with SECP which will be upgraded to joint pari passu within 120 days of disbursement along with lien of exports documents.

31.5 This represents short term export refinance facilities from Habib Bank Limited aggregated to Rs. 237.00 million (2022: Rs. 237.00 million) and carries mark-up of SBP rate plus 1% on utilized limits. This facility is secured against joint pari passu over current and future fixed assets and present and future current assets of the company registered with SECP which will be upgraded to joint pari passu within 120 days of disbursement along with lien of exports documents.

This facility is also secured against the personal guarantees of Mr. Mussaid Hanif, Mr. Arbab Muhammad Khan, Ms. Sabah Burhan and Ms. Tehniyat Mussaid along with personal net worth statements

31.6 The Company has total credit facilities of Rs. 1,522 million (2022: 1,447 million) at the year end. Whereas the Company has availed credit facilities of Rs. 1,272 million (2022: Rs. 1,290 million) and unavailed credit facilities of Rs. 150 million (2022: Rs. 157 million) at the year end.

31.7 This amount represents loan obtained from two directors Rs. 22.657 million (2022: Rs. 22.906 million) which is interest free loan and repayable on demand.

32 CURRENT PORTION OF LONG TERM LIABILITIES

Current portion of deferred grant	27	999,837	-
Current portion of lease liability	26	23,333,333	23,333,333
Current portion of long term financing	24	10,621,680	183,304,248
		<u>34,954,850</u>	<u>206,637,581</u>

33 CONTINGENCIES AND COMMITMENTS**33.1 Contingent liabilities**

33.1.1 The Company has filed a recovery suit against the Punjab Cotton Mills Limited for Rs. 5.107 million along with interest. The execution was filed which is still pending.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

33.1.2 M/s. M. J. Industries had filed a suit against the Company for declaration for Rs. 0.545 million. The case was dismissed by the Honorable Civil Judge, Lahore. M/s. M. J. Industries had filed an application for the restoration of the suit which was also rejected by the Civil Judge, Lahore. The Company has filed a recovery suit against the M/s M. J. Industries for Rs. 0.545 million. The summon and notices have been issued to the defendant and the case is pending due to non appearance of the defendant before the Honorable Civil Judge, Lahore. The Company is hopeful of settlement of the case in its favor.

33.1.3 The Company has filed a recovery suit against the M/s. Amtex Limited for Rs. 2.917 million. The case is decreed in favour of Zephyr Textiles Limited by the Honorable Judge, high Court, Lahore. The case is pending for execution.

33.1.4 M/s. Sitara Textiles has filed a suit against the Company for recovery of damages against non performance of contract no. LO417 for supply of fabric. According to legal confirmation status, suit is pending for framing of issues. The Company has filed a suit against M/s. Sitara Textiles Limited for financial loss, cost of sales loss, loss of business and loss due to breach of contract for Rs. 37.680 million. The Company is hopeful of settlement of the case in its favor. M/s. Sitara Textiles has filed an other suit against the Company for financial loss and loss due to breach of contract for Rs. 65.724 million. The case is pending before Supreme Court of Pakistan. The Company has again filed an other suit against M/s. Sitara Textiles Limited for financial loss and loss due to breach of contract for Rs. 65.724 million. The case is pending before Supreme Court of Pakistan.

33.1.5 The Company has filed suit for Recovery of Rs. 34.027 Millions for unauthorized sale of shares by First Pakistan Capital Limited. The case is pending before Senior Civil Judge Lahore.

33.1.6 The Company has filed a suit against old tenants for vacation of property purchased by the Company situated at Ek Moria Pull Lahore. The matter is pending for adjudication. Certain suits were filed against the Company regarding the said property which are as under:

- Muhammad Sajid (the plaintiff) has filed a suit for permanent injunctions and declaration against interfering the possession of plaintiff property by pretending that the suit property has been purchased by Zephyr Textiles Limited (the defendant) through registered sales deed bearing distavez no. 2775 dated 01-09-2010, whereas the purchased property of the defendant is separate and different from the suit property of the plaintiff. The case is dismiss by the Court during the year.
- Sh. Zafar Iqbal v/s. M/s Zephyr Textiles Limited. Sh. Zafar Iqbal has filed a suit for cancelation of registry with respect to the said property purchased by the Company. The case is pending for adjudication. The Company is hopeful for settlement of the above stated suits in its favor.

33.1.7 The Company's declared taxable income and tax liability for tax year 2015 was amended by the Taxation Officer and raised a further demand of Rs. 119.552 million against the Company. This order was challenged by the Company with the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company, therefore no provision has been made in these financial statements.

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

33.1.8 The Company's declared taxable income and tax liability for tax year 2017 was amended by the Taxation Officer and raised a further demand of Rs. 759.218 million against the Company. This order was challenged by the Company with the CIR(A), which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company, therefore no provision has been made in these financial statements.

33.1.9 The Company's declared taxable income and tax liability for tax year 2021 was amended by the Taxation Officer and raised a further demand of Rs. 33.260 million against the Company. This order was challenged by the Company with the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

33.1.10 The Company's declared taxable income and tax liability for tax year 2014 was amended by the Taxation Officer and raised a further demand of Rs. 42.939 million against the Company. This order was challenged by the Company with the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

33.1.11 The Company's declared taxable income and tax liability for tax year 2010 was amended by the Taxation Officer and raised a further demand of Rs. 198.239 million against the Company. This order was challenged by the Company with the Appellate Tribunal Inland Revenue, which is pending adjudication. The management, in consultation with their tax advisor, is of the view that these tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

33.1.12 A consolidated demand of Rs. 57.570 u/s 122(5A) for the tax years 2011, 2012, and 2013 had been deleted by the Commissioner Appeals and Tribunal. The department (Deputy Commissioner Inland revenue) has filed a petition in the Honourable Lahore High Court against the decision by the Commissioner Appeals and Tribunal.

33.1.13 Post refund audit for the period July 2020, and November 2020 to April 2021 is also pending before Appellate Tribunal Inland Revenue.

33.1.14 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rs. 128.398 million (June 30,2022: Rs. 58.533 million).

33.1.15 The Company has filed a case against Chenone Stores for the recovery of Rs. 24.00 million pending in the Additional District Judge Lahore.

33.1.16 The Company has filed a case against Chenone Stores for the recovery of Rs. 13.00 million pending in the Civil Judge Lahore

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

33.2 Commitments

Commitments as on June 30, 2023 were as follows:

- a) Contracts for capital expenditure are Rs. 1.1 million (June 30, 2022: Rs. 5.27 million).
- b) Against letters of credit amounting to Rs. 85.347 million (June 30, 2022: Rs. 136.685 million).
- c) Contracts against sale of Rs. 734.119 million (June 30, 2022: Rs. 861.754 million).
- d) Contract against the purchase of land of Rs. 52.050 million (June 30, 2022: Nil).
- e) Commitments for lease payments has been made under the relevant note.
- f) Foreign bills purchased by banks amounting to Rs. 190.779 million (June 30, 2022: Rs. 372.572 million).

		2023	2022
	Note	Rupees	Rupees
34 SALES			
Gross local sales		3,354,179,689	4,374,192,231
Sales tax		(494,649,650)	(634,521,010)
Net local sales		<u>2,859,530,039</u>	<u>3,739,671,221</u>
Export sales		5,183,375,070	3,694,880,264
Total sales		<u>8,042,905,109</u>	<u>7,434,551,485</u>
Sales discount		(13,563,127)	(3,925,425)
Export rebate		73,737,047	57,200,574
		<u>8,103,079,029</u>	<u>7,487,826,634</u>
Commission and claims		(177,139,299)	(103,662,527)
		<u>7,925,939,730</u>	<u>7,384,164,107</u>

34.1 The entity is involved in manufacturing and trading of fabric, towels, knitting and other related items. The performance obligation is satisfied upon delivery of goods. The Company makes sales against advances as well as on credit terms. In case of credit sales, payment is generally due within 30 to 60 days from the date of delivery of goods.

34.2 Timing of revenue recognition - net

Goods and services transferred at a point in time	7,925,939,730	7,384,164,107
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34.3 Geographical market

Pakistan (local)-net	2,859,530,039	3,739,671,221
France	1,978,550,830	197,627,481
Italy	1,570,691,349	1,532,330,227
Germany	770,216,250	834,294,687
USA	603,841,953	354,074,528
Sri Lanka	103,111,225	247,988,441
Belgium	58,263,778	218,940,166
United Kingdom	24,433,815	18,367,820
Portugal	18,645,333	20,862,519

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

	Note	2023 Rupees	2022 Rupees
Sweden		17,205,202	29,724,761
Hong Kong		13,773,840	37,707,798
Greece		10,857,608	81,140,310
Spain		9,552,523	21,586,528
New Zealand		4,231,364	-
Lithuania		-	34,354,211
Malaysia		-	2,875,758
Netherland		-	58,007,260
Poland		-	4,997,769
		<u>8,042,905,109</u>	<u>7,434,551,485</u>
35 COST OF SALES			
Raw materials consumed	35.1	3,868,959,846	4,335,146,634
Other overheads:			
Salaries, wages and other benefits	35.2	776,546,899	511,932,851
Freight		21,558,096	7,411,696
Loading and unloading		9,503,015	6,308,035
Store material consumed		172,644,829	169,613,635
Packing, sizing and lubricants consumed		710,522,714	628,805,232
Processing and conversion charges		98,973,649	123,480,734
Fuel and power		902,306,034	640,980,403
Insurance expense		11,229,249	11,294,719
Rent expense		990,000	1,293,600
Repair and maintenance		8,374,852	9,072,274
Vehicle running and maintenance		13,955,556	8,208,303
Communication charges		871,988	681,042
Travelling, conveyance and entertainment		9,065,403	5,987,475
Fee and subscription		10,027,787	5,625,613
Printing and stationary		261,839	394,297
Depreciation expense PPE	7.4	164,889,949	172,403,412
Depreciation expense RoU	8	12,345,831	973,494
Provision for doubtful stock in trade	13.2	11,071,587	-
Provision for slow moving and obsolete stores	12.2	8,149,994	-
Other expenses		5,287,077	5,137,353
		<u>2,948,576,348</u>	<u>2,309,604,168</u>
Opening work in process		161,794,567	148,794,875
Closing work in process		(114,052,797)	(161,794,567)
		<u>47,741,770</u>	<u>(12,999,692)</u>
Cost of goods manufactured		6,865,277,964	6,631,751,110
Opening stock of finished goods		959,192,932	972,457,856
Closing stock of finished goods		(943,020,679)	(959,192,932)
		<u>16,172,253</u>	<u>13,264,924</u>
		<u>6,881,450,217</u>	<u>6,645,016,034</u>

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

	Note	2023 Rupees	2022 Rupees
35.1 Raw materials consumed			
Raw material as at July 01		220,671,232	289,810,464
Purchases of raw material		4,059,074,664	4,266,007,402
Less: Raw material as at June 30	13	410,786,050	220,671,232
Raw materials consumed		<u>3,868,959,846</u>	<u>4,335,146,634</u>
35.2	Salaries, wages, and other benefits include Rs. 43.884 million (2022: Rs. 30.123 million) in respect of staff retirement benefits.		
35.3	The movement of finished goods produced for sale is as follows:		
Finished goods as at July 01		959,192,932	972,457,856
Add: Finished goods produced during the year		1,481,179,268	1,387,593,681
Less: Sale of finished goods during the year		<u>1,497,351,521</u>	<u>1,400,858,605</u>
Finished goods as at June 30		<u>943,020,679</u>	<u>959,192,932</u>
36 DISTRIBUTION COST			
Selling and distribution expense - local		4,598,627	3,206,639
Selling and distribution expense - export		176,834,863	252,807,730
Staff salaries and benefits	36.1	29,586,960	27,676,114
Rent, rates and taxes		3,953,946	3,674,851
Communication charges		12,985,026	8,805,581
Travelling, conveyance and entertainment		1,917,730	1,859,356
Vehicle running and maintenance		6,159,526	4,714,635
Repair and maintenance		74,885	148,400
Office utilities charges		250,908	189,770
Insurance expense		1,164,284	990,130
Fees and subscription		9,700,721	5,412,780
Depreciation expense	7.4	7,355,465	6,284,367
Other selling and distribution expense		<u>7,660,632</u>	<u>18,679,552</u>
		<u>262,243,573</u>	<u>334,449,905</u>

36.1 Salaries, wages, and other benefits include Rs. 3.440 million (2022: Rs. 2.271 million) in respect of staff retirement benefits.

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

		Note	2023 Rupees	2022 Rupees
37 ADMINISTRATIVE EXPENSES				
Directors remuneration	51		5,400,000	5,400,000
Staff salaries and benefits	37.1		45,950,607	42,091,654
Rent, rates and taxes			5,005,829	5,095,764
Communication charges			4,002,601	3,979,522
Printing and stationary			2,219,026	3,400,008
Travelling, conveyance and entertainment			8,394,167	6,792,215
Vehicle running and maintenance			8,710,119	6,227,706
Repair and maintenance			1,763,950	2,191,503
Auditor's remuneration	37.2		1,680,500	954,250
Legal and professional charges			4,928,298	3,405,985
Office utilities charges			5,663,483	4,780,170
Insurance expense			1,941,332	2,082,440
Fees and subscription			3,684,845	2,297,432
Depreciation expense	7.4		10,294,808	5,076,195
Amortization expense	10.1		1,208,172	1,208,172
Other administrative expenses			4,871,736	3,367,500
			115,719,473	98,350,516
37.1	Salaries, wages, and other benefits include Rs. 5.304 million (2022: Rs. 3.327 million) in respect of staff retirement benefits.			
37.2	Auditor's Remuneration			
Audit fee			1,250,000	726,000
Half yearly review			220,500	137,500
Out of pocket			60,000	-
Code of corporate governance review			150,000	90,750
			1,680,500	954,250
38 OTHER OPERATING EXPENSES				
Loss on sale of fixed asset	7.6		15,665,240	-
Loss on investment - at fair value			121,974	908,698
Exchange loss and discounting factor			96,222,531	30,721,967
Workers profit participation fund	28.2		19,927,582	13,782,737
Workers welfare fund	28.3		7,971,033	642,348
Provision for sales tax refund	17.1		100,648,813	-
Expected credit loss against trade debtors	15.1		18,613,304	-
Expected credit loss against advances to suppliers	14.3		7,584,680	-
Provision against duty drawback	19.2		1,521,372	-
Other expenses			1,602,213	-
			269,878,742	46,055,750

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

		Note	2023 Rupees	2022 Rupees Restated
39 OTHER INCOME				
Income from financial assets				
Profit on term deposits certificates			1,126,058	-
Capital refund income on investment			243	-
Profit on foreign currency account			11,127	-
Profit on investment - at fair value			646,430	2,363,980
Dividend income			1,159,427	1,406,977
Exchange gain			148,773,953	89,330,088
Income from non financial assets				
Profit on sale of fixed asset	7.6		9,069,128	4,172,929
Unwinding - deferred grant - loan	24.3		2,781,365	-
Other income			18,673	1,926,797
			163,586,404	99,200,771
40 FINANCE COSTS				
Mark-up on long term loans			6,546,841	19,254,723
Mark-up on short term loans			149,796,382	48,501,942
Mark-up on WPPF	28.2.1		4,181,406	1,737,819
Mark-up on delayed realization			1,356,064	5,467,458
Mark-up on subsidized loan	27.2		2,781,365	5,142,741
Mark-up on lease			7,734,487	644,541
Bank charges and commission			17,184,555	17,513,801
			189,581,100	98,263,025
40.1	This represents discounting markup on export sales contracts during the year.			
41 TAXATION				
Current tax				
Current period	41.3		84,702,325	79,077,923
Super Tax	41.1		13,617,571	-
Prior year (super tax)	41.4		10,298,033	-
Deferred tax	25.1.1		24,076,659	(23,378)
			132,694,588	79,054,545
41.1	This represents super tax @ 4% on the taxable income for the tax year 2022 and 2023 imposed through Finance Act 2022.			
41.2	The rate of tax has been fixed at 29% for Tax Year 2021 and onwards by taxation authorities.			

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

	Note	2023 Rupees	2022 Rupees
41.3 Relationship between tax expense and accounting profit:			
Accounting profit		370,653,029	-
Applicable tax rate 29% (2022: 29%)		29%	-
Tax at the applicable rate of 29% (2022: 29%)		107,489,378	-
Tax effect of income subject to FTR		(31,596,734)	
Effect of super tax		23,915,604	-
Effect of temporary difference		24,076,659	-
Other		8,780,572	-
Tax charge for the year		<u>132,665,479</u>	<u>-</u>

41.4 The tax charge for last year represents the minimum tax and final tax under the Income Tax Ordinance, 2001, so numerical reconciliation between the average effective tax rate and the applicable tax rate is not prepared and presented.

41.5 Comparison of tax provision against tax assessments

Years	Excess/ (Short)	Tax provision Rupees	Tax assessment/ tax return
2021-22	(10,298,033)	79,077,923	89,375,956
2020-21	-	67,630,439	67,630,439
2019-20	-	32,600,366	32,600,366

41.6 As at June 30, 2023, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in accounts for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

42 EARNINGS PER SHARE - BASIC AND DILUTED - RESTATED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2023	2022
	Restated	
Profit after taxation - in Rs.	<u>237,958,441</u>	<u>182,175,103</u>
Weighted average number of ordinary shares - (in thousand)	<u>59,428,729</u>	<u>59,428,729</u>
Earnings per share - basic and diluted - (Rs.)	<u>4.00</u>	<u>3.07</u>

42.1 The earning per share of prior year has restated due to effect of deferred tax during the year.

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

43 CORRECTION OF ERROR

In previous years, the deferred tax related to revaluation surplus was inadvertently overcharged by the management and deferred tax related to accelerated depreciation was not recognized. This correction has been applied retrospectively as per the requirements of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). The effect on prior periods is tabulated below:

	Rupees
43.1 As at July 01, 2021	
Effect on statement of financial position	
Decrease in deferred tax liability related to revaluation surplus	(107,443,863)
Decrease in deferred tax liability related to gratuity	(6,997,944)
Decrease in deferred tax liability related to ECL	(32,221)
Increase in deferred tax liability related to accelerated depreciation	63,501,033
Decrease in deferred tax liability - net	(50,972,995)
Increase in surplus on revaluation of property, plant and equipment	107,443,863
Decrease in accumulated profit	(56,470,868)
As at June 30, 2022	
Effect on statement of financial position	
Decrease in deferred tax liability related to revaluation surplus	(1,694,484)
Increase in deferred tax liability related to accelerated depreciation	1,917,703
Decrease in deferred tax liability related to gratuity	(965,470)
For the period ended June 30, 2022	
Effect on statement of profit or loss	
Decrease in deferred tax income and profit for the year	(8,536,096)
Increase in deferred tax income and profit for the year	246,597
Effect on statement of other comprehensive income	
Increase in deferred tax income	718,873

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

44 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of related staff retirement funds, directors and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

44.1 The balances with related parties have also been disclosed in the relevant notes to the financial statements.

44.2 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 51)". There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

44.3 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

45 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Unclaimed dividend	Long term financing	Short term borrowing	Total
			Rupees	
As at June 30, 2022				
Changes from financing cash flows				
Dividend paid	(29,645,956)	-	-	(29,645,956)
Short term borrowings - net	-	-	17,751,000	17,751,000
Long term financing	-	(183,304,247)	-	(183,304,247)
Total changes from financing cash flows	(29,645,956)	(183,304,247)	17,751,000	(195,199,203)
Other changes				
Adjustment of Government grant	-	(3,953,902)	-	(3,953,902)
Dividend declared	29,714,365	-	-	29,714,365
Total liability related other changes	29,714,365	(3,953,902)	-	25,760,463
As at June 30, 2023	829,907	74,733,107	1,312,657,119	1,388,220,133
As at June 30, 2021				
Changes from financing cash flows				
Dividend paid	(29,646,910)	-	-	(29,646,910)
Short term borrowings - net	-	-	26,073,769	26,073,769
Long term financing	-	(238,603,168)	-	(238,603,168)
Total changes from financing cash flows	(29,646,910)	(238,603,168)	26,073,769	(242,176,309)
Other changes				
Dividend declared	29,714,365	-	-	29,714,365
Total liability related other changes	29,714,365	-	-	29,714,365
As at June 30, 2022	761,498	261,991,256	1,294,906,119	1,557,658,873

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

	Note	2023 Rupees	2022 Rupees
46 CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		370,653,029	261,229,648
Adjustments for items not involving movement of funds:			
Depreciation on property, plant and equipment	7.4	182,540,222	184,737,467
Depreciation on Right of use asset	8	12,345,831	-
Amortization	10.1	1,208,172	1,208,172
Provision for expected credit loss		27,719,356	544,911
Provision for sales tax refund	17.1	100,648,813	-
Provision for obsolete stock	13.2	11,071,587	
Loss/ (gain) on disposal property, plant and equipment	7.6	6,596,112	(4,172,929)
Gain on sale of investments	39	(524,699)	-
Dividend income		-	(1,406,977)
Staff retirement benefits - gratuity	25.2	52,583,470	35,721,332
Provision for WPPF & WWF	38	27,898,615	14,425,085
Interest on Workers' Profit Participation Fund	40	4,181,406	1,737,819
Unwinding of discount	39	(2,781,365)	2,078,844
Finance cost	40	160,480,652	94,446,362
Exchange gain		(52,551,422)	(89,330,088)
Net cash flow before working capital changes		<u>902,069,779</u>	<u>501,219,646</u>

47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

47.1 Risk management of financial instruments

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various sources of finance to minimize the finance related risks to the entity.

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

- Credit risk
- Liquidity risk
- Market risk

The Company's risk management policies are established to identify and analyse 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.

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

47.1.1 Risk management framework

The Board of Directors have the overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

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 to changes in market conditions and the Company's activities. The Company through its training and management standards and procedures aims to maintain a disciplined and constructive control environment in which employees understand their roles and responsibilities.

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 adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

47.1.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of a company's performance to developments affecting a particular industry.

		2023	2022
	Note	Rupees	Rupees
Long term deposits	11	25,602,294	24,783,801
Loans and advances	14	44,908,944	40,023,171
Trade debts	15	557,182,004	661,414,117
Trade deposits and prepayments	16	13,516,245	11,630,394
Other receivables	19	85,275,159	66,035,362
Short term investments	20	107,975,933	6,422,014
Bank balances	21	<u>151,188,485</u>	<u>63,132,411</u>
		<u>985,649,064</u>	<u>873,441,270</u>

Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

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

	Note	2023 Rupees	2022 Rupees
Trade debts		557,182,004	661,414,117
Banking companies and financial institutions		277,216,927	89,340,809
Others		188,516,831	173,222,158
		<u>1,022,915,762</u>	<u>923,977,084</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Credit terms are approved by the approval committee. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 to 60 days to reduce the credit risk.

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

The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

Export		259,603,079	217,020,076
Domestic		316,737,140	444,938,952
	15	<u>576,340,219</u>	<u>661,959,028</u>

Trade receivables by geographical split is as follows:

Country	Sales		Trade debts		
	LC	Others Rupees	Total	Outstanding balance	
				2023	2022
Pakistan	-	2,859,530,039	2,859,530,039	316,737,140	444,938,952
France	1,978,550,830	-	1,978,550,830	156,869,321	22,264,459
Italy	1,570,691,349	-	1,570,691,349	65,575,036	73,190,832
Germany	770,216,250	-	770,216,250	15,613,905	17,737,034
USA	603,841,953	-	603,841,953	21,544,817	34,466,911
Sri Lanka	103,111,225	-	103,111,225	-	19,530,570
Belgium	58,263,778	-	58,263,778	-	-
United Kingdom	24,433,815	-	24,433,815	-	-
Portugal	18,645,333	-	18,645,333	-	-
Sweden	17,205,202	-	17,205,202	-	2,636,800
Hong Kong	13,773,840	-	13,773,840	-	-
Greece	10,857,608	-	10,857,608	-	-
Spain	9,552,523	-	9,552,523	-	11,088,403
New Zealand	4,231,364	-	4,231,364	-	-
Netherlands	-	-	-	-	1,194,223
Lithuania	-	-	-	-	34,910,844
Total	5,183,375,070	2,859,530,039	8,042,905,109	576,340,219	661,959,028

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

The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

	Note	2023 Rupees	2022 Rupees
Local Dealers		316,737,140	444,938,952
Foreign Dealers		259,603,079	217,020,076
	15	<u>576,340,219</u>	<u>661,959,028</u>

The aging of trade receivable at the reporting date is:

Not past due	505,561,590	600,095,577
Past due 1-30 days	52,148,400	39,692,645
Past due 30-150 days	18,630,228	22,170,805
	<u>576,340,218</u>	<u>661,959,027</u>

The company's most significant customers, are dealers from whom the receivable was Rs. 316.737 million (2022: Rs. 444.938 million) and foreign debtors amounting to Rs. 259.603 million (2022: Rs. 217.020 million) of the total carrying amount as at June 30, 2023.

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that no impairment allowance is necessary in respect of trade debtors past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable ground to believe that the amounts will be recovered in short course of time.

On the basis of expected credit loss an amount of Rs. 26.742 million (2022: 0.544 million) has been charged to profit and loss account and upto balance sheet an amount of Rs. 26.742 million (2022: Rs. 0.544 million) has been provided for as expected credit loss as fully explained on note 14.3 & 15.1.

The Company's bank balances can be assessed with reference to external credit ratings as follows:

Cash and bank balances

The Company held cash and cash equivalents amounting to Rs. 156.488 million. These cash and cash equivalents are held with banks and financial institutions counterparties, which are rated A1+ to AAA, based on PACRA ratings. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties. 12 month probabilities of default are based on historical data supplied by PACRA and VIS rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Advances, deposits and other receivables

Advances, deposits and other receivables mainly comprise of advances to employees against salaries and deposits with government entities. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

	2023	2022
	Rupees	Rupees
Bank balances	151,188,485	63,132,411
Short term investment	5,000,000	5,000,000
Other receivables	18,052,509	19,786,384
	<u>174,240,994</u>	<u>87,918,795</u>

Credit quality of financial assets

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating Agency	Ratings		2023	2022
		Short Term	Long Term	Rupees	Rupees
Habib Bank Limited	PACRA	A1+	AAA	17,835,697	1,393,790
National Bank of Pakistan	PACRA	A1+	AAA	14,955,921	837,715
The Bank of Punjab	PACRA	A1+	AA+	47,301,042	3,257,927
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	57,769,362	50,054,031
Bank Al Habib Limited	PACRA	A1+	AAA	2,410,545	2,846
Meezan Bank Limited	JCR-VIS	A-1+	AAA	8,050,473	1,013,293
Faysal Bank Limited	PACRA	A1+	AA	688,828	13,656
MCB Bank Limited	PACRA	A1+	AAA	-	95,782
Bank Alfalah Limited	PACRA	A1+	AA+	2,040,390	2,040,460
Askari Bank Limited	PACRA	A1+	AA+	33,574	35,315
United Bank Limited	JCR-VIS	A-1+	AAA	53,163	3,804,540
Dubai Islamic Bank	JCR-VIS	A1+	AAA	49,490	49,490
Alleid Bank Limited	PACRA	A1+	AAA	-	483,815
Silk Bank Limited	JCR-VIS	A-2	A-	-	46,276
Sonari Bank Limited	PACRA	A1+	AA-	-	3,479
				<u>151,188,485</u>	<u>63,132,415</u>

The Company has not recognised an impairment allowance on bank balances during the year ended June 30, 2023, as the impact was immaterial.

47.1.3 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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	One to two years	Two to five years
Rupees						
2023						
Financial liabilities						
Long term financing	74,733,107	78,687,008	5,310,840	5,310,840	8,769,430	59,295,898
Lease liabilities	44,722,223	59,546,599	15,533,910	15,533,910	28,478,779	-
Trade and other payables	1,602,937,009	1,602,937,009	1,602,937,009	-	-	-
Mark-up accrued	52,271,856	52,271,856	52,271,856	-	-	-
Short term borrowing	1,312,657,119	1,312,657,119	1,312,657,119	-	-	-
	3,087,321,314	3,106,099,591	2,988,710,734	20,844,750	37,248,209	59,295,898
2022						
Financial liabilities						
Long term financing	261,991,256	261,991,256	91,652,124	91,652,124	19,391,110	78,687,008
Lease liabilities	68,055,656	90,614,419	15,533,910	15,533,910	59,546,599	-
Trade and other payables	1,196,136,870	1,196,136,870	1,196,136,870	-	-	-
Mark-up accrued	16,604,711	16,604,711	16,604,711	-	-	-
Short term borrowing	1,294,906,119	1,294,906,119	1,294,906,119	-	-	-
	2,837,694,612	2,860,253,375	2,614,833,734	107,186,034	78,937,709	78,687,008

47.1.4 Market risk

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

a) Currency risk

The Company is exposed to currency risk on trade debts, import of raw materials and stores and spares and export sales that are denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	Note	2023 Rupees	2022 Rupees
Trade debts		259,603,079	217,020,076
Gross balance sheet exposure		259,603,079	217,020,076
Outstanding letters of credit	33.2	(125,857,560)	(136,685,250)
Net exposure		133,745,519	80,334,826

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2023	2022	2023	2022
USD to PKR	246.05	181.55	287.10	205.50
Euro to PKR	314.27	199.13	264.39	215.75
GBP to PKR	365.40	234.27	306.80	249.92

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

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar, Euro or Pound sterling with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

	2023	2022
Effect on profit or loss		
Loss	<u>25,960,308</u>	<u>21,702,008</u>

The weakening of the PKR against US dollar, Euro or Pound Sterling would have had an equal but opposite impact on the post tax profits / loss.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. At the balance sheet date the interest rate profile of the Group's interest - bearing financial instruments is as follows:

	Effective rate Percentage	2023	2022	
		Carrying amount Rupees	Rupees	
Financial liabilities				
Variable rate instruments:				
Long term loans	SBP+1% to SBP+3%	74,733,107	261,991,256	
Short term borrowings	SBP+1%	1,312,657,119	1,294,906,119	
Lease liabilities	13.8%	<u>44,722,223</u>	<u>68,055,656</u>	
		<u>1,432,112,449</u>	<u>1,624,953,031</u>	

Effective interest rates are mentioned in the respective notes to the financial statements.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased/(increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit and loss	
	100 bp increase	100 bp decrease
As at June 30, 2023		
Cash flow sensitivity - Variable rate financial liabilities	<u>(14,321,124)</u>	<u>14,321,124</u>
As at June 30, 2022		
Cash flow sensitivity - Variable rate financial liabilities	<u>(16,249,530)</u>	<u>16,249,530</u>

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

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

47.1.5 Other price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in market.

The Company is exposed to price risk because of investments held by the Company in units of open-end collective investment schemes and listed securities. The investments are marked to market based on net asset values and revaluation rates of Financial Markets association of Pakistan. Senior management of the Company reviews these investments on a regular basis.

In case of 1% increase / decrease in the net asset values of the investments subject to price risk the profit for the year and total comprehensive income of the Company would be higher / lower by Rs. 1.029 million (2022: Rs. 0.0014 million).

48 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 audit committee oversees compliance by management 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.

49 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

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.

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

50 FINANCIAL INSTRUMENTS BY CATEGORY

	Carrying value			Financial liabilities at amortized cost			Fair value		
	Financial assets at amortized cost	FVTPL - equity instrument	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2
On-Balance sheet financial instruments									
As at June 30, 2023									
Financial assets measured at fair value									
Investments classified as FVTPL									
Financial assets at amortised cost	-	102,975,933	-	102,975,933	102,975,933	-	-	102,975,933	-
Short term investments	5,000,000	-	-	-	5,000,000	-	-	-	-
Loan and advances	62,815,685	-	-	-	62,815,685	-	-	-	-
Long-term deposits	25,602,294	-	-	-	25,602,294	-	-	-	-
Trade debts	557,182,004	-	-	-	557,182,004	-	-	-	-
Trade deposits	10,639,865	-	-	-	10,639,865	-	-	-	-
Cash and bank balances	156,348,980	-	-	-	156,348,980	-	-	-	-
	817,568,828	102,975,933	-	-	920,564,761	102,975,933	-	-	102,975,933
Financial liabilities at amortised cost									
Long term financing - secured									
Trade and other payables	-	-	-	1,427,945,324	1,427,945,324	-	-	-	-
Lease liability	-	-	-	21,388,890	21,388,890	-	-	-	-
Accrued markup	-	-	-	52,271,856	52,271,856	-	-	-	-
Short-term borrowings - secured	-	-	-	1,312,657,119	1,312,657,119	-	-	-	-
	-	2,888,996,296	-	2,888,996,296	2,888,996,296	-	-	-	-
As at June 30, 2022									
Financial assets measured at fair value									
Investments classified as FVTPL									
Financial assets at amortised cost	-	1,422,014	-	-	1,422,014	1,422,014	-	-	1,422,014
Short term investments	5,000,000	-	-	-	5,000,000	-	-	-	-
Loan and advances	67,199,892	-	-	-	67,199,892	-	-	-	-
Long-term deposits	24,783,801	-	-	-	24,783,801	-	-	-	-
Trade debts	661,414,117	-	-	-	661,414,117	-	-	-	-
Trade deposits	9,970,921	-	-	-	9,970,921	-	-	-	-
Other receivables	66,035,362	-	-	-	66,035,362	-	-	-	-
Cash and bank balances	64,697,152	-	-	-	64,697,152	-	-	-	-
	899,101,245	1,422,014	-	-	900,523,259	1,422,014	-	-	1,422,014
Financial liabilities at amortised cost									
Long term financing - secured									
Trade and other payables	-	-	-	261,991,256	261,991,256	-	-	-	-
Lease liability	-	-	-	1,100,371,719	1,100,371,719	-	-	-	-
Accrued markup	-	-	-	44,722,323	44,722,323	-	-	-	-
Short-term borrowings - secured	-	-	-	16,604,711	16,604,711	-	-	-	-
	-	565,000,000	-	565,000,000	565,000,000	-	-	-	-
	-	1,988,690,009	-	1,988,690,009	1,988,690,009	-	-	-	-

50.1 The Company has revalued certain fixed assets at fair value and classified under property, plant and equipment. The carrying value and [level] of fair value of these non - financial assets have been disclosed in the relevant note to the condensed interim financial statements.

51 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees					
Managerial remuneration	2,000,000	2,000,000	1,600,000	1,600,000	24,447,062	17,916,800
House rent allowance	800,000	800,000	640,000	640,000	9,779,558	7,166,720
Utilities	200,000	200,000	160,000	160,000	2,442,140	1,791,680
	3,000,000	3,000,000	2,400,000	2,400,000	36,668,760	26,875,200
Number of persons	1	1	7	7	14	11

- 51.1 The Company also provides the Chief Executive and some of the Directors and Executives with Company maintained cars and mobiles phones in accordance with their terms of employment.
- 51.2 No meeting fee was paid to the directors for attending the meetings of the board. Some of the directors and executives are provided with free use of company cars.
- 51.3 Retirement and other long term benefits include benefits provided under provident fund, gratuity, pension and accumulated compensated absences.

52 CAPACITY AND PRODUCTION

Measuring Unit	Installed capacity		Actual production		Reason for shortfall
	2023	2022	2023	2022	
Square meter in millions @ 50 picks	81.94	84.62	58.85	69.79	Cautious production
Tons	4,835	4,835	3,992	3,953	strategy based on actual demands.
Tons	6,372	6,372	4,393	4,783	
Tons	783	783	446	318	

- 52.1 It is difficult to determine precisely the production capacity in textile weaving mills since it fluctuates widely depending on various factors such as speed, width and construction of cloth woven etc.

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

		2023	2022
		Number	Number
53	NUMBER OF EMPLOYEES		
	Number of employees at June 30,		
	Permanent		
	Head office	62	63
	Factory	1156	1022
	Average number of employees during the year		
	Permanent		
	Head office	63	63
	Factory	1182	1023

54 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

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 management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

	2023	2022
	Rupees	Rupees
The proportion of debt to equity at the year end was:		
Long term loans	74,733,107	261,991,256
Short term borrowings	1,312,657,119	1,294,906,119
Total debt	<u>1,387,390,226</u>	<u>1,556,897,375</u>
Total equity	2,529,991,597	2,103,033,681
Total equity and debt	<u>3,917,381,823</u>	<u>3,659,931,056</u>
Gearing ratio	<u>26:74</u>	<u>43:57</u>

55 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All other significant transactions and events that have affected the Company's financial

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

position and performance during the period have been adequately disclosed in the notes to these financial statements.

56 CORRESPONDING FIGURES

56.1 Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year except followings for better or correct presentation:

Item description	From	To	Amount Rupees
Right of use asset	Operating fixed asset	Right of use asset	115,845,812
Advance income tax	Trade deposits and prepayment	Tax refund due from Government	58,672,438
Sales tax refundable	Trade deposits and prepayment	Tax refund due from Government	388,415,460
Export rebate	Trade deposits and prepayment	Other receivables	14,582,288
Generators	Trade and other payables	Lease liabilities	44,722,323

57 DISCLOSURE REQUIREMENT FOR ALL SHARE ISLAMIC

With reference to circular no. 14 of 2016 dated April 21, 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index", the Company does not have investment, bank balance or other operations having Islamic mode therefore, individual items required by circular no. 14 of 2016 have not been disclosed.

58 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

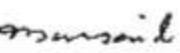
There are no significant adjusting or non adjusting event after the reporting date requiring adjustment or disclosure in financial statements except elsewhere disclosed in these financial statements (2022: The Board of Directors of the Company in its meeting held on September 28, 2022 has proposed a final cash dividend of Rs. 0.5 per share, for the year ended June 30, 2022 for approval of the members in the Annual General Meeting to be held on October 28, 2022).

59 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 27, 2023 by the Board of Directors of the Company.

60 GENERAL

Amounts have been rounded off to the nearest rupees unless otherwise stated.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

بیرونی آڈیٹر

موجودہ آڈیٹر، بیڈی او برائیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کمپنی کے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کے ناطے انہوں نے مورخ 30 جون 2024ء کو ختم ہونے والے مالی سال کیلئے اپنی خدمات دوبارہ سے دینے کی پیشکش کی ہے۔ آٹھ کمپنی کی تجویز پر بورڈ آف ڈائریکٹرز کی جانب سے بیڈی او برائیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو آئندہ آنے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری پر دوبارہ تعینات کرنے کی سفارش کی ہے۔

اعترافات

بورڈ اپنے قابل قدر شیئر ہولڈرز، بیکاروں، مالیاتی اداروں اور صارفین جن کے تعاون، مسلسل حمایت اور سرپرستی نے کمپنی کو ایک جمیں مسلسل کی جانب تغییب دی، کا تہہ دل سے شکریہ ادا کرتا ہے۔ زیر جائزہ مدت کے دوران انتظامیہ اور ملازمین کے درمیان تعلقات خوبصورت ہے اور کمپنی اپنے عملے اور کارکنوں کی لگن، استقامت اور مستعدی کیلئے ان کی مشکور و ممنون ہے۔

مختوم ارباب محمد خان
ڈائریکٹر

مختوم مساعد حنیف
چیف ایگزیکٹو
لارہور
27 ستمبر 2023ء

ڈائریکٹر کا بیان

کوڈ آف کار پوریٹ گورننس کے مطابق ہم ذیل میں سینئنٹس آف کار پوریٹ اینڈ فناشل رپورٹنگ فریم ورک دے رہے ہیں:

- 1 کمپنی کی میئنٹ کی جانب سے تیار کردہ فناشل سینئنٹ جس میں منصافانہ حالات، امور کی نتائج، کیش فلو اور ایکوئی میں تبدیلی کو خوش اسلوبی سے پیش کیا گیا ہے۔
- 2 کمپنی کے حسابات کی کتابیں حسب ضابطہ برقرار کی گئیں۔
- 3 مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق اور اکاؤنٹنگ کے تجھیہ معموق اور داشمندانہ فیصلے پر مبنی ہیں۔
- 4 فناشل سینئنٹ کی تیاری کیلئے پاکستان میں لاگو بین الاقوامی فناشل رپورٹنگ معیارات اختیار کیے گئے ہیں جیسا کہ پاکستان میں قابل اطلاق ہیں اور اس کے علاوہ کچھ ہوا ہے تو اسے ظاہر کیا گیا ہے۔
- 5 اندر و فی نظام مضبوط اور پاسیدار ہے اور اس پر متوثر طریقے سے عملدرآمد اور اس کی بہتر طریقے سے گرفتاری بھی کی جاتی ہے۔
- 6 کمپنی کے کاروبار کو جاری رکھنے کی صلاحیت تمام شک و شبہات سے بالاتر ہے۔
- 7 فہرست سازی کے ضوابط میں دی جانے والی تفصیلات کے مطابق کار پوریٹ گورننس کے بہترین طریقوں کو اپنایا گیا ہے۔

کار پوریٹ سماجی ذمہ داری

کمپنی کی طرف سے کار پوریٹ سماجی ذمہ داری کے اقدام کا مختصر خلاصہ درج ذیل ہے:

مساوی موضع روزگار

کمپنی نسل، رنگ، مذہب، جنس اور معدود ری کی ہیئت کے بغیر ملازمین اور دخواست دہندگان کو روزگار کے مساوی موضع فراہم کرتی ہے۔
ما جلیاتی تحفظ

کمپنی نے روایتی ذرائع سے قابل تجدید توانائی کی طرف منتقل کرنے کے لیے 945 kWh کا ششی توانائی کا پلاٹ نصب کیا اور ماحول کی پاسیداری اور سستی توانائی کو بیانی بنانے کے لیے پر عزم ہے۔

کمپنی نے صاف پانی کے ذرائع کو محفوظ رکھنے کے لیے فضلے کے پانی کو خارج کرنے سے پہلے صاف کرنے کے لیے انفلووٹ و اثر ٹریٹ منٹ پلاٹ بھی لگایا ہے۔ مزید برآں، کمپنی نے فطرت اور ماحول کو محفوظ بنانے کے لیے اپنے احاطے میں آٹھ ہزار سے زیادہ مختلف اقسام کے درخت لگائے ہیں۔

ملازمین کو صحت کے فوائد

مینوپیکچر نگ سہولیات پر صحت اور سماجی سرگرمیوں کا اہتمام کیا گیا ہے۔ کمپنی نے اپنے کارکنوں اور ملازمین کی جسمانی اور ذہنی صحت کو برقرار رکھنے کے لیے جم اور سپورٹس کمپاؤنڈ تعمیر کیا۔ مزید یہ کمپنی ایک مشہور مقامی کرکٹ ٹورنامنٹ میں باقاعدگی سے حصہ لیتی ہے، جس سے ملازمین کو تفریح کے ساتھ ساتھ ان کی صحت کو برقرار رکھنے میں مدد ملتی ہے۔

کمیٹی برائے افرادی قوت و مشاہرہ جات

کمیٹی برائے افرادی قوت و مشاہرہ جات تین افراد پر مشتمل کمیٹی ہے جن میں سے دوناں ایگزیکیوٹو ائریکیٹرز ہیں اور چیئرمین ایک خود مختار ڈائریکٹر ہے۔ کمیٹی برائے افرادی قوت و مشاہرہ جات بورڈ آف ڈائریکٹرز کی جانب سے وضع کئے گئے ڈرم آف ریفرنس کے مطابق کام کرتی ہے۔ زیر غور سال کے دوران اس کمیٹی کا صرف ایک اجلاس منعقد ہوا جس میں حاضری کے احوال حسب ذیل ہیں۔

نام	عبدہ	اجلاس میں شمولیت
محترمہ نزہت کامران	چیئرمین امبر	1
محترم ارباب محمد خان	مبر	1
محترمہ صباح برہان	مبر	1

بورڈ آف ڈائریکٹرز کا اجلاس

زیر غور سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے چار عدد اجلاس منعقد ہوئے جس میں حاضری کے احوال حسب ذیل ہے۔

نمبر شار	نام ڈائریکٹر	اجلاس میں حاضری کی تعداد
1	محترم مساعد عظیف	4
2	محترم ارباب محمد خان	4
3	محترم رانا کمال الدین	4
4	محترمہ نزہت کامران	4
5	محترمہ تہذیت مساعد	4
6	محترمہ صباح برہان	2
7	محترمہ سارہ نیوی والا	2

ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے مشاہرہ کے تعین کیلئے پالیسی مرتب کر کر گی ہے۔ اس پالیسی کے اہم نکات حسب ذیل ہیں:

- کمپنی اپنے نان۔ ایگزیکیوٹو ائریکیٹرز بہمی خود مختار ڈائریکٹرز کو مشاہرہ اور اجلاس کی فیس ادا نہیں کرے گی۔
- بورڈ اور اس کی کمیٹی کے اجلاس میں شرکت کیلئے کمپنی لفظ و حمل کے علاوہ رہائش کے اخراجات بھی برداشت کرے گی۔
- ڈائریکٹرز کے مشاہرہ کے تعین کی پالیسی پر نظر ثانی کی جاتی رہے گی اور اسے بورڈ آف ڈائریکٹرز کی جانب سے وقفہ و قواد و پارہ دیکھا جاتا رہے گا۔

کمپنی کے چیف ایگزیکیوٹو فیسر اور ڈائریکٹرز کے معاوضے کا کمپنی کے مالیاتی بیانات کے نوٹ 51 میں حوالہ دیا گیا ہے۔

ڈائریکٹرز کی تربیت کا پروگرام

کمپنی کے بورڈ آف ڈائریکٹرز 7 ڈائریکٹران پر مشتمل ہیں جس میں سے درج ذیل پانچ ڈائریکٹرز ایک مقامی ادارہ کی جانب سے پیش کئے جانے والے ڈائریکٹرز کیلئے تربیتی پروگرام جو کہ سیکورٹیز ایڈریس پیچ کمیشن آف پاکستان (ایس ای سی پی) کے معیار پر پورا تر تھا ہے، سے سرٹیفیکیٹ حاصل کرچے ہیں۔

- مختار مد تہذیب مساعد
- مختار مد صباح بربان
- مختار مد ارباب محمد خان
- مختار مد سارہ نیوی والا
- مختار مد نزہت کامران

بنا یاد ڈائریکٹرز بیشول کمپنی کیف ایگزیکٹو ڈائریکٹرز زرینگ پروگرام سے متنقی ہیں۔

کارپوریٹ بریفنگ سیشن

کمپنی کی کارکردگی اور مستقبل کے لامحہ عمل بارے سرمایہ کاروں کو معلومات کی فراہمی کیلئے سالانہ بنیادوں پر کارپوریٹ بریفنگ سیشن کا انعقاد کیا جاتا ہے۔

کارپوریٹ اور فناشل رپورٹنگ فریم ورک کی تعییل

ہم اچھی کارپوریٹ گورننس کیلئے پر عزم ہیں اور پاکستان اسٹاک ایچیجنگ لیہنڈ کی لسٹنگ ریگولیشنز میں شامل کوڈ آف کارپوریٹ گورننس ریگولیشن 2017 (سی ای جی 2017) کے تقاضوں کی تعییل کرتے ہیں۔ سی ای جی 2017 کی تعییل پر مبنی سینئٹ مسلک ہے۔

بورڈ کمیٹیاں

آٹھ کمیٹی

آٹھ کمیٹی بورڈ کے تمام تین نان۔ ایگزیکٹو ممبر ان پر مشتمل ہے۔ کمیٹی کی چیئر پرمن خود مقامی ڈائریکٹر ہے۔ آٹھ کمیٹی اپنی ڈیپٹیز کو بورڈ آف ڈائریکٹرز کی نرم آف ریفرنس کے مطابق ادا کر رہا ہے۔ زیر جائزہ سال کے دوران آٹھ کمیٹی کے چار جلاس منعقد ہوئے جن میں حاضری کی شرح حسب ذیل ہے۔

نام	عہدہ	اجلاس میں شمولیت
مختار مد نزہت کامران	چیئر پرمن / ممبر	4
مختار مد تہذیب مساعد	ممبر	4
مختار مراٹا کمال الدین	ممبر	4

مارکیٹ کا جائزہ اور مستقبل کے امکانات

پیدواری لاگت میں مسلسل اضافے اور طلب میں کمی کے باعث عالمی یونیکسائیل انڈسٹری غیر معمولی حالات سے دوچار ہے۔ ملک کا مبہ سے بڑا برآمدی محصولات پیدا کرنے والا یہ شعبہ مسلسل دس ماہ سے اس کمی کا سامنا کر رہا ہے۔ اس سال کے پہلے سات مہینوں میں، یونیکسائیل ایکسپورٹ کے اندر 9.09 ارب امریکی ڈالر کی معمولی کمی ریکارڈ کی گئی، جو پچھلے سال کی اسی مدت میں 11.48 ارب امریکی ڈالر سے نمایاں کمی ہے، جس کے نتیجے میں ماہیوس کن 21 فیصد منفی خوبی ہوئی۔ آرڈر میں کمی کے علاوہ مینی پیچ ٹنگ سامان کی لاگت تیزی سے بڑھ رہی ہے جو کہ ایک ٹنین کاروباری تشویش ہے۔ حکومت نے آئی ایم الیف کے ساتھ معاہدے کے تحت تمام مالی فوائد/سیسڈ یا کوئی بھی ختم کر دیا اور یونیکسائیل کی صنعت کو بری حالات میں چھوڑ دیا۔ تو ناتی کی بلند قیمت، بلند مالیاتی لاگت اور ڈیپٹی ڈرائیکٹسیمیوں کے خاتمے کے ساتھ موجودہ معاشی حالات میں، یونیکسائیل انڈسٹری کیلئے یہن الاقوامی مارکیٹ کا مقابلہ کرنا بہت مشکل ہے۔

کمپنی نے مستقبل میں درپیش چیلنجوں کا اندازہ لگایا اور اپنے کورے کپڑے کو میری اور نئے پراڈکٹس پر منتقل کرنے کا منصوبہ بنایا ہے۔ ہمارا نئس کا نیا کاروبار بہتر رفتار کے ساتھ آگے بڑھ رہا ہے، اور یہ میں یقین ہے کہ یہ آنے والے چند سالوں میں میری کے کاروبار کے برابر ہو جائیگا۔ کمپنی کے پاس نئے گارمنٹس کیلئے سلائی پلانٹ لگانے کا بھی منصوبہ ہے۔ اس مقصد کیلئے، زیر جائزہ مدت کے دوران پہلے ہی 32 عدد سوڈا کو ما لومز فروخت کی جا چکی ہیں اور مزید 68 لومز پیکانوں اور می پلس (800) بھی فروخت کی جا رہی ہیں تاکہ کورے کپڑے کے کاروبار کو چھوڑ کر نئے ڈائیگنگ اور سٹینچنگ یونٹ میں سرمایہ کاری کی جاسکے۔ کمپنی تو اتنا کی لائگت کو کم کرنے کیلئے جبکہ میں قائم تولید میں فیضکرنگ یونٹ میں سولہ یا اور پلانٹ کی صلاحیت کو 443 kwh سے 945 kwh تک بڑھا رہی ہے۔

کارپوریٹ گورننس

بورڈ آف ڈائریکٹرز

کمپنی کے ڈائریکٹران درج ذیل ہیں:

اگر یکنواز از یکشرا ای او	محترم مساعد حنفی	1
اگر یکنواز از یکشرا	محترم ارباب محمد خان	2
خود مختار را از یکشرا	محترم رانا کمال الدین	3
ڈاکٹر یکشرا چیخ پر سن	محترمہ تہذیب مساعد	4
ڈاکٹر یکشرا	محترمہ صباح برہان	5
خود مختار را از یکشرا	محترمہ نزہت کامران	6
ڈاکٹر یکشرا	محترمہ سارہ نیوی والا	7

KIBOR تاریخی طور پر 22.91 فیصد تک بلند رہا۔ حکومت کی طرف سے بالخصوص قابل تجیکس آمدنی کے 2 فیصد سے 10 فیصد تک پر ٹکیکس کی شکل میں ٹکیکوں کے اندر بھی اضافہ کیا گیا ہے۔ کمپنی نے واجبات اور مارک اپ لگت کو کم کرنے کیلئے گزشتہ سال اسی مدت میں 258.57 ملین روپے کے مقابلے میں 183.30 ملین روپے کے طویل المدى قرضوں کی ادائیگی کی ہے۔

سرمائے پر مبنی اخراجات

کاروباری سرگرمیوں کے نتیجے میں، جو کہ گزشتہ سال کے (CAPEX) کے مقابلے میں 76.46 فیصد زیادہ ہے۔ کمپنی نے 369.61 ملین روپے بطور فکسڈ کیپیشل اخراجات (CAPEX) کی سرمایہ کاری کی۔ اس سرمایہ سے ڈاٹریکٹریز کی جانب سے جبکہ میں فیکٹری کے اردوگر 135.84 ایکڑ اراضی کی خریداری کی گئی۔ یہ اراضی مستقبل کے توسعی منصوبوں اور پیداواری سہولیات اور کاروباری سرگرمیوں کو احسن طریقے سے سرانجام دینے کیلئے کی گئی۔ کمپنی کے مورخہ 13 اپریل 2023ء کو ہونے والے غیر معمولی اجلاس عام میں 231.40 ملین روپے کی لگت سے کل 46.28 ایکڑ قبیل خریداری کی منظوری دی گئی تھی جس میں سے 35.84 ایکڑ اراضی کمپنی کے نام منتقل کی جا چکی ہے۔ باقی 10.44 ایکڑ اراضی اگلے مالی سال کے دوران منتقل کر دی جائیگی۔ ویگر (CAPEX) میں 73 ملین روپے کی عمارت اور 81 ملین روپے کے پلائٹ اور مشینری وغیرہ شامل ہیں۔

منظلم کاروباری سرمایہ

بشوں بی بی بی + کی طویل المدى ریننگ اور اے-2 کی قلیل المدى ریننگ جو کہ وی آئی ایس کریڈٹ ریننگ کمپنی لمینڈ کی جانب سے مہیا کی گئی ہے اور جو کمپنی کی طویل اور مختصر مدت کے قرضوں کو پورا کرنے کی صلاحیت کو ظاہر کرتا ہے۔ اس کے مطابق زیر جائزہ مدت کیلئے موجودہ تناسب 1.07 (1.07:1.07) پر موجود ہے۔ کمپنی نے سیلز ریونیو میں 7.34 فیصد اضافہ حاصل کرنے کیلئے اپنے ورنگ کیپیشل کو انتہائی مسٹر طریقے سے استعمال کیا۔ کمپنی نے گزشتہ سال کی اسی مدت میں 447.17 ملین روپے کا ای بی آئی ڈی اے حاصل کیا۔ ای بی آئی ڈی اے فروخت تناسب پچھلے سال 6.06 فیصد کے مقابلے میں 7.15 فیصد ہے۔

منافع

ملک کی موجودہ معاشی حالت کے پیش نظر کمپنی کی ضروریات اور مستقبل میں کیش جزیشن کی صلاحیت کو مدنظر رکھتے ہوئے کمپنی کے بورڈ آف ڈاٹریکٹریز نے مورخہ 30 جون 2023ء کو ختم ہونے والے مالی سال کے لیے ڈی یڈ نڈ کی سفارش نہیں کی ہے۔ (30 جون 2022ء 5%)

فی حصہ آمدن

کمپنی فی حصہ آمدنی کا ایک ثابت سلسلہ برقرار رکھ رہے ہے جو شیئر ہولڈر کی ویب سائٹ اضافہ کے حوالے سے انتظامیہ کی مسٹر حکمت عملی کو ظاہر کرتا ہے۔ مورخہ 30 جون 2023ء کو ختم ہونے والے مالی سال کیلئے گزشتہ سال اسی مدت کی فی شیئر آمدن 3.07 کے مقابلے میں فی حصہ آمدن 4.00 روپے رہی۔

معزز ارکین

آپ کی کمپنی کے ڈائریکٹران کیلئے مورخ 30 جون 2023ء کو ختم ہونے والے ماں سال کے لیے شمول خود مختار آڈیٹرز کی رپورٹ، آڈیٹ شدہ سالانہ رپورٹ پیش کرنا باعث فخر و امتیاز ہے۔

مالیاتی جاگہ

کمپنی کی جانب سے مشکل مالی حالات کے باوجود گزشتہ مدت کے مقابلے میں بہتر مالی کارکردگی ریکارڈ کی گئی ہے۔ آمدی اور منافع دونوں کے اندر بہتری دیکھنے میں آئی۔ سیلزر یونیورسٹی میں 7.34 فیصد اضافہ ہوا جبکہ مجموعی مارجین میں گزشتہ اسی مدت کے مقابلے میں 41.31 فیصد اضافہ ہوا ہے۔ اس ترقی کی بنیادی وجہ میں مارکینگ کا بہتر لامچہ عمل، مختلف مصنوعات کی شمولیت اور بہتری مارکینگ کی حکمت عملی شامل ہیں۔

تفصیل	2023	فیصد شرح میں اضافہ (ریسٹیڈ)	2022
خالص فروخت	7,925,939,730	7.34	7,384,164,107
مجموعی منافع	1,044,489,513	41.31	739,148,073
ای بی آئی ڈی اے	566,747,254	26.74	447,175,287
فرسودگی	196,094,225	5.46	185,945,639
مالی لاغت	189,581,100	92.93	98,263,025
منافع بعده ٹکس	370,653,029	41.89	261,229,648
منافع علاوہ ٹکس	237,958,441	30.62	182,175,103
فی حصہ آمدی	4.00	30.62	3.07

گزشتہ اسی مدت کے مقابلے کے حساب سے سیلزر یونیورسٹی میں 38.38 ارب روپے سے 17.93 ارب روپے کی بہتری آئی جبکہ ایکسپورٹ کے اندر 3.69 ارب روپے سے 18.5 ارب روپے کا اضافہ ہوا۔ کمپنی اپنے منصوبہ کے تحت کوئے کپڑے کے کاروبار کو پیاوائیڈر، آمدی کاروبار کی طرف منتقل کرنے کو بذریعہ عملی شکل دے رہی ہے۔ اس کے نتیجے میں مجموعی اور خالص منافع میں 739.15 ملین روپے سے 1,044.49 ملین روپے اور 182.18 ملین روپے سے 237.96 ملین روپے، جو کہ بالترتیب 41.31 فیصد اور 30.62 فیصد ہے۔ اس کا اضافہ ہوا ہے۔ ای بی آئی ڈی اے میں بھی 447.18 ملین روپے سے 566.74 ملین روپے کا اضافہ ہوا ہے۔ مالی لاغت میں بھی 92.93 فیصد کا اضافہ ہوا ہے جس کی وجہ سے منافع کی شرح میں کمی واقع ہوئی ہے۔ سیٹ پینک آف پاکستان کی جانب سے ہیں الاقوامی مانیٹری فنڈ کی راہنمائی میں لاگوکی گئی مالیاتی پالیسی نے ایکسپورٹ کی صنعت کیلئے تمام رعایتی قرضوں کو ختم کر دیا اور تین ماہ کا

کمپنی نے مالی سال 2023ء کے دوران ناموافق مالی حالات کے باوجود شاندار کارکردگی کا مظاہرہ کیا۔ سیلز ریونیو میں 7.34 فیصد تک اضافہ ہوا، جبکہ گزشتہ اسی مدت کے مقابلہ میں مجموعی افغ 41.31 فیصد رہا۔

بورڈ کی کارکردگی

میں بورڈ آف ڈائریکٹرز (بورڈ) کی جانب سے ہماری اجتماعی کامیابیوں کا باعث بننے والی انتظامیہ اور بالخصوصی ای او، کی شاندار لیڈرزپ اور اگن کو خراج تحسین پیش کرتی ہوں۔ مستقبل کی طرف جھانکتے مجھے یقین ہوا جاتا ہے کہ بورڈ کی بصیرت اگلیز قیادت ہمارے عملی امور پر میں تمام پہلوؤں میں بہترین کارکردگی کی حوصلہ افزائی کرتی رہے گی۔ بورڈ کے اراکین ہمارے دیہن اور مشن کے پیات میں متعین اعلیٰ سطح کے اخلاقی اور پیشہ و رانہ معیارات سے بخوبی واقف ہیں اور اس میں بیان کردہ مقاصد کو حاصل کرنے میں مکمل تعاون کرتے ہیں۔ یہاں میں بورڈ آف ڈائریکٹرز کی کارکردگی کی بھی معرف ہوں جنہوں نے شبانہ روز مخت اور اگن کے ساتھ اس مشکل وقت میں کمپنی کیلئے شاندار آپریشنل اور مالیتی حکمت عملی وضع کرنے میں کوئی کثرتیں اٹھا رکھی۔

بورڈ کا روابر کی کامیابی کیلئے ضروری ایجاداری کے اعلیٰ معیارات طے کرتا ہے۔ موجودہ حالات میں بہترین نتائج حاصل کرنے کیلئے وسیع و سائل کا بہتر استعمال آپریشنز کا بنیادی مقصد رہا ہے۔

بورڈ کی جانب سے کلیدی کامیابیاں درج ذیل ہیں:

• روشنیں بی ایم آر

• سہ ماہی اور سالانہ مالی گوشوارے

• فناش روپرنگ کے معیار اور معتریت کو یقینی بنانا اور سہ ماہی و سالانہ مالی گوشواروں میں شفافیت کو برقرار رکھنا

• انٹرل آڈٹ اور آڈٹ کمیٹی کی روپریش و نتائج کے علاوہ انٹرل کنٹرول سسٹم کی متوریت پر نظر ثانی

• بیرونی آڈیٹرز کی تعیناتی، اور

بورڈ اپنی ذمہ داریوں کو مناسب طریقے سے ادا کرنے کیلئے اکثر غیر رسمی ملاقاتیں کرتا ہے۔ اہم فیصلوں میں نان۔ ایگزیکٹو اور خود مختار ڈائریکٹرز مساوی طور پر شامل ہوتے ہیں۔ میں تمام ممبران، صارفین، سپلائرز، میکرز، شیئر ہولڈرز اور بورڈ آف ڈائریکٹرز کی محنت اور عزم کے لیے ان سب کا شکریہ ادا کرنا اور ان کی تعریف کرنا چاہوں گی۔

مختصر ملکی اخراج

محترمہ تہذیت مساعد
چیئر پرنس

لاہور

27 ستمبر 2023ء

ZEPHYR TEXTILES LIMITED

3rd Floor IEP Building 97-B/D-1, Gulberg III, Lahore

PROXY FORM

I/ We,

Of

Being a member of ZEPHYR TEXTILES LTD, hereby appoint

Being a member of ZEPHYR TEXTILES LTD, hereby appoint
(NAME)

Of _____ another member of the company

Or failing him/ her _____

(NAME)

Of _____ another member of the company

(being member of the company) as my/ our proxy to attend vote for and on my / our behalf at the Annual General Meeting of the company held at its Registered Office, 3rd Floor IEP Building 97/B/D-1, Gulberg III, Lahore on October 27, 2023 at 10:30 AM and at every adoornments thereof.

As witnessed given under my / our hand (s) this _____ day of _____ 2023.

1. Witness: _____
Signature: _____
Name: _____
Address: _____

Affix
Revenue
Stamps of
Rs. 5/-

2. Witness: _____
Signature: _____
Name: _____
Address: _____

Shares held _____
Shareholders' _____
CDC A/c # _____
CNIC #: _____

Signature of Member

Notes:

1. Proxies, in order to effective, must be reached at the Company's Registered Office, not less than 48 hours the time of holding the meeting and must be duly stamped, signed and witnessed.
2. CDC shareholders, entitled to attend and vote at this meeting, must bring with them their National identity card / passport in original to prove his / her identity, and in case of proxy, must enclosed an attested copies of his/her NIC or passport. Representative of Corporate members should bring the usual documents required for such purpose.

زیفر ٹیکسٹ ملز لمیٹڈ

پرائی فارم

ملع

ساکن

میں اہم سکی اسماہ

بھیتیت میر کپنی سکی اسماہ

ساکن سکنی میر یا اسکی عدم موجودگی کی صورت میں

سکی اسماہ سکنی میر یا بطور خارج (پرائی) مقرر تا اکتوبر 2023 کرنی ہوں تاکہ وہ میری اہماری جگہ اور میری

اہماری طرف سے کپنی کے سازنا اجلاس عام جو کہ تاریخ 27 اکتوبر 2023 بوقت میں 10:30 کپنی کے رہروڈ آفس تیری منزل IEP ہندگ 97-B/D-1 گلبرگ

اہم میں منعقد ہو رہا ہے میں بول سکے اور وہ ڈال سکے

وستھنا تاریخ 2023 دن

گواہ کے کوائف

دستخط:

نام:

پیشہ:

کمپیوٹر آر ٹو می شناختی کارڈ کا نمبر:

فول نمبر:

سی ڈی ای کھاتہ نمبر:

حصہ کی تعداد:

اہم:

پرائی فارم کپنی کے رہروڈ آفس اہم میں اجلاس کے انعقاد سے کم از کم ۲۸ گھنٹے میں بچ کر اہالازمی ہے۔ بصورت دیگر، قابل قبول نہ ہوگا۔



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Zephyr Textiles Limited
3rd Floor, IEP Building, 97-B/D-1, Gulberg III,
Lahore - Pakistan

T +92 42 3578 2905
F +92 42 3575 3202
E info@zephyr.com.pk