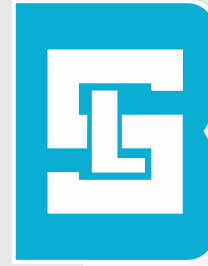


BIBOJEE GROUP



# 64th ANNUAL REPORT 2024

**JANANA  
DE MALUCHO**  

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**TEXTILE MILLS LIMITED**

يَارِبُّ الْعَزَّة

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. AHMAD KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MRS. SHAHNAZ SAJJAD AHMAD DR. SHAHIN KULI KHAN KHATTAK MRS. ZENAB ADNAN AURANGZEB MAJ. GEN. (RETD) SAEED AHMED WAHLA COL. (RETD) SYED YUNUS ALI RAZA	Chairman Chief Executive
AUDIT COMMITTEE	MAJ. GEN. (RETD) SAEED AHMED WAHLA MR. AHMAD KULI KHAN KHATTAK COL. (RETD) SYED YUNUS ALI RAZA	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	COL. (RETD) SYED YUNUS ALI RAZA LT. GEN. (RETD.) ALI KULI KHAN KHATTAK  MR. AHMAD KULI KHAN KHATTAK MRS. SHAHNAZ SAJJAD AHMAD	Chairman Chief Executive / Member Member Member
CHIEF FINANCIAL OFFICER	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance & Corporate Affairs	
COMPANY SECRETARY	MR. ABID RAZA, M.(Accounting & Finance), APFA	
AUDITORS	SHINEWING HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN THE BANK OF KHYBER BANK ALFALAH LIMITED PAK OMAN INVESTMENT COMPANY LTD. MEEZAN BANK LIMITED HABIB METROPOLITAN BANK LTD.	
LEGAL ADVISOR	HASSAN & HASSAN (ADVOCATES) PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE	
TAX CONSULTANTS	M. NAWAZ KHAN & CO. GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD, LAHORE	
REGISTRARS & SHARES REGISTRATION OFFICE	VISION CONSULTING LIMITED 5-C, LDA FLATS, 1ST FLOOR, LAWRENCE ROAD, LAHORE TEL. 042-36283096-97, FAX. 042-36312550 EMAIL: info@vcl.com.pk	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK) TEL. 0922 - 862161 - 862163 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk, janana.textile@gmail.com WEB SITE: www.jdm.com.pk	

## VISION

“TO BE MARKET LEADERS IN YARN, BUILDING COMPANY IMAGE THROUGH INNOVATION AND COMPETITIVENESS, ENSURING SATISFACTION TO CUSTOMERS' AND STAKEHOLDERS AND TO FULFILL SOCIAL OBLIGATIONS.”

## MISSION STATEMENT

“LEAD PRODUCER OF QUALITY YARN WE SHALL BUILD ON OUR CORE COMPETENCIES AND ACHIEVE EXCELLENCE IN PERFORMANCE. WE AIM AT EXCEEDING EXPECTATIONS OF ALL STAKEHOLDERS. WE TARGET TO ACHIEVE TECHNOLOGICAL ADVANCEMENTS TO INCULCATE THE MOST EFFICIENT, ETHICAL AND TIME TESTED BUSINESS PRACTICES IN OUR MANAGEMENT.

WE SHALL STRIVE TO INNOVATE AND INTRODUCE ALTERNATE USES OF PRODUCT TO BROADEN OUR CUSTOMER BASE TO HELP STRENGTHEN THE PHYSICAL INFRASTRUCTURE OF THE COUNTRY.”

## OVER ALL CORPORATE STRATEGY

1. TO ACHIEVE GROWTH BY MONITORING OUR MARKET NICHE IN SUPER FINE & FINE COUNTS, AND AT THE SAME TIME DIVERSIFYING OUR PRODUCTS RANGE TO ENTER NEW PROFITABLE MARKETS.
2. TO CONSTANTLY IMPROVE PRODUCTIVITY, QUALITY AND SERVICES WHICH WILL NOT ONLY SERVE THE MARKET CONSUMERS BUT WILL ALSO RESULT IN ENHANCED PAYMENT OF SALES TAX, INCOME TAX AND OTHER GOVERNMENT LEVIES.
3. TO PROVIDE CLEAN AND POLLUTION FREE ENVIRONMENT TO OUR EMPLOYEES FOR IMPROVING THEIR PERFORMANCE & CREATING A CORPORATE CULTURE THAT FOSTERS INITIATIVE IN ITS WORK FORCE.
4. TO CONSTANTLY STRIVE FOR INCREASING INVESTOR'S SHARE VALUE BY ACHIEVING COMMENDABLE RESULTS EVEN IN VERY DIFFICULT AND HIGHLY COMPETITIVE INTERNATIONAL & LOCAL MARKETS.




## **NOTICE OF 64<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that 64<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on **Saturday the 26<sup>th</sup> October 2024 at 11:00 A.M.** at registered office of the Company, Habibabad, Kohat, to transact the following business.

### **ORDINARY BUSINESS:**

1. To confirm the minutes of the last Annual General Meeting held on 23<sup>rd</sup> October 2023.
2. To receive, consider and adopt the annual audited Financial Statements of the company together with the Chairman's Review Report and the Directors' and Auditors' reports thereon for the year ended 30<sup>th</sup> June 2024.

As required under section 223(6) of the Companies Act, 2017 ("the Act"), Financial Statements of the Company has been uploaded on the website of the Company, which can be downloaded from the following link / QR code

Weblink	QR enabled Code
<a href="https://jdm.com.pk/Products/Gallery/invinfdocen386.pdf">https://jdm.com.pk/Products/Gallery/invinfdocen386.pdf</a>	

3. To appoint statutory Auditors for the financial year 2024-25 and to fix their remuneration. The retiring Auditors M/s shineWing, Hameed Chaudhri and Co., Chartered Accountants, Lahore being eligible have consented and offered themselves for re-appointment.

### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass the following resolutions as Special Resolutions with or without modification(s):

**To ratify and approve transactions entered into by the Company and the related parties in its ordinary course of business by passing the following Special Resolution:**

**“RESOLVED THAT** the transactions carried out in normal course of business with associated companies/ related parties during the year ended June 30, 2024, (as disclosed in the note 44 of the Financial Statements for the year ended June 30, 2024) be and are hereby ratified, confirmed and approved.”

**“RESOLVED THAT** the Chief Executive Officer, and the Chief Financial Officer of the Company be and are hereby authorized jointly to approve all the transactions carried out and to be carried out in normal course of business with associated companies/ related parties during the year ending June 30, 2025 and in this connection the Chief Executive Officer and the Chief Financial Officer jointly be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents as may be required in this regard on behalf of the Company.”

**“FURTHER RESOLVED THAT:**

- i. The Chief Executive Officer and the Company Secretary (hereinafter referred to as the “Authorized Officers”) be and are hereby jointly authorized to complete all the necessary legal and corporate formalities pertaining to this resolution.

- ii. The Chief Executive Officer and the Company Secretary, be and are also hereby jointly authorized to take any further modifications/amendments/corrections at a later stage if pointed out by the Securities and Exchange Commission of Pakistan (The Commission) and to take such other steps, execute such other documents and make necessary corporate and other filings as may be necessary or expedient for the purpose of giving effect to the above resolutions and all other matters incidental or ancillary thereto.”

A statement of material facts under Section 134 (3) of the Companies Act, 2017 pertaining to the Special Business as stated above is annexed to this notice of meeting being sent to the Members.

**ANY OTHER BUSINESS:**

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

By order of the Board



**ABID RAZA**  
Company Secretary

Kohat

Dated: **4<sup>th</sup> October 2024**

**NOTES:**

1. The register of members of the Company will remain closed from October 19, 2024 to October 26, 2024 (both days inclusive). Transfers received in order by the Company's Shares Registrar, M/s. Vision Consulting Limited, 5-C LDA Flats, 1st Floor, Lawrence Road, Lahore by the close of business hours (till 5:00 pm) on October 18, 2024 will be considered in time for registration in the name of the transferees, and be eligible for the purpose of attending and voting at the AGM.
2. A member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. Proxy Form duly completed must be deposited at the registered office of the Company at least 48 hours before the time of meeting. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished along with the proxy form.
3. Any individual beneficial owner having an account or sub-account with the Central Depository Company ("CDC"), is entitled to attend and vote at this meeting, must provide his/her "CNIC" or Passport to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. Representatives of the corporate entities should provide attested copies of board of directors' resolution/power of attorney with specimen signatures required for the purpose and all such documents as are required under Circular No.1 dated 26th January 2000 issued by the Securities Exchange and Commission of Pakistan for the purpose.
4. Pursuant to provisions of section 134 of the Act, if the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least Seven (7) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.
5. The Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 4 of 2021 dated February 15, 2021, has advised to provide participation of the members through electronic means. Members interested to participate in the AGM are requested to email their name, Folio

Number, Number of shares held in their name, Cell Number, CNIC Number (along with valid copy of both sides of CNIC) with subject "Registration for Participation in AGM" at "janana.textile@gmail.com". Video link and login credentials shall be shared with only those members whose emails, containing all the required particulars, are received by the close of business hours (till 5:00 pm) on October 24, 2024.

## 6. ELECTRONIC VOTING AND POSTAL BALLOT

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business (es) in the meeting, in accordance with the conditions mentioned in the aforesaid regulations. The Company shall provide its members with the following options for voting:

### i. E-VOTING PROCEDURE

- a. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 18, 2024.
- b. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of Vision Consulting Ltd. (being the e-voting service provider).
- c. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d. Members shall cast vote online at any time from October 23, 2024, 9:00 a.m. (PST) to October 25, 2024 till 5:00 p.m. (PST). Voting shall close on October 25, 2024, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

### ii. POSTAL BALLOT VOTING PROCEDURE

- a. Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper will be available on the Company's website [www.jdm.com.pk](http://www.jdm.com.pk) within stipulated time to download.
  - b. The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, Habibabad, Kohat, or email at [janana.textile@gmail.com](mailto:janana.textile@gmail.com) one day before the AGM, i.e., on October 25, 2024 before 05:00 pm. A postal ballot received after this time/date shall not be considered for voting. The signature on the Ballot Paper shall match with signature on the CNIC.
7. Members are requested to notify immediately any change in their address to the Company's Share Registrar.
  8. To comply with requirement of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provision and Forms) Regulations, 2018, all CDC and physical shareholders are requested to provide their email address and cell phone number incorporated/updated in their physical folio or CDC account
  9. Members are informed that, in accordance with the SECP's S.R.O. 389(i)/2023 dated March 21, 2023, and the Companies Act, 2017, the company will distribute its annual audited financial statements via email to members who have provided their email addresses to the Company. The audited financial statements can also download from the QR enable Code. However, if a request has been made by a member, the Company shall send hard copy of complete financial statements, at his registered address, within one week of request.

10. The audited financial statements of the Company for the year ended June 30, 2024 and the notice of Annual General Meeting have also been posted and are made available on the Company's website [www.jdm.com.pk](http://www.jdm.com.pk) and can be downloaded from the website.
11. Members are requested to replace their physical shares in Book-entry form and get their Names registered with the CDC, as early as possible, in compliance with the provisions of Section 72 (2) of the Companies Act, 2017.

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 REGARDING THE SPECIAL BUSINESS**

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 26<sup>th</sup> October 2024.

**Item No. 04 of the Agenda: Transactions with Related Parties**

- i. The transactions carried out with associated companies during the year ended June 30, 2024 to be passed as a Special Resolution. The transactions carried out in normal course of business with associated companies (Related parties) were approved by the Board as recommended by the Audit Committee on quarterly basis.

Since the majority of Directors were interested in this/these transactions(s) due to their common directorship and holding of shares in the associated companies, therefore these transactions have to be approved by the members in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2024 with associated companies and related parties as shown in relevant notes of the Audited Financial Statements are being placed before the members for their consideration, confirmation and approval.

The Directors are interested in the Resolutions to the extent of their common directorship and their shareholding in the associated companies.

The following Directors are interested in the resolution to the extent of their relation, common directorship and their shareholding in the Associated Companies:

1. Lt. Gen. (Retd.) Ali Kuli Khan Khattak
2. Mr. Ahmad Kuli Khan Khattak
3. Mrs. Shahnaz Sajjad Ahmad
4. Dr. Shahin Kuli Khan Khattak
5. Mrs. Zenab Adnan Aurangzeb

Approval of the members is, therefore sought in order to comply with the requirements of Section 208 of the Companies Act, 2017.

- ii. Authorization of the Chief Executive and the Chief Financial Officer jointly for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2025 to be passed as a Special Resolution.

The Company would be conducting transactions with associated companies in the normal course of business. Majority of the Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the members.

The shareholders may authorize the Chief Executive and the Chief Financial Officer jointly to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2025.

## اطلاع برائے 64 واں سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنی کا 64 واں سالانہ اجلاس عام (AGM)، کمپنی کے رجسٹرڈ دفتر، حبیب آباد، کوہاٹ پر درج ذیل امور کی انجام دہی کیلئے بروز ہفتہ 26 اکتوبر 2024ء صبح 11:00 بجے منعقد ہوگا۔

عام امور:

1- 23 اکتوبر، 2023 کو منعقدہ سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔

2- 30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کے سالانہ آڈٹ شدہ مالیاتی حسابات معہ اُن پر چیئرمین کا جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس پر غور و خوض اور منظوری دینا۔

جیسا کہ کمپنیز ایکٹ، 2017 کے سیکشن (6) 223 کے تحت کمپنی کے سالانہ مالیاتی حسابات کمپنی کی ویب سائٹ پر پوسٹ کیے گئے ہیں، جنہیں درج ذیل لنک اور QR فعال کوڈ کا استعمال کرتے ہوئے ملاحظہ/ڈاؤن لوڈ کیا جاسکتا ہے:

ویب لنک: <https://jdm.com.pk/Products/Gallery/invinfdocen386.pdf>



3- مالی سال 2024-25 کے لئے قانونی آڈیٹرز کا تقرر اور ان کے معاوضہ کا تعین کرنا۔ ریٹائرڈ ہونے والے آڈیٹرز میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، لاہور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔  
خصوصی امور:

4- غور و خوض اور اگر بہتر خیال کیا گیا تو، درج ذیل قراردادوں کو ترمیم کے ساتھ یا اس کے بغیر بطور خصوصی قراردادیں پاس کرنا:-

مندرجہ ذیل خصوصی قرارداد کو پاس کر کے کمپنی اور متعلقہ فریقوں کی طرف سے عام کاروبار میں کئے گئے لین دین کی توثیق اور منظوری دینا:  
"قرارداد پایا کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں/متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے مطابق کیے گئے لین دین (جیسا کہ 30 جون 2024 کو ختم ہونے والے سال کے مالیاتی حسابات کے نوٹ 44 میں ظاہر کیا گیا ہے) اس کی توثیق، تصدیق اور منظور کیا جاتا ہے"

"قرارداد پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر مشترکہ طور پر 30 جون 2025 ختم ہونے والے سال کے دوران متعلقہ کمپنیوں/متعلقہ فریقوں کے ساتھ کئے گئے تمام لین دین کو منظور کرنے اور کاروبار کے معمول کے مطابق کرنے کے مجاز ہیں اور اس سلسلے میں چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر مشترکہ طور پر کوئی بھی اور تمام ضروری کارروائی کرنے اور اس سلسلے میں درکار کسی بھی اور ایسے تمام دستاویزات یا کمپنی کی جانب سے دستخط/عمل درآمد کرنے کے مجاز ہیں۔"

"مزید قرارداد پایا کہ:

(i) چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری (مجاز افسران) مشترکہ طور پر اس قرارداد سے متعلق تمام ضروری قانونی اور کارپوریٹ رسمی کارروائیوں کو مکمل

کرنے کے مجاز ہیں۔

(ii) چیف ایگزیکٹو آفیسر اور کمپنی سیکرٹری مشترکہ طور پر مجاز ہیں کہ وہ بعد کے مرحلے میں مزید کوئی ترمیم/تبدیلی/اصلاح کریں اگر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے نشاندہی کی جائے اور اس طرح کے دیگر اقدامات اٹھائے جائیں، اس طرح کے دیگر دستاویزات اور ضروری کارپوریٹ اور دیگر فائلنگز جو کہ مندرجہ بالا قراردادوں کو نافذ کرنے کے مقصد کے لئے ضروری یا مناسب ہو اور دیگر تمام واقعاتی یا ذیلی معاملات کریں۔ کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت مادی حقائق کا بیان جو خصوصی امور سے متعلق اوپر بیان کیا گیا ہے اس نوٹس اجلاس کے ساتھ منسلک ممبران کو ارسال کیا جا رہا ہے۔

5۔ صاحب صدر کی اجازت سے کسی دیگر امور پر کارروائی کرنا۔

بحکم بورڈ  
  
 عابد رضا  
 کمپنی سیکرٹری

کوہاٹ

04 اکتوبر 2024ء

نوٹ:

1۔ کمپنی کے ممبران کا رجسٹرڈ 19 اکتوبر 2024ء تا 26 اکتوبر 2024ء (بشمول دونوں ایام) بند رہے گا۔ منقليات کمپنی کے شیئرز رجسٹرار کے دفتر، میسرز وٹن کنسلٹنگ لمیٹڈ، C-5 میل ڈی اے فلیٹس، پہلی منزل، لارنس روڈ، لاہور میں 18 اکتوبر 2024ء کو (5:00pm بجے تک) کاروبار کے اختتام تک وصول ہونے والی ٹرانسفریز کے نام میں رجسٹریشن اور AGM میں شرکت اور ووٹنگ کے مقصد کے لئے بروقت تصور ہوگی۔

2۔ اجلاس میں شرکت اور ووٹ دینے کا مستحق کوئی ممبر اپنی بجائے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا/اپنی پر کسی مقرر کر سکتا رہتا ہے۔ باقاعدہ مکمل شدہ پر کسی فارم اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں لازماً وصول ہو جانی چاہئیں۔ بینیفیشل اونرز اور پر کسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول، پر کسی فارم کے ہمراہ جمع کرانا ہوگی۔ کارپوریٹ ادارہ کی صورت میں، بورڈ کی قرارداد/مختار نامہ معہ پر کسی ہولڈر کے دستخط شدہ پر کسی فارم کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

3۔ سنٹرل ڈیپازٹری کمپنی (سی ڈی سی) کا کوئی انفرادی بینیفیشل مالک جو اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ہو کو اپنی شناخت ثابت کرنے کے لئے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ لازماً ہمراہ لانا چاہئے، اور پر کسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ کاپی لازماً لف کرنی چاہئے۔ کارپوریٹ اداروں کے نمائندہ کو اس مقصد کے لئے نمونہ دستخط کے ساتھ بورڈ کی قرارداد/مختار نامہ اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے جاری شدہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 کے تحت درکار تمام ایسے دستاویزات کی مصدقہ نقول فراہم کرنی چاہئیں۔

4۔ ایکٹ کے سیکشن 134 کی پرویزنز کے مطابق، اگر کمپنی 10 فیصد یا اس سے زیادہ شیئرز ہولڈنگ رکھنے والے ارکان جو جغرافیائی محل وقوع میں رہائش پذیر ہوں سے وڈیو کانفرنس کے ذریعے اجلاس میں شرکت کی رضامندی اجلاس کی تاریخ سے کم از کم سات (7) دن پہلے وصول کرتی ہے تو، کمپنی اس شہر میں وڈیو کانفرنس کی سہولت کا بندوبست کرے گی جو اس شہر میں ایسی سہولت کی دستیابی سے مشروط ہے۔

5-SECP نے 15 فروری 2021 کے سرکلر نمبر 4 آف 2021 کے ذریعے اراکین کو الیکٹرانک ذرائع سے شرکت فراہم کرنے کی ہدایت کی ہے۔ AGM میں شرکت کے خواہشمند ممبران سے درخواست کی جاتی ہے کہ وہ اپنا نام، فوئیو نمبر، اپنے نام پر رکھے گئے حصص کی تعداد، سیل نمبر، CNIC نمبر (CNIC کے دونوں اطراف کی موثر کاپی کے ساتھ) موضوع "AGM میں شرکت کے لیے رجسٹریشن" کے ساتھ "janana.textile@gmail.com" پر ای میل کریں۔ ویڈیولنک اور لاگ ان کی اسناد صرف ان ممبران کے ساتھ شیئر کی جائیں گی جن کی ای میلز، تمام مطلوبہ تفصیلات پر مشتمل، 24 اکتوبر 2024 کو کاروباری اوقات کے اختتام پر (شام 5 بجے تک) موصول ہوں گی۔

#### 6۔ الیکٹرانک ووٹنگ اور پوسٹل بیلٹ

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 اور SRO 2192(1)/2022 مورخہ 5 دسمبر 2022 کی رو سے ہونے والی ترامیم کے تحت، اراکین کو اجلاس میں، مذکورہ ضوابط میں بیان کردہ شرائط کے مطابق خصوصی امور کے لیے اپنے ووٹ کا حق استعمال کرنے کی اجازت ہوگی۔ کمپنی اپنے اراکین کو ووٹنگ کے لیے درج ذیل آپشنز فراہم کرے گی:

#### i۔ ای ووٹنگ کا طریقہ کار

a۔ ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان ممبران کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی جن کے 18 اکتوبر 2024 کو کاروبار کے اختتام تک کمپنی کے ممبران کے رجسٹر میں کارآمد CNIC نمبر، سیل نمبر، اور ای میل ایڈریس دستیاب ہوں گے۔

b۔ ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ، ای میل کے ذریعے اراکین کو مطلع کیا جائے گا۔ سیکورٹی کوڈز ممبران کو ویژن کنسلٹنگ لمیٹڈ کے ویب پورٹل سے ایس ایم ایس کے ذریعے بتائے جائیں گے۔

c۔ ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

d۔ اراکین 23 اکتوبر 2024 صبح 9:00 بجے (PST) سے 25 اکتوبر 2024 شام 5:00 بجے (PST) تک کسی بھی وقت آن لائن ووٹ ڈالیں گے۔ ووٹنگ 25 اکتوبر 2024 کو شام 5:00 بجے بند ہوگی۔ ایک بار جب کسی رکن کی طرف سے قرارداد پر ووٹ ڈال دیا گیا، تو اسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

#### ii۔ پوسٹل بیلٹ ووٹنگ کا طریقہ کار

a۔ اراکین متبادل طور پر پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا انتخاب کر سکتے ہیں۔ اراکین کی سہولت کے لیے بیلٹ پیپر کمپنی کی ویب سائٹ [www.jdm.com.pk](http://www.jdm.com.pk) پر ڈاؤن لوڈ کرنے کے لیے مقررہ وقت کے اندر دستیاب ہوں گے۔

b۔ اراکین کو یقینی بنانا چاہیے کہ صحیح طریقے سے پُر شدہ اور دستخط شدہ بیلٹ پیپر، کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کے ہمراہ کمپنی کے رجسٹرڈ ایڈریس، حبیب آباد، کوہاٹ، یا [janana.textile@gmail.com](mailto:janana.textile@gmail.com) پر ای میل کے ذریعے AGM سے ایک دن پہلے، یعنی 25 اکتوبر 2024 کو شام 05:00 بجے سے پہلے پہنچ جانا چاہئے۔ اس وقت/تاریخ کے بعد موصول ہونے والا پوسٹل بیلٹ ووٹنگ کے لیے زیر غور نہیں لایا جائے گا۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہوں گے۔

7۔ ارکان سے درخواست ہے کہ اپنے پتوں میں کسی تبدیلی، اگر کوئی ہو، فوری طور پر شیئر رجسٹر کو مطلع کریں۔

8۔ کمپنیز ایکٹ، 2017 کے سیکشن 119 اوکینیٹیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز، 2018 کے ضابطے 19 کی ضرورت کی تعمیل کرنے کے لئے، تمام سی ڈی سی اور فزیکل شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنا ای میل ایڈریس، سیل فون نمبر، فزیکل فوئیو یا سی ڈی سی اکاؤنٹ نمبر فراہم کریں۔

9۔ ممبران، جو اپنا ای میل کمپنی کو مہیا کر چکے ہیں، کو بذریعہ ہذا مطلع کیا جاتا ہے کہ ایس ای سی پی کے S.R.O NO. 389(i)/2023 مورخہ 21



مارچ 2023 اوکٹوبر ایکٹ، 2017 کے مطابق، کمپنیوں کو اجازت دی گئی ہے کہ وہ سالانہ رپورٹیں اراکین کو ای میل کے ذریعے ترسیل کریں۔ آڈٹ شدہ مالیاتی حسابات کو QR Enable Code سے ڈاؤن لوڈ کیا جاسکتا ہے تاہم، اگر کسی رکن کی طرف سے درخواست کی گئی ہے تو، کمپنی درخواست کے ایک ہفتے کے اندر اس کے رجسٹرڈ پتے پر مکمل مالیاتی حسابات کی ہارڈ کاپی بھیجے گی۔

10-30 جون، 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی حسابات اور سالانہ اجلاس عام کانوٹس بھی کمپنی کی ویب سائٹ [www.jdm.com.pk](http://www.jdm.com.pk) پر پوسٹ کر دیا گیا ہے۔

11- اراکان سے درخواست ہے کہ کمپنی ایکٹ 2017 کی دفعہ (2)72 کی دفعات کی تعمیل میں، اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کریں اور جتنا جلدی ممکن ہو سکے، اپنے ناموں کو سی ڈی سی (CDC) کے ساتھ رجسٹر کروائیں۔

### خصوصی کاروبار کے حوالے سے کمپنی ایکٹ، 2017 کے سیکشن (3)134 کے تحت بیان

یہ بیان 26 اکتوبر، 2024 کو ہونے والے کمپنی کے سالانہ اجلاس عام میں لین دین کے نوٹس کے خصوصی کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے۔

ایجنڈا کا آئیٹم نمبر 4: متعلقہ فریقین کے ساتھ لین دین:

i- 30 جون 2024 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کیے گئے لین دین کو خصوصی قرارداد کے طور پر منظور کیا جائے گا۔ متعلقہ کمپنیوں (متعلقہ فریقین) کے ساتھ معمول کے کاروبار میں کیے گئے لین دین کو سہ ماہی بنیادوں پر آڈٹ کمیٹی کی سفارش کے مطابق بورڈ نے منظور کیا تھا۔

چونکہ ڈائریکٹرز کی اکثریت اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں شیئرز رکھنے کی وجہ سے اس/ان لین دین میں دلچسپی رکھتی تھی، اس لیے اس لین دین کو عام اجلاس میں ممبران سے منظور کرانا ضروری ہے۔

مذکورہ بالا کو مد نظر رکھتے ہوئے، متعلقہ کمپنیوں اور متعلقہ فریقوں کے ساتھ 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران کیے گئے لین دین جیسا کہ آڈٹ شدہ مالیاتی حسابات کے متعلقہ نوٹس میں ظاہر کیا گیا ہے، اراکین کے سامنے ان کے غور و خوض، تصدیق اور منظوری کے لیے رکھا جا رہا ہے۔

ڈائریکٹرز اس قرارداد میں اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں اپنے شیئرز ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

درج ذیل ڈائریکٹرز اس قرارداد میں اپنے تعلق، مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں اپنے شیئرز ہولڈنگ کی حد تک دلچسپی رکھتے ہیں:

1- لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک

2- جناب احمد قلی خان خٹک

3- محترمہ شہناز سجاد احمد

4- ڈاکٹر شایین قلی خان خٹک

5- محترمہ زینب عدنان اورنگزیب



لہذا کمپنیز ایکٹ، 2017 کے سیکشن 208 کے تقاضوں کی تعمیل کرنے کے لیے اراکین کی منظوری طلب کی جاتی ہے۔

ii - 30 جون 2025 کو ختم ہونے والے آئندہ مالی سال کے دوران متعلقہ کمپنیوں کے ساتھ کیے جانے والے لین دین کے لیے چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر کو مشترکہ طور پر بااختیار بنانے کے لئے ایک خصوصی قرارداد کے طور پر منظور کیا جائے گا۔

کمپنی متعلقہ کمپنیوں کے ساتھ کاروبار کے معمول کے مطابق لین دین کرے گی۔ زیادہ تر ڈائریکٹرز اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں شیئر ہولڈنگ کی وجہ سے ان لین دین میں دلچسپی رکھتے ہیں۔ لہذا، متعلقہ کمپنیوں کے ساتھ اس طرح کے لین دین کو ممبران سے منظور ہونا ضروری ہے۔

شیئر ہولڈرز، چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر کو 30 جون 2025 کو ختم ہونے والے آئندہ مالی سال کے دوران متعلقہ کمپنیوں کے ساتھ کئے گئے لین دین کی منظوری دینے اور کاروبار کے معمول کے مطابق کرنے کا اختیار دیتے ہیں۔

## CHAIRMAN'S REVIEW

I am pleased to present the review for the year ended June 30, 2024, highlighting the Company's performance and role of the Board of Directors (the Board) of Janana De Malucho Textile Mills Ltd. in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

### REVIEW OF BOARD'S PERFORMANCE AND EFFECTIVENESS

The Board of Directors, entrusted with the Company's governance, provides visionary guidance to management and ratifies all pivotal policies and strategies to optimize the organization's overall performance. Through quarterly convenings, the Board scrutinizes and approves financial and operational results, ensuring astute oversight. During the current financial year 2023-2024, Four Board meetings and four Audit Committee meetings have been held, underscoring the Board's commitment to rigorous self-assessment and sub-committee evaluation. The Board's annual self-evaluation for 2023-24 has been completed, yielding a satisfactory performance assessment against predetermined criteria. This exemplifies the Board's effective discharge of its fiduciary duties. Moreover, the Board has ensured unwavering compliance with regulatory requirements and embraced best-in-class corporate governance practices, embedding them into the Company's ethos to uphold the highest standards of professionalism and business integrity.

To further fortify the organization, the Board has implemented a robust risk management framework, bolstered internal controls, and established a vigilant audit function. These measures guarantee that daily operations align with the Board's overarching strategy, fostering a culture of transparency, accountability, and excellence.

### REVIEW OF PAKISTAN'S ECONOMY

The current financial year has been exceptionally challenging for the textile industry, as it navigated a perfect storm of adverse macroeconomic conditions, including unprecedented interest rate hikes, skyrocketing inflation, unprecedented increase in energy prices and widespread political and social upheaval, which collectively stifled economic activity. However, looking ahead, I remain cautiously optimistic that the business environment will gradually improve, and we can expect a positive rebound in results in next financial year.

### COMPANY'S BUSINESS PERFORMANCE

The Company, during the year ended 30 June, 2024, has achieved a net turnover of Rs. 5,884.712 million (30 June 2023: Rs. 6,016.527million). There is a decrease of Rs.131.815 million in the turnover as compared to the previous year. Further, the Company, in the year under report has incurred a loss before tax amounting Rs.536.751 million and a loss for the year amounting Rs. 467.584 million respectively, in comparison

with loss before tax of Rs. 102.686 million and loss for the year for Rs.80.276 million respectively, in the previous year.

### **ACKNOWLEDGEMENT**

I am delighted to extend, on behalf of the Board of Directors, our sincere gratitude and appreciation to our esteemed Shareholders and Bankers for their unwavering trust and confidence in the Board's stewardship and the Company's leadership. Furthermore, I would like to formally acknowledge and express my deepest appreciation to the Board of Directors for their invaluable guidance and contribution, to the Management for their strategic leadership, and to our dedicated workforce for their tireless efforts and unwavering commitment.

**Dated: September 21, 2024**



**Mr. Ahmad Kuli Khan Khattak**

**Chairman**

## چیئر مین کا جائزہ

مجھے 30 جون 2024 کو ختم ہونے والے سال کا جائزہ پیش کرتے ہوئے خوشی ہو رہی ہے، جس میں جانانہ دی مالوچو ٹیکسٹائل ملز لمیٹڈ (کمپنی) کی کارکردگی اور کمپنی کے بورڈ آف ڈائریکٹرز (بورڈ) کے کردار کو اجاگر کرنے کے لیے انتظامیہ کو اپنی ذمہ داری نبھانے میں رہنمائی کی گئی ہے تاکہ اس کے تمام اسٹیک ہولڈرز کا فائدہ ہو۔

### بورڈ کی کارکردگی کا جائزہ:

بورڈ، کمپنی کے انتظامات کا ذمہ دار ہے اور تمام اہم پالیسیاں اور حکمت عملی تیار کرتا ہے۔ اس کے علاوہ کمپنی کے تمام امور کو موثر طریقے سے چلانے کے لیے تمام بڑی پالیسیوں اور حکمت عملیوں کی منظوری دیتا ہے۔

بورڈ عام طور پر کمپنی کے مالی اور آپریٹنگ نتائج پر غور اور منظوری کے لئے ہر سہ ماہی میں ایک بار ملتا ہے۔ موجودہ مالی سال 2023-24 کے دوران بورڈ کے چار اور آڈٹ کمیٹی کے چار اجلاس ہوئے۔ بورڈ نے اپنی ذیلی کمیٹیوں کی کارکردگی کے ساتھ ساتھ اپنی کارکردگی پر بھی سختی سے نگرانی کی۔ اس کے علاوہ، بورڈ نے کمپنی کے تمام قابل اطلاق قوانین اور بہترین طریقوں کی تعمیل کو بھی یقینی بنایا۔ اس کے مطابق، بورڈ نے سال 2023-24 کے لئے اپنی سالانہ خود تھیسس مکمل کر لی ہے اور مجھے یہ خوشی ہوئی ہے کہ سال 2023-24 کے لئے مقرر کردہ معیار کی بنیاد پر مجموعی کارکردگی کا معیار اطمینان بخش رہا ہے۔ علاوہ ازیں بورڈ نے تمام لاگو قوانین اور کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل کو یقینی بنایا ہے۔

کارپوریٹ گورننس کے بہترین طریقوں کو کمپنی کے کلچر میں شامل کیا گیا ہے تاکہ پیشہ ورانہ مہارت اور کاروباری طرز عمل کی اعلیٰ سطح کو برقرار رکھا جاسکے۔ رسک مینجمنٹ فریم ورک، موثر اندرونی کنٹرولز اور آڈٹ کے افعال کو اس بات کو یقینی بنانے کے لیے لاگو کیا گیا ہے کہ روزانہ کی کارروائیاں بورڈ کی وضع کردہ مجموعی حکمت عملی پر عمل پیرا ہوں۔

### پاکستان کی معیشت کا جائزہ:

موجودہ مالی سال ٹیکسٹائل کی صنعت کے لیے غیر معمولی طور پر چیلنجنگ رہا ہے، کیونکہ اس نے منفی معاشی حالات کے شدید طوفان کو آگے بڑھایا، جس میں شرح سود میں بے پناہ اضافہ، آسمان چھوتی مہنگائی، توانائی کی قیمتوں میں بے مثال اضافہ اور وسیع پیمانے پر سیاسی اور سماجی ہلچل شامل ہیں، جس نے اجتماعی طور پر اقتصادی سرگرمیوں کو روک دیا۔ تاہم، آگے دیکھتے ہوئے، میں جتنا طور پر پرامید ہوں کہ کاروباری ماحول بتدریج بہتر ہوگا، اور ہم اگلے مالی سال میں نتائج میں مثبت بحالی کی توقع کر سکتے ہیں۔

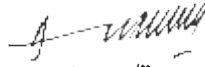
### کاروباری معاملات کا جائزہ:

کمپنی نے، 30 جون، 2024 کو ختم ہونے والے سال کے دوران، فروخت کے کاروبار سے 5,884.712 ملین روپے حاصل کیے۔ (30 جون 2023: روپے 6,016.527 ملین)۔ گزشتہ سال کے مقابلے اس کاروبار میں 131.815 ملین روپے کی کمی واقع ہوئی ہے۔ مزید یہ کہ، کمپنی نے موجودہ سال میں بالترتیب ٹیکس سے پہلے کا نقصان 536.751 ملین روپے اٹھایا اور سالانہ نقصان 467.584 ملین روپے کا اٹھایا ہے، اس کے مقابلے میں پچھلے سال میں بالترتیب ٹیکس سے پہلے کا نقصان 102.686 ملین روپے اور سالانہ نقصان 80.276 ملین روپے تھا۔

### اعتراف

بورڈ آف ڈائریکٹرز کی طرف سے میں اپنے شیئر ہولڈرز اور کمپنی کے بیکاروں کی قدر کرتا ہوں کہ ان کا بورڈ آف ڈائریکٹرز اور کمپنی کی انتظامیہ پر اعتماد ہے۔ اسکے علاوہ میں بورڈ آف ڈائریکٹرز کی شرکت، انتظامیہ اور کارکنوں کی کوششوں اور محنت کا شکر یہ ادا کرتا ہوں۔

ستمبر 2024، 21



احمد قاسم خان خٹک

چیئر مین

## DIRECTORS REPORT TO THE SHAREHOLDERS

The directors of the Company are pleased to present their Annual Report, together with the Audited Financial Statements for the year ended 30<sup>th</sup> June, 2024.

The directors' Report has been prepared in accordance with the requirements of sections 226-227 and other applicable provisions of the Companies Act, 2017 (the Act).

### PERFORMANCE REVIEW

The financial highlights of the Company's for the year ended June 30, 2024 are as follows:

Particulars	2024	2023
	Rs. in millions	
Sales-net	5,884.712	6,016.527
Cost of sales	(5,909.283)	(5,669.629)
Gross (Loss) / Profit	(24.571)	346.898
(Loss) Profit from operations	(190.092)	241.847
Loss before taxation	(536.751)	(102.686)
Loss after taxation	(467.584)	(80.276)
	----- Rupees -----	
Loss per share	(67.61)	(11.61)

The Company, during the year ended 30 June, 2024, has been able to achieve a net turnover of Rs.5,884.712 million as compared to Rs. 6,016.527 million in the last year. There is a decrease of Rs. 131.815 million in the turnover as compared to the last year. Further, the Company, during the year under report has incurred a loss before tax amounting to Rs.536.751 million and loss for the year amounting Rs.467.584 million respectively, in comparison with the loss before tax of Rs.102.686 million and loss for the year for Rs.80.276 million respectively, during the last year.

The primary driver of loss is the substantial escalation in power and fuel costs, which surged to Rs. 1,155.904 million in the current year, a significant increase from Rs.720.586 million in the previous year. During financial year under report, the Govt. increased the gas prices multiple times. The first major increase of Rs.1,100 to Rs.2,400 per MMBtu (i.e. by 118%) was from the month of November, 2023. A further increase of around 15% (from Rs.2,400 to Rs.2,750 per MMBtu) was done from the month of February, 2024. The magnitude of this increase (i.e. overall increase of 150%) was so pronounced that it exceeded the Company's ability to absorb this massive increase in cost, thereby exerting undue pressure on operating margins. Furthermore, the influx of cheaper imported yarn in the domestic market

exacerbated the situation, intensifying competition and compressing profit margins. Additionally, elevated interest rates have had a deleterious impact on the Company's financial performance during the current fiscal year. These factors, beyond the control of management, have offset the positive impact of various performance initiatives implemented by the Company to enhance results, thereby contributing to the net loss.

To tackle the current challenges, the company is exploring various cost-saving initiatives, including the installation of a solar power plant, upgrading to newer and more efficient machinery, and optimizing labor costs. These measures are expected to significantly reduce energy expenses, facilitate a swift attainment of break-even, and ultimately drive the company towards sustainable profitability.

### **GENERAL ECONOMIC REVIEW**

Throughout financial Year 2024, the national economic environment remained characterized by pronounced uncertainty, stemming from elevated interest rates, heightened taxation, and pervasive economic and political instability. Furthermore, the textile sector has been disproportionately impacted by unprecedented energy cost escalation, rendering it increasingly challenging for industry to absorb. Collectively, these factors have significantly impeded Pakistan's economic trajectory. Consequently, it is imperative that the Government implements decisive measures and undertakes concerted initiatives to stabilize energy costs at a sustainable level, thereby ensuring the long-term viability and competitiveness of the industry.

### **FUTURE PROSPECTS**

The recent trajectory of the policy rate, as evidenced by its downward movement across the last two Monetary Policy Committee meetings, portends favorable economic landscape for the forthcoming financial year. This encouraging trend is poised to catalyze economic expansion, mitigate financial constraints, and foster a more conducive business environment. However, the energy sector remains shrouded in uncertainty due to the absence of a clear and comprehensive policy framework from the Government. Notably, the textile industry, a vital contributor to Pakistan's foreign exchange earnings, continues to lag far behind regional peers. We expect that the Government will promptly intervene to implement protective measures, specifically restricting the import of yarn, in order to safeguard the viability and competitiveness of the domestic textile industry, thereby ensuring its long-term sustainability. Mean-while, our Company remains steadfast in its commitment to optimizing its product portfolio and implementing cost-efficiency measures to ensure sustainable performance outcomes.

### **CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

The Directors confirm compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the CCG Regulations) for the following matters:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgments.
3. The Company is maintaining its proper books of accounts.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of these Financial Statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as on-going process with objective to strengthen the controls and bring improvements in the system.
6. There are no doubts about the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices contained in the CCG Regulations.
8. There are no statutory payments on account of taxes, duties levies and charges which are outstanding as at June 30, 2024, except for those disclosed in the Financial Statements.
9. No trades in the shares of the Company were carried-out by the Directors, CEO, CFO, Company Secretary or their spouses and minor children during the year ended 30 June, 2024.

### **COMPOSITION OF THE BOARD**

The Directors of the Company were re-elected in Extraordinary General meeting of the Company held on May 20, 2023. The Composition of the Board is in compliance with the requirements of the CCG Regulations. The Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The current composition of the Board is as follows:

<b>Total number of directors</b>	<b>7</b>
Male	4
Female	3
<b>Independent Directors</b>	<b>2</b>
<b>Non-executive Directors</b>	<b>4</b>
<b>Executive Directors</b>	<b>1</b>

**BOARD AUDIT COMMITTEE**

The Board Audit Committee assists in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to the share-holders, systems of internal control and risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board. The Committee met four (04) times during the financial year 2023-24.

The names of Committee members are as follows:

- |  |          |                        |
|--|----------|------------------------|
| 1. Maj. Gen. (Retd.) Saeed Ahmed Wahla | Chairman | Independent Director   |
| 2. Mr. Ahmad Kuli Khan Khattak         | Member   | Non-Executive Director |
| 3. Col. (Retd.) Syed Yunus Ali Raza    | Member   | Independent Director   |

The Audit Committee reviewed the quarterly, half-yearly and annual Financial Statements, besides the internal audit plan, material audit findings and recommendation of the Internal Audit Department.

In addition to above meetings, Audit Committee met with the external auditors without Chief Financial Officer (CFO) and Head of Internal Audit (HIA). Audit Committee also met the head of internal audit and other Members of the internal audit function without the CFO and the external auditors being present.

**HR AND REMUNERATION COMMITTEE**

The Committee meets to review and recommend all elements of the compensation, organization and employee development policies related to the senior executives' remuneration and to approve all matters related to the remunerations of the executive and directors. The CEO of the Company attended the Human Resource and Remuneration Committee meeting held during the year as member of the committee. The Committee met once during 2023-24.

The names of committee members are as follows:

- |   |          |                        |
|---|----------|------------------------|
| 1. Col. (Retd.) Syed Yunus Ali Raza       | Chairman | Independent Director   |
| 2. Lt. Gen. (Retd.) Ali Kuli Khan Khattak | Member   | Chief Executive/Member |
| 3. Mr. Ahmad Kuli Khan Khattak            | Member   | Non-Executive Director |
| 4. Mrs. Shahnaz Sajjad Ahmad              | Member   | Non-Executive Director |



**MEETINGS OF THE BOARD AND ITS COMMITTEES IN 2023-24**

During the year 2023-24, four (04) Board's meetings four (04) Board Audit Committee meetings and one (01) HR & Remuneration Committee (HR&R) meetings were held. The number of meetings attended by each director during the year is given here under:

SR. NO	DIRECTOR	STATUS	COMMITTEE MEMBERS		ATTENDANCE		
			BAC	HR&R	BOD	BAC	HR&R
1	Mr. Ahmad Kuli Khan Khattak	Re-elected on May 21, 2023	✓	✓	3/4	3/4	0/1
2	Lt. Gen. (Retd) Ali Kuli Khan Khattak	-do-	-	✓	4/4	-	1/1
3	Mr. Gohar Ayub Khan (Died on 17th Nov 2023)	-do-	-	-	0/2	-	-
4	Mrs. Shahnaz Sajjad Ahmad	-do-	-	✓	4/4	-	1/1
5	Dr. Shahin Kuli Khan Khattak	-do-	-	-	3/4	-	-
6	Maj. Gen. (Retd) Saeed Ahmed Wahla	Elected on May 21, 2023	✓	-	3/4	3/4	-
7	Col. (Retd) Syed Yunus Ali Raza	Re-elected on May 21, 2023	✓	✓	4/4	4/4	1/1
8	Mrs. Zenab Adnan Aurangzeb	Co-opted as Director on 5th December 2023	-	-	0/2	-	-

Leave of absence was granted to directors who could not attend the Board's meetings due to their busy schedule and other appointments. However, Mrs. Zenab Adnan Aurangzeb has not attended the meetings, therefore, she has been marked as absent.

**PERFORMANCE EVALUATION OF BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD**

Pursuant to the CCG Regulations, the Board recognizes that it continually needs to monitor and improve its performance. This is achieved through the annual performance evaluation

and ongoing Board development activities. Apart from their mandatory job requirements, the performance of the Board and its Committees is evaluated annually along with the following parameters, both at individual and collective levels.

- i. Effectiveness in bringing in a mix of gender, talents, skills and diversified perspectives.
- ii. Integrity, credibility, trustworthiness and active participation of members.
- iii. Follow-up and review of annual targets set by the management.
- iv. Ability to provide guidance and direction to the Company.
- v. Ability to identify aspects of the organization's performance requiring action.
- vi. Review of succession planning of management.
- vii. Ability to assess and understand the risk exposures of the Company.
- viii. Contribution and interest with regards to improving health safety and environment, employment and other policies and practices in the Company.
- ix. Safeguarding the Company against unnecessary litigation and reputational risk.

The overall performance of the Board measured on the basis of the above-mentioned parameters for the year was satisfactory. The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The Board is also effective in formulating the corporate goals for the company.

### **DIRECTORS' REMUNERATION**

#### **Non-Executive Directors:**

Directors Fee was paid in line with the Boards' approval and the Company has a formal policy in this regard in accordance with the Companies Act, 2017 and the CCG Regulations. The Company does not pay remuneration to non-executive directors except the fee for attending the meetings.

#### **Executive Directors:**

The Company has two Executive Directors, i.e. the Chief Executive and a Director of the Company, who is working as Executive Director Public Relations (EDPR). Following are the details of remuneration paid to the two Executive Directors of the Company during the year:

Particulars	2024	2023
	Rs. in 000	
Remuneration	6,836	7,536
Bonus/Ex-gratia	0	434
Retirement benefits	528	528
Leave Salary	476	477
Other benefits	2,408	1,682
<b>Total</b>	<b>10,248</b>	10,657

Further information is given in note 43 and 44 of the notes to the financial statements.

**KEY OPERATING AND FINANCIAL DATA (SIX YEARS SUMMARY):**

Key operating and financial data of six years is annexed to the report.

**PATTERN OF SHAREHOLDING:**

The statement of the pattern of shareholding as at June 30, 2024 and additional information thereabout is annexed to the report.

**DIVIDENDS**

The Board of Directors recommended that no dividend shall be declared for the year ended June 30, 2024, as the Company has incurred loss during the year, and needs available financial resources to ensure steady cash flows.

**CONTRIBUTION OF OUR COMPANY TOWARDS GOVERNMENT AND SOCIAL SECTOR:**

We wish to give hereunder our Company's revenue contribution towards the Government, Semi Government sectors, banks and Social sector during the year ended 30 June, 2024.

<b>I. GOVERNMENT SECTOR</b>	(Rs. in Million)
Sales Tax paid	1,181.113
Income Tax paid	64.862
Power & Fuel	1,155.904
Financial Institution/ Banks	349.590
<b>II. SOCIAL SECTOR</b>	
Employees/Workers' salaries, Wages and other benefits	745.932

The company is providing employment to 1,074 workers (1,074 families with an average of 8 family members in KPK province) the employment cost of which shall now be about Rs.745.932 million per annum. The company also ensures employment to disabled persons in compliance with the rules set out by the Government.

**CORPORATE SOCIAL RESPONSIBILITY:**

The Company takes into account social, environmental, and ethical concerns within the broader business landscape. We are dedicated to actively striving to take into account and harmonize the needs of all stakeholders, with a special focus on the local community and our essential workforce. We firmly believe that education is a crucial driver of economic growth and poverty reduction. Pakistan urgently requires top-notch educational resources to empower and equip young individuals to reach their fullest potential. To support this cause, we annually contribute substantial sums to the "Waqf-e-Kuli Khan" Trust for educational scholarships. We are deeply committed to upholding the utmost standards in health, safety,

and environmental practices to safeguard the welfare of our employees and the well-being of the communities where we operate.

### **SUSTAINABILITY-RELATED RISKS:**

Our company is committed to sustainability and recognizes the importance of Environmental, Social, and Governance (ESG) factors. To contribute to a more sustainable future, we've implemented green initiatives, renewable energy policies, and best operating practices. Our management has established specific, measurable ESG targets that align with our strategic objective of achieving greater sustainable resilience and positive social impact.

We have invested in innovative, environmentally friendly technologies that support ethical production and consumption. While these sustainable activities may temporarily impact short-term profitability or margins, we believe they will ultimately enhance our business value through customer acquisition, retention, and a competitive edge. To ensure proactive risk management, we conduct a comprehensive analysis of both present and future risks, identifying specific areas of concern.

Sustainability related risk & opportunities helps to identify and manage risks related to environmental, social, and governance (ESG) factors, which are increasingly important to investors, regulators, and consumers. Under the context of this approach, the Company is mainly exposed to the following sustainability risks.

- **ENVIRONMENTAL RISKS:**  
Pollution and Waste Management
- **SOCIAL RISKS:**  
Labor Practices, Human Rights, Health, and Safety.
- **GOVERNANCE RISKS:**  
Regulatory Compliance, Supply Chain Transparency

Failure to comply with sustainability regulations can lead to significant short-term and long-term consequences. These include penalties, legal fees, and reputational damage, which can result in lost clients and business. Inadequate transparency and monitoring of sustainability policies may also erode investor confidence and limit access to funding.

However, these risks also present opportunities. By adopting sustainable practices and increasing energy efficiency, companies can reduce costs and enhance their reputation. Adhering to Environmental, Social, and Governance (ESG) principles can provide a competitive advantage, boost investor confidence, reduce financial volatility, and ensure long-term profitability.

To effectively manage sustainability-related responsibilities, the Board has delegated additional authority to the Human Resource and Remuneration Committee. This committee will monitor and review sustainability risks, opportunities, and initiatives and shall submit a report to the Board, every six months.

### **DIVERSITY, EQUITY & INCLUSION (DE&I):**

Our company is dedicated to fostering a workplace that is inclusive, equitable, and diverse, reflecting both our workforce and the communities we serve. We believe that (DE&I) is essential to our ethical and sustainable business practices and have developed a comprehensive strategy to increase gender and ethnic diversity at all levels of our organization.

**Gender Pay Gap:** We are committed to ensuring that all employees are paid fairly and have equal opportunities for advancement, regardless of gender.

**Mean Gap:** The mean pay for men is equal to that of women

**Median Gap:** The median pay for men is equal to that of women

**Gender Diversity as a Strategic Priority:** We view gender diversity as a strategic asset that enhances decision-making and problem-solving, contributing to our competitive advantage. Our commitment to DE&I is reflected in our talent acquisition, engagement, and promotion strategies. We have created a culture of belonging and respect, ensuring that all employees feel valued and empowered.

**Compliance and Accountability:** We adhere to all relevant laws and regulations regarding (DE&I) and conduct regular evaluations to ensure compliance. Our commitment to fairness and equality extends to all aspects of employment, including hiring, salary reviews, and career advancement.

Our Company is unwavering in its commitment to creating a diverse, equitable, and inclusive workplace. We believe that this is not only the right thing to do but also a strategic imperative for our long-term success.

#### **MATERIAL CHANGES**

There have been no material changes since June 30, 2024 to date of the report and the Company has not entered into any commitment during this period, which would hurt the financial position of the Company.

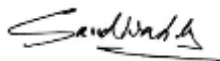
#### **APPOINTMENT OF AUDITORS:**

The Company's auditor's M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, H. M. House, 7 – Bank Square, Lahore retired and offered themselves for reappointment. The Board of Directors of the Company as recommended by the Board Audit Committee recommends that the retiring auditors be re-appointed.

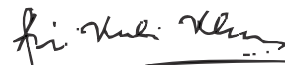
#### **ACKNOWLEDGEMENT:**

Your directors would like to express their gratitude for the dedication and hard work exhibited by the workforce, staff, and senior executives in attaining these outcomes, especially during these exceptionally challenging times. We also extend our heartfelt appreciation for the unwavering support provided by the financial institutions, as their help has been instrumental in sustaining our Company's production activities.

**On behalf of the Board of Directors**



**Maj. Gen. (Retd) Saeed Ahmed Wahla  
Director**



**Lt. Gen. (Retd.) Ali Kuli Khan Khattak  
Chief Executive Officer**

**Dated: September 21, 2024**

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

بورڈ آف ڈائریکٹرز کی جانب سے، 64 ویں سال 30 جون 2024 کے ختم ہونے پر کمپنی کے آڈیٹ کی جاری کردہ مالیاتی رپورٹ پیش کرتے ہیں۔

## کارکردگی کا جائزہ۔

کمپنی کی بنیادی سرگرمی سوت بنانا اور بیچنا ہے۔ پچھلے سال کے مقابلے میں کمپنی کے مالیاتی نتائج اہم جھلکیاں مندرجہ ذیل ہیں۔

2023	2024	
		روپے ملین میں
6,016.527	5,884.712	فروخت
(5,669.629)	(5,909.283)	فروخت کی لاگت
346.898	(24.571)	عمدوری نقصان / منافع
241.847	(190.092)	آپریشن سے نقصان / منافع
(102.686)	(536.751)	ٹیکس سے پہلے نقصان
(80.276)	(467.584)	سالانہ نقصان
		--- روپے ---
(11.61)	(67.61)	نقصان فی شیئر

کمپنی نے، 30 جون 2024 کو ختم ہونے والے سال کے دوران، گزشتہ سال کے 6,016.527 ملین روپے کے مقابلے میں 5,884.712 ملین روپے کا خالص کاروبار حاصل کرنے میں کامیاب رہی ہے۔ پچھلے سال کے مقابلے میں کاروبار میں 131.815 ملین روپے کی کمی ہوئی ہے۔ مزید، کمپنی نے اس سال میں ٹیکس سے پہلے 536.751 ملین روپے کا نقصان کیا ہے جبکہ سالانہ نقصان 467.584 ملین روپے ہوا ہے۔ جبکہ گزشتہ سال ٹیکس سے پہلے کا نقصان 102.686 ملین روپے تھا اور سالانہ نقصان 80.276 ملین روپے تھا۔

اس نقصان کا بنیادی محرک بجلی اور ایندھن کی قیمتوں میں خاطر خواہ اضافہ ہے، جو پچھلے سال کے 720.586 ملین روپے سے موجودہ سال میں 1,155.904 ملین روپے تک کا ایک بہت نمایاں اضافہ ہوا ہے۔ موجودہ پورنگ مالی سال کے دوران، حکومت نے ٹیکس کی قیمتوں میں کمی گنا اضافہ کیا جو کہ 1,100 روپے فی ایم ایم بی ٹی یو سے 2,400 روپے فی ایم ایم بی ٹی یو (یعنی 118% تک) کا پہلا بڑا اضافہ نومبر 2023 کے مہینے سے تھا۔ اس کے بعد فروری 2024 کے مہینے میں تقریباً 15% کا مزید اضافہ (2,400 روپے فی ایم ایم بی ٹی یو سے 2,750 روپے فی ایم ایم بی ٹی یو) کیا گیا۔ اس اضافے کی شدت (یعنی مجموعی طور پر 150% کا اضافہ) اتنا واضح تھا کہ یہ لاگت میں اس بڑے اضافے کو جذب کرنے کی کمپنی کی صلاحیت سے تجاوز کر گیا، اس طرح آپریٹنگ مارجن پر غیر ضروری دباؤ ڈالا گیا۔ مزید برآں، مقامی منڈی میں سستے درآمدی دھاگے کی آمد نے صورتحال کو مزید خراب کر دیا، اس نے مسابقت کو تیز کیا اور منافع کے مارجن کو کم کیا۔ مزید برآں، بلند شرح سود نے رواں مالی سال کے دوران کمپنی کی مالی کارکردگی پر برا اثر ڈالا ہے۔ ان منفی عوامل نے، انتظامیہ کی جانب سے نتائج کو بہتر کرنے والے تمام مثبت اقدامات کو غیر موثر کر دیا اور کاروباری نقصان میں اضافے کا سبب بنے۔

موجودہ چیلنجوں سے نمٹنے کے لیے، کمپنی کاروباری لاگت کی پخت کے مختلف اقدامات کو تلاش کر رہی ہے، جن میں شمسی توانائی کے پلانٹ کی تنصیب، نئی اور زیادہ موثر مشینری کو اپ گریڈ کرنا، اور مزدوری کی لاگت کو بہتر بنانا شامل ہے۔ ان اقدامات سے توانائی کے اخراجات کو نمایاں طور پر کم کرنے اور منافع کے برابر تیزی سے حصول میں سہولت فراہم کرنے اور بالآخر کمپنی کو پائیدار منافع کی طرف لے جانے کی توقع ہے۔

## عمومی اقتصادی جائزہ:

مالی سال 2024 کے دوران، قومی اقتصادی ماحول واضح غیر یقینی صورتحال، بلند شرح سود، ٹیکسوں میں اضافہ، اور وسیع اقتصادی اور سیاسی عدم استحکام کی وجہ سے نمایاں رہا۔ مزید برآں، ٹیکسٹائل کا شعبہ غیر متناسب طور پر توانائی کی لاگت میں غیر معمولی اضافے سے متاثر ہوا ہے، جس سے صنعت کے لیے اسے جذب کرنا مشکل ہوتا جا رہا ہے۔ مجموعی طور پر، ان عوامل نے پاکستان کی اقتصادی رفتار کو نمایاں طور پر متاثر کیا ہے۔ اس کے نتیجے میں، یہ ضروری ہے کہ حکومت فیصلہ کن اقدامات کو نافذ کرے اور پائیدار سطح پر توانائی کی لاگت کو مستحکم کرنے کے لیے ٹھوس اقدامات کرے، اس طرح صنعت کی طویل مدتی عملداری اور مسابقت کو یقینی بنایا جائے۔

## مستقبل کا نقطہ نظر

جیسا کہ مانیٹری پالیسی کمیٹی کی پچھلی دو میٹنگوں میں گرتی ہوئی پالیسی ریٹ کی حالیہ کمی ثابت کرتی ہے کہ آنے والا مالی سال سازگار اقتصادی منظر نامے کی نشاندہی کرتا ہے۔ یہ حوصلہ افزا رجحان معاش و وسعت کو متحرک کرنے، مالیاتی رکاوٹوں کو کم کرنے اور زیادہ سازگار کاروباری ماحول کو فروغ دینے کے لیے تیار ہے تاہم، حکومت کی جانب سے واضح اور جامع پالیسی فریم ورک کی عدم موجودگی کی وجہ سے توانائی کا شعبہ بدستور غیر یقینی صورتحال میں گھاٹا ہوا ہے۔ قابل ذکر بات یہ ہے کہ ٹیکسٹائل کی صنعت، جو پاکستان کی غیر ملکی زرمبادلہ کی کمائی میں ایک اہم شراکت دار ہے، علاقائی ہم عصروں سے بہت پیچھے ہے۔ ہم توقع

کرتے ہیں کہ حکومت جتنی اقدامات کولاگو کرنے کے لیے فوری مداخلت کرے گی، خاص طور پر یارن کی درآمد کو محدود کرتے ہوئے، گھریلو ٹیکسٹائل صنعت کی عملداری اور مسابقت کو محفوظ بنانے کے لیے، اس طرح اس کی طویل مدتی پائیداری کو یقینی بنائے گی، اس دوران، ہماری کمیٹی ثابت قدم رہے گی۔ اپنے پروڈکٹ پورٹ فولیو کو بہتر بنانے اور پیداواری لاگت میں کمی کے سلسلے میں پائیدار کارکردگی کے نتائج کو یقینی بنانے کے لیے بہترین اقدامات کولاگو کرنے کا عزم کرتی ہے۔

### کارپوریٹ اور مالی رپورٹنگ فریم ورک

ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور سٹاک ایکسچینج کمیشن (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (سی سی جی ریگولیشنز) کے کارپوریٹ اور مالی رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں۔

- ۱۔ کمیٹی کے حسابات جس میں اکاؤنٹ کی کتابیں، نفع اور نقصان کا اکاؤنٹ، بیلنس شیٹ اور دیگر حسابات مروجہ قوانین کے تحت تیار کیے گئے ہیں۔
- ۲۔ کمیٹی کے حسابات تیار کرنے کے لیے مناسب مالیاتی پالیسیوں کا استعمال کیا ہے۔
- ۳۔ کمیٹی نے حسابات کی کتابیں موثر طریقے سے رکھی ہیں۔
- ۴۔ بین الاقوامی اکاؤنٹنگ معیار جو کہ پاکستان میں لاگو ہوتے ہیں، ان کو مالیاتی حسابات کی تیاری میں اور اداروں میں اپنایا گیا ہے۔
- ۵۔ اندرونی کنٹرول کا نظام درست ہے اور اسے موثر طریقے سے لاگو کیا گیا اور نگرانی کی گئی ہے۔ اندرونی کنٹرول کی نگرانی کے عمل کو مضبوط بنانے اور نظام میں بہتری لانے کے مقصد کے ساتھ آگے بڑھتے ہوئے عملی طور پر جاری رہے گا۔
- ۶۔ ایک جاری کاروبار کے طور پر چلنے میں، کمیٹی کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- ۷۔ سی سی جی کے ضوابط میں شامل بہترین طریقوں سے کوئی خلاف ورزی نہیں ہوئی ہے۔
- ۸۔ 30 جون 2024 پر کمیٹی کے ذمہ کسی بھی قسم کا قانونی ٹیکس، لیویز یا چارجز نہیں ہیں ماسوائے ان ادائیگیوں کے جو ان حسابات میں بتائی گئی ہیں۔
- ۹۔ 30 جون 2024 کو ختم ہونے والے سال کے دوران چیف ایگزیکٹو آفیسر، ڈائریکٹرز، چیف فنانس آفیسر اور کمیٹی سیکرٹری یا ان کے شریک حیات اور نابالغ بچوں کے ذریعہ کمیٹی کے حصص میں کوئی خرید و فروخت نہیں ہوئی ہے۔

### بورڈ کی ساخت:

کمیٹی کے ڈائریکٹرز 20 مئی 2023 کو منعقدہ کمیٹی کی غیر معمولی جزل میٹنگ میں دوبارہ منتخب کیا گیا۔ بورڈ کی تشکیل کوڈ آف کارپوریٹ گورننس ضوابط کے تقاضوں کے مطابق ہے۔ کمیٹی اپنے بورڈ میں آزاد اور غیر ایگزیکٹو ڈائریکٹرز کی نمائندگی کے ساتھ ساتھ صنفی تنوع کی حوصلہ افزائی کرتی ہے۔

بورڈ کی تشکیل سی سی جی قوانین کے مطابق ہے۔ بورڈ کی حالیہ تشکیل کچھ اس طرح ہے۔

ڈائریکٹرز کی کل تعداد	
۷	
۴	مرد
۳	خاتون
۲	آزاد ڈائریکٹرز
۴	دوسرے غیر ایگزیکٹو ڈائریکٹرز
۱	ایگزیکٹو ڈائریکٹر

### بورڈ آڈٹ کمیٹی

بورڈ کی آڈٹ کمیٹی نے نگرانی کی ذمہ داریوں کو پورا کرنے میں بورڈ کی مدد کی، بنیادی طور پر مالی اور غیر مالیاتی معلومات کا مشورہ حصول، داخلی کنٹرول کے نظام اور خطرے کے انتظام کے نظام اور آڈٹ کے عمل کے لئے انتظامیہ سے معلومات حاصل کرنے اور بیرونی آڈیٹرز یا مشیروں کے ساتھ براہ راست مشورہ کرنے کے لیے خود مختار ہے جو مناسب سمجھا جاتا ہے۔ چیف فنانس آفیسر باقاعدگی سے اکاؤنٹس پیش کرنے کے لئے دعوت کے ذریعے بورڈ آڈٹ کمیٹی کے اجلاسوں میں شرکت کرتے ہیں۔ ہر میٹنگ کے بعد کمیٹی کے چیئرمین بورڈ کو رپورٹ کرتے ہیں۔ کمیٹی نے 2023-24 کے دوران 4 بار ملاقات کی ہے۔

کمیٹی کے ارکان کے نام مندرجہ ذیل ہیں۔

۱۔	مسٹر جزل (ریٹائرڈ) سعید احمد واہلہ	چیئرمین	آزاد ڈائریکٹر
۲۔	جناب احمد علی خان خٹک	رکن	غیر ایگزیکٹو ڈائریکٹر
۳۔	کرمل (ریٹائرڈ) سعید یونس علی رضا	رکن	آزاد ڈائریکٹر

آڈٹ کمیٹی نے اندرونی آڈٹ منصوبہ کے علاوہ اور آڈٹ کے نتائج اور اندرونی آڈٹ ڈیپارٹمنٹ کی سفارش پر، سدماہی، نصف اور سالانہ مالی معاملات کا جائزہ لیا۔ مندرجہ بالا اجلاس کے علاوہ، آڈٹ کمیٹی نے بیرونی آڈیٹرز کے ساتھ الگ اور بعد میں چیف فنانس آفیسر (سی ایف او) اور اندرونی آڈیٹ کے سربراہ (ایچ آئی اے) کے ساتھ بھی ملاقات کی ہے۔

### انسانی وسائل اور معاوضے کی کمیٹی

کمیٹی نے سینئر ایگزیکٹوز کے معاوضہ سے متعلق معاوضہ، تنظیم اور ملازم کی ترقی کی پالیسیوں کے تمام عناصر کا جائزہ لینے اور سفارش کرنے اور انتظامی کمیٹی کے ممبران اور منجمنٹ کمیٹی کے ممبروں کے متعلق تمام معاملات کو منظور کرنے کے لئے ملاقات کی۔ کمیٹی کے سی ای ای او نے کمیٹی کے رکن کے طور پر منعقد ہونے والے انسانی وسائل اور معاوضہ کمیٹی کے اجلاس میں شرکت کی۔ کمیٹی نے 2023-24 کے دوران ایک بار ملاقات کی۔

کمیٹی کے ارکان کے نام مندرجہ ذیل ہیں۔

۱۔	کرئل (ریٹائرڈ) سید یونس علی رضا	چیئرمین	آزاد ڈائریکٹر
۲۔	لینیفیت جزل (ریٹائرڈ) علی قلی خان خٹک	رکن	چیف ایگزیکٹو آفیسر
۳۔	جناب احمد قلی خان خٹک	رکن	غیر ایگزیکٹو ڈائریکٹر
۴۔	محترمہ شہناز سجاد احمد	رکن	غیر ایگزیکٹو ڈائریکٹر

### بورڈ اور اسکی کمیٹیوں کے اجلاس:

سال 2023-24 کے دوران، 4 بورڈ کی میٹنگ، 4 آڈٹ کمیٹی اور ایک انسانی وسائل اور معاوضہ کمیٹی کی میٹنگ منعقد ہوئیں۔ سال کے دوران ہر ڈائریکٹر کی طرف سے شرکت کی میٹنگ کی تعداد یہاں درج کی گئی ہے۔

ڈائریکٹرز کے نام		21 مئی 2023 کو		کمیٹی کے ممبران		حاضری	
جائزہ	جائزہ	آڈٹ کمیٹی	انسانی وسائل اور معاوضہ کمیٹی	بورڈ	آڈٹ کمیٹی	انسانی وسائل اور معاوضہ کمیٹی	معاوضہ کمیٹی
۱۔	جناب احمد قلی خان خٹک	دوبارہ منتخب ہوئے	X	X	3/4	0/1	3/4
۲۔	لینیفیت جزل (ریٹائرڈ) علی قلی خان خٹک	دوبارہ منتخب ہوئے	X		4/4	1/1	•
۳۔	جناب گوہر ایوب خان (17 نومبر 2023 کو انتقال ہوا)	دوبارہ منتخب ہوئے			0/2	•	•
۴۔	مسز شہناز سجاد احمد	دوبارہ منتخب ہوئی		X	4/4	1/1	•
۵۔	ڈاکٹر شاین قلی خان خٹک	دوبارہ منتخب ہوئی			3/4	•	•
۶۔	میمبر جزل (ریٹائرڈ) سعید احمد وابلہ	21 مئی 2023 کو منتخب ہوئے	X		3/4	•	3/4
۷۔	کرئل (ریٹائرڈ) سید یونس علی رضا	دوبارہ منتخب ہوئے	X	X	4/4	1/1	4/4
۸۔	مسز زینب عدنان اورنگزیب	5 دسمبر 2023 کو ڈائریکٹر کے طور پر انتخاب ہوا۔			0/2	•	•

ڈائریکٹرز کی درخواست جس میں انہوں نے ذاتی مصروفیات کی بنا پر اجلاس میں حاضر ہونے سے معذرت کی جس کو قبول کیا گیا۔

تاہم، محترمہ زینب عدنان اورنگزیب نے اجلاسوں میں شرکت نہیں کی اور اس لیے انہیں غیر حاضر قرار دیا گیا۔

### بورڈ کے ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ:

سی سی جی ضوابط کے مطابق، بورڈ تسلیم کرتا ہے کہ اسے مسلسل گمرانی اور اپنی کارکردگی کو بہتر بنانے کی ضرورت ہے۔ یہ کارکردگی کی سالانہ جانچ اور بورڈ کی جاری ترقیاتی سرگرمیوں کے ذریعے حاصل کیا جاتا ہے۔ ان کی لازمی ملازمت کے تقاضوں کے علاوہ، بورڈ اور اس کی کمیٹیوں کی کارکردگی کا سالانہ انفرادی اور اجتماعی سطح پر درج ذیل عوامل کے ساتھ جائزہ لیا جاتا ہے۔



- ۱- قابلیت، مہارت اور متنوع نقطہ نظر کے تحت مختلف افراد کا ماننا۔
  - ۲- سالمیت، سماج، اعتماد اور مہروں کی فعال شرکت۔
  - ۳- انتظامیہ کے ذریعے طے شدہ سالانہ اہداف کی پیروی اور جائزہ۔
  - ۴- کمپنی کو رہنمائی اور ہدایت فراہم کرنے کی اہلیت۔
  - ۵- کمپنی کی کارکردگی کے ایسے پہلوؤں کی نشاندہی کرنے کی اہلیت جس میں کاروائی کی ضرورت ہوتی ہے۔
  - ۶- انتظامیہ کی جانشینی کی منصوبہ بندی کا جائزہ۔
  - ۷- کمپنی کو درپیش خطرات کی نشاندہی کرنا اور سمجھنے کی قابلیت۔
  - ۸- کمپنی کے ملازمین کی صحت، کام کرنے کے ماحول اور دیگر پالیسیوں اور طریقوں کو بہتر بنانے کے سلسلے میں شراکت اور دلچسپی۔
  - ۹- غیر ضروری قانونی چارہ جوئی وغیرہ سے کمپنی کی حفاظت کرنا۔
- مذکورہ بالا عوامل کی بنیاد پر سال کے لیے بورڈ کی مجموعی کارکردگی تسلی بخش تھی۔ بورڈ کے اراکین مؤثر طریقے سے بورڈ میں بہتری لاتے ہیں اور آزاد اور غیر ایگزیکٹو ڈائریکٹرز کا مرکب تشکیل دیتے ہیں۔ بورڈ کمپنی کے لیے کارپوریٹ اہداف وضع کرنے میں بھی موثر ہے۔

### ڈائریکٹرز کا معاوضہ:

نان ایگزیکٹو ڈائریکٹرز:

ڈائریکٹرز کی فیس بورڈ کی منظوری کے مطابق ادا کی جاتی ہے اور کمپنی کے پاس کمپنیز ایکٹ 2017 اور سی جی ضوابط کے مطابق اس سلسلے میں ایک سی پالیسی ہے۔ کمپنی میٹنگوں میں شرکت کی فیس کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔

ایگزیکٹو ڈائریکٹرز:

کمپنی میں صرف دو ایگزیکٹو ڈائریکٹر ہیں، جن میں کمپنی کے چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹر پبلک ریلیشن ہیں۔ سال کے دوران کمپنی کے ان کو ادا کیے گئے معاوضے کی تفصیلات درج ذیل ہیں۔

2023	2024	تفصیلات
		روپے ہزاروں میں
7,536	6,836	معاوضہ
434	0	بونس/ ایکس گریٹیا
528	528	ریٹائرمنٹ کے فوائد
477	476	چھٹیوں کی تنخواہ
1,682	2,408	دیگر فوائد
10,657	10,248	کل رقم

مزید تفصیلات موجودہ مالی اعداد و شمار اس کتاب کے نوٹ نمبر 43 اور 44 میں موجود ہیں۔

### شیر ہولڈر اور جملہ آپریٹنگ اور مالی اعداد و شمار (گزشتہ چھ سال کے)

شیر ہولڈر اور جملہ آپریٹنگ اور مالی اعداد و شمار اس کتاب میں موجود ہیں۔

### شیر ہولڈنگ کا پٹرن

30 جون، 2024 پر شیر ہولڈنگ کے پٹرن اور اس سے متعلق اضافی معلومات اس رپورٹ میں شامل کی گئی ہیں۔

### ڈیویڈنڈ

موجودہ مالی سال میں نقصان کی وجہ سے اور مالیاتی پوزیشن کو دیکھتے ہوئے ڈائریکٹرز نے نقد منافع نہ دینے کی سفارش کی ہے۔

حکومت اور سماجی شعبہ کی طرف سے ہماری کمپنی کی شراکت  
اس سال آپ کی کمپنی نے حکومت اور سماجی شعبہ کو مندرجہ ذیل ادائیگی کی ہے۔

رقم ملین میں

1,181.113  
64.862  
1,155.904  
349.590  
745.932

۱۔ حکومتی اداروں کو ادا کئے  
سیلز ٹیکس کی مد میں  
اکم ٹیکس کی مد میں  
بجلی اور ٹیکس کی مد میں  
بینکوں کو ادائیگی  
۲۔ ملازمین کی تنخواہوں، اجرتوں اور دیگر فوائد کی مد میں

ہم نے اوسط 1,074 مستقل افراد کو ملازمت دے رہے ہیں جو کہ خیبر پختونخوا کے صوبے میں کم از کم 18 افراد پر مشتمل 1,074 خاندان کے سہارا ہیں۔ جس کا سالانہ خرچہ 745.932 ملین روپے ہے۔

### سماجی ذمہ داری برائے کارپوریٹ

ہمیں یہ یقین ہے کہ تعلیم اقتصادی ترقی اور غربت کے خاتمے کے لئے ایک اہم کردار ادا کرتی ہے۔ پاکستان کی ترقی کے لئے بہترین تعلیمی سہولیات کے لئے فوری ضرورت ہے اور مہارت حاصل کرنے کے لئے نوجوانوں کو تیار اور ان کی صلاحیتوں کو استعمال کرنے میں مدد کے لیے ہم ہر سال وقف قلمی خان ٹرسٹ کو گراں قدر رقم ادا کرتے ہیں جو مستحق اور غریب طلباء کے تعلیمی اخراجات کیلئے خرچ کی جاتی ہے۔

### پائیداری سے متعلق خطرات:

ہماری کمپنی پائیداری کے لیے برعزم ہے اور ماحولیاتی، سماجی، اور حکمرانی کے عوامل کی اہمیت کو تسلیم کرتی ہے۔ مزید پائیدار مستقبل میں تعاون کرنے کے لیے، ہم نے ماحول دوست اقدامات، قابل تجدید توانائی کی پالیسیاں، اور بہترین آپریٹنگ طریقوں کو نافذ کیا ہے۔ ہماری انتظامیہ نے مخصوص، قابل پیمائش ماحولیاتی، سماجی، اور گورننس کے اہداف قائم کیے ہیں جو زیادہ پائیدار پیک اور مثبت سماجی اثرات کو حاصل کرنے کی ہماری حکمت عملی کے مطابق ہیں۔

ہم نے اجتماعی، ماحول دوست ٹیکنالوجی میں سرمایہ کاری کی ہے جو اخلاقی پیداوار اور کھیت کو سپورٹ کرتی ہے۔ اگرچہ یہ پائیدار سرگرمیاں عارضی طور پر قلیل مدتی منافع یا مارجن پر اثر انداز ہو سکتی ہیں، ہمیں یقین ہے کہ وہ بالآخر کسٹمر کے حصول، برقرار رکھنے اور مسابقتی برتری کے ذریعے ہمارے کاروبار کو بڑھادیں گے۔ خطرے کے فعال انتظام کو یقینی بنانے کے لیے، ہم تشویش کے مخصوص شعبوں کی نشاندہی کرتے ہوئے موجودہ اور مستقبل کے خطرات کا ایک جامع تجزیہ کرتے ہیں۔

پائیداری سے متعلق خطرے اور مواقع ماحولیاتی، سماجی، اور حکمرانی کے عوامل سے متعلق خطرات کی شناخت اور ان کا نظم کرنے میں مدد کرتے ہیں، جو سرمایہ کاروں، ریگولیٹرز اور صارفین کے لیے تیزی سے اہم ہیں۔ اس نقطہ نظر کے تناظر میں، کمپنی بنیادی طور پر درج ذیل پائیداری کے خطرات سے دوچار ہے۔

• ماحولیاتی خطرات:

آلودگی اور فضلہ کا انتظام

• سماجی خطرات:

مزدوری کے طریقے، انسانی حقوق، صحت، اور حفاظت۔

• گورننس کے خطرات:

ریگولیٹری تبدیلی، سپلائی چین کی شفافیت

پائیداری کے ضوابط کی تبدیلی کرنے میں ناکامی اہم قلیل مدتی اور طویل مدتی نتائج کا باعث بن سکتی ہے۔ ان میں جرمانے، قانونی فیس، اور شہرت کو پہنچنے والے نقصانات شامل ہیں، جس کے نتیجے میں کلائنٹس اور کاروبار کو ہونے والے نقصانات کا سامنا کرنا پڑ سکتا ہے۔ پائیداری کی پالیسیوں کی ناکافی شفافیت اور گمرانی بھی سرمایہ کاروں کے اعتماد کو ختم کر سکتی ہے اور فنڈنگ تک رسائی کو محدود کر سکتی ہے۔

تاہم، یہ خطرات مواقع بھی پیش کرتے ہیں۔ پائیدار طریقوں کو اپنانے اور توانائی کی کارکردگی میں اضافہ کر کے، کمپنیاں لاگت کو کم کر سکتی ہیں اور اپنی ساکھ کو بڑھا سکتی ہیں۔ ماحولیاتی، سماجی اور گورننس کے اصولوں پر عمل پیرا ہونا مسابقتی فائدہ فراہم کر سکتا ہے، سرمایہ کاروں کے اعتماد کو بڑھا سکتا ہے، مالی اتار چڑھاؤ کو کم کر سکتا ہے، اور طویل مدتی منافع کو یقینی بنا سکتا ہے۔

پائیداری سے متعلق ذمہ داریوں کو موثر طریقے سے نبھانے کے لئے، بورڈ نے انسانی وسائل اور معاوضے کی کمیٹی کو اضافی اختیارات سونپ دیے ہیں۔ یہ کمیٹی پائیداری کے خطرات، مواقع اور اقدامات کی نگرانی اور جائزہ لے گی اور ہر چھ ماہ بعد بورڈ کو رپورٹ پیش کرے گی۔

تنوع، مساوات اور شمولیت:

ہماری کمپنی کام کی جگہ کو فروغ دینے کے لیے وقف ہے جو جامع، مساوی، اور متنوع ہو، جو ہماری افرادی قوت اور ان برادریوں کی عکاسی کرتی ہے جن کی ہم خدمت کرتے ہیں۔ ہم سمجھتے ہیں کہ تنوع، مساوات،

اور شمولیت ہمارے اخلاقی اور پائیدار کاروباری طریقوں کے لیے ضروری ہے اور ہم نے اپنی تنظیم کی تمام سطحوں پر صنفی اور نسلی تنوع کو بڑھانے کے لیے ایک جامع حکمت عملی تیار کی ہے۔ صنفی تنوع کو ایک اسٹریٹجک ترجیح کے طور پر: ہم صنفی تنوع کو ایک اسٹریٹجک اثاثہ کے طور پر دیکھتے ہیں جو فیصلہ سازی اور مسائل کے حل کو بہتر بناتا ہے، جو ہمارے مساوی فائدہ میں حصہ ڈالتا ہے۔ تنوع، مساوات، اور شمولیت کے لیے ہماری وابستگی ہماری ٹیلنٹ کے حصول، مشغولیت، اور فروغ کی حکمت عملیوں سے ظاہر ہوتی ہے۔ ہم نے تعلق اور احترام کا ایک کلچر بنایا ہے، اس بات کو یقینی بناتے ہوئے کہ تمام ملازمین قابل قدر اور بااختیار محسوس کریں۔

صنفی تنوع میں فرق: ہم اس بات کو یقینی بنانے کے لیے پرعزم ہیں کہ تمام ملازمین کو مناسب ادائیگی کی جائے اور صنف سے قطع نظر ترقی کے یکساں مواقع ہوں۔

درمیانی فرق: مردوں کی اوسط تنخواہ خواتین کے برابر ہے۔

میڈین گیپ: مردوں کے لیے اوسط تنخواہ عورتوں کے برابر ہے۔

تعمیل اور جواہری: ہم تنوع، مساوات، اور شمولیت سے متعلق تمام متعلقہ قوانین اور ضوابط کی پابندی کرتے ہیں اور تعمیل کو یقینی بنانے کے لیے باقاعدگی سے جائزہ لیتے ہیں۔ انصاف اور مساوات کے لیے ہماری وابستگی بشمول ملازمت، تنخواہ کے جائزے، اور کیریئر کی ترقی، ملازمت کے تمام پہلوؤں تک پھیلی ہوئی ہے۔

### مادی تبدیلیاں:

رپورٹ کی تاریخ میں 30 جون 2024 سے اب تک کوئی مادی تبدیلی نہیں آئی ہے اور کمپنی نے اس مدت کے دوران کوئی معاہدہ نہیں کیا ہے، جس سے کمپنی کی مالی پوزیشن پر منفی اثر پڑے گا۔

### آڈیٹر کی تقرری


کمپنی کے آڈیٹرز جو کہ میسر شائن ونگ جمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، مے بینک سکور، لاہور جو اس سال ریٹائر ہو گئے ہیں نے دوبارہ تقرری کے لیے خدمات پیش کی ہیں۔ کمپنی کی بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے ان کی دوبارہ تقرری کے لیے سفارش کی ہے۔


### اعتراف

بورڈ آف ڈائریکٹرز کمپنی کے بینکاروں کی قدر کرتا ہے جو کہ مسلسل کمپنی کی مالی مشکلات میں بروقت مدد کرتے ہیں۔ اسکے علاوہ کمپنی کی انتظامیہ اور کارکنوں کی محنت کو بے مثال مشکل حالات میں بہتر نتائج حاصل کرنے پر شاباش دیتا ہے۔ اور امید کرتا ہے کہ مستقبل میں اسی لگن اور محنت سے کام کرتے رہیں گے۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

تاریخ: 21 ستمبر 2024

  
فیاض حسین  
ایگزیکٹو ڈائریکٹر (ریٹائرڈ) علی قلی خان خٹک  
چیف ایگزیکٹو آفیسر

  
ساجد وحید  
میجر جنرل (ریٹائرڈ) سعید احمد دہلہ  
ڈائریکٹر

**KEY OPERATING AND FINANCIAL DATA  
SIX YEARS SUMMARY**

PARTICULARS		----- Restated -----					
		2024	2023	2022	2021	2020	2019
Spindles installed	Nos.	<b>98,224</b>	101,320	101,320	100,200	64,704	64,704
Rotors installed	Nos.	<b>600</b>	600	600	600	600	600
<b>PRODUCTION</b>	Lbs. in million	<b>12.927</b>	14.340	17.636	14.406	11.037	13.092
Sales - Net	Rs. in million	<b>5,884.712</b>	6,016.527	7,155.722	5,610.298	2,754.564	3,379.664
Gross (loss) / profit	---- " ----	<b>(24.571)</b>	346.898	598.779	775.052	259.259	264.771
(Loss) / profit from operations	---- " ----	<b>(190.092)</b>	241.847	402.765	594.674	163.708	138.124
(Loss) / profit before Taxation	---- " ----	<b>(536.751)</b>	(102.686)	189.742	434.368	(60.203)	41.272
Provision for Taxation	---- " ----	<b>(69.167)</b>	(22.410)	19.906	161.264	41.307	34.976
(Loss) / profit after Taxation	---- " ----	<b>(467.584)</b>	(80.276)	169.836	273.104	(101.510)	6.296
(Loss) / Earning per share	Rupees	<b>(67.61)</b>	(11.61)	30.85	57.08	(21.22)	1.32
Breakup Value per share	---- " ----	<b>872.79</b>	949.72	957.47	733.60	680.92	672.41
<hr/>							
Total Assets	Rs. in million	<b>8,873.741</b>	9,636.386	10,039.725	5,275.592	5,052.315	4,682.062
Current Liabilities	---- " ----	<b>(2,355.814)</b>	(2,295.847)	(2,425.686)	(1,385.856)	(1,497.225)	(1,204.241)
	---- " ----	<b>6,517.927</b>	7,340.539	7,614.039	3,889.736	3,555.090	3,477.821
<hr/>							
<b>REPRESENTED BY:</b>							
Share Capital	Rs. in million	<b>69.158</b>	69.158	69.158	47.848	47.848	47.848
Reserves and Un-appropriated Profit	---- " ----	<b>5,966.876</b>	6,498.971	6,552.511	3,462.267	3,210.234	3,169.511
Equity	---- " ----	<b>6,036.034</b>	6,568.129	6,621.669	3,510.115	3,258.082	3,217.359
Lease liabilities	---- " ----	<b>0.000</b>	2.034	0.000	1.084	3.541	0.000
Long term finances	---- " ----	<b>0.624</b>	138.691	263.616	3.567	0.000	0.000
Deferred Liabilities	---- " ----	<b>481.269</b>	631.685	728.754	374.970	293.467	260.462
	---- " ----	<b>6,517.927</b>	7,340.539	7,614.039	3,889.736	3,555.090	3,477.821
<hr/>							

## FORM 34

THE COMPANIES ACT, 2017  
(Section 227(2) and 449)

## PATTERN OF SHAREHOLDING

1. CUIIN (Incorporation Number)

2. Name of the Company

3. Pattern of holding of the shares held by the shareholders as at

4. No of shareholders	Shareholdings	Total shares held
1656	shareholding from 1 to 100 shares	45,548
650	shareholding from 101 to 500 shares	153,235
158	shareholding from 501 to 1000 shares	116,366
145	shareholding from 1001 to 5000	320,726
27	shareholding from 5001 to 10000	196,899
13	shareholding from 10001 to 15000	162,436
3	shareholding from 20001 to 25000	72,200
1	shareholding from 30001 to 35000	31,000
1	shareholding from 35001 to 40000	38,500
2	shareholding from 40001 to 45000	84,895
2	shareholding from 50001 to 55000	105,150
1	shareholding from 55001 to 60000	56,024
1	shareholding from 60001 to 65000	61,525

1	shareholding from 850001 to 90000	88,932
1	shareholding from 900001 to 95000	91,000
1	shareholding from 100001 to 105000	100,413
1	shareholding from 130001 to 135000	134,062
1	shareholding from 160001 to 165000	160,754
1	shareholding from 295001 to 300000	300,000
1	shareholding from 341001 to 345000	341,000
1	shareholding from 475001 to 480000	478,444
1	shareholding from 485001 to 490000	486,192
1	shareholding from 840001 to 845000	843,245
1	shareholding from 885001 to 890000	888,046
1	shareholding from 1555001 to 1560000	1,559,230
<b>2672</b>	<b>Total</b>	<b>6,915,822</b>

5. Categories of shareholders	share held	Percentage
5.1 Directors, Chief Executive Officer, and their spouse and minor children.	71,038	1.03
5.2. Associated Companies, undertakings and related parties.	3,731,008	53.95
5.2. Treasury Shares	341,000	4.93
5.3 NIT & ICP	57,675	0.83

5.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	495,214	7.16
5.5	Insurance Companies	328	0.00
5.6	Modarabas and Mutual Funds	799	0.01
5.7	Share holders holding 10% Bibojee Services (Pvt.) Ltd Bannu Woollen Mills Ltd	2,031,291 1,659,643	29.37 24.00
5.8	General Public		
	a. Local	2,014,426	29.13
	b. Foreign	NIL	NIL
5.9	Others (to be specified)		
	Other Companies	59,297	0.86
	Secretary to Govt. of KPK	143,806	2.08
	Deputy Administrator (Abandoned Properties)	1201	0.02
	Sheriar F. Irani Investment Trust Ltd.	30	0.00

6. Signature of Secretary 

7. Name of Signatory **ABID RAZA**

8. Designation **Company Secretary**

9. NIC Number 3 5 2 0 2 - 9 9 6 8 5 6 7 - 9

10. Date Day: 3 0 Month: 0 6 Year: 2 0 2 4

DETAILS OF PATTERN OF SHAREHOLDING AS PER  
REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

CATEGORIES OF SHAREHOLDERS	SHARES HELD
1. ASSOCIATED COMPANIES, UNDERTAKINGS & RELATED PARTIES:	
M/S.BIBOJEE SERVICES (PVT) LTD.	2,031,291
M/S BANNU WOOLLEN MILLS LTD.	1,659,643
M/S WAQF-E-KULI KHAN	40,074
2. TREASURY SHARES:	341,000
3. NIT & I.C.P:	
M/S. INVESTMENT CORPORATION OF PAKISTAN	1,517
CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	56,024
IDBP (ICP UNIT)	134
4. DIRECTORS, CEO & THEIR SPOUSE AND MINOR CHILDREN:	
MR. AHMAD KULI KHAN KHATTAK           Chairman	21,934
LT.GEN. (RETD) ALI KULI KHAN KHATTAK   Chief Executive	24,819
MRS.SHAHNAZ SAJJAD AHMED           Director	10,968
DR. SHAHEEN KULI KHAN KHATTAK       Director	10,968
MRS. ZENAB ADNAN AURANGZEB       Director	2,246
MAJ. GEN. (RETD) SAEED AHMED WAHLA   Director	3
COL. (RETD) SYED YUNUS ALI RAZA       Director	100
5. EXECUTIVES	627
6. OTHER COMPANIES	59,297
7. BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE, INSTITUTIONS, INSURANCE COMPANIES, MODARBAS & MUTUAL FUNDS	496,341
8. SHAREHOLDERS HOLDING 10% OR MORE:	
M/S.BIBOJEE SERVICES (PVT) LTD.	2,031,291
M/S BANNU WOOLLEN MILLS LTD.	1,659,643
9. GENERAL PUBLIC & OTHERS	2 158 836



**Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019**

Name of Company JANANA DE MALUCHO TEXTILE MILLS LIMITED (THE COMPANY)

Year Ended 30<sup>TH</sup> JUNE 2024

The Company has complied with the requirements of the Statements of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), in the following manner:

1. Total number of directors is Seven as per following:

- |            |   |
|------------|---|
| a. Male:   | 4 |
| b. Female: | 3 |

2. The composition of the Board of Directors (the Board) is as follows:

CATEGORY	NAMES
Independent Directors*	Maj. Gen. (Retd) Saeed Ahmed Wahla Col. (Retd) Syed Yunus Ali Raza
Non-executive Directors	Mr. Ahmad Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Dr. Shahin Kuli Khan Khattak Mrs. Zenab Adnan Aurangzeb
Executive Director	Lt. Gen. (Retd) Ali Kuli Khan Khattak
Female Directors	Mrs. Shahnaz Sajjad Ahmad Dr. Shahin Kuli Khan Khattak Mrs. Zenab Adnan Aurangzeb

**\* Fractional requirement for Independent Directors has not been rounded up as one and presently the Company has two Independent Directors. The BOD feels that two Independent Directors are sufficient to maintain independence at the present Board level in order to accomplish its determined goals, therefore, the appointment of a third Independent Director is not warranted.**

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

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained by the company

6. All the powers of the Board have been duly exercised and decisions on relevant matters taken by the Board/or members of the company as provided under the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations.

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

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

9. Four of our Directors have already acquired the requisite certification under Directors' Training Program (the Program), whereas, one Director, who was co-opted on 5<sup>th</sup> December 2023 has to acquire, the Directors training program certification within a period of one year from the date of her appointment as a Director on the Board i.e. by 4<sup>th</sup> December 2024.

The remaining two Directors have not undertaken the requisite training program mainly due to their busy schedules. However, both the Directors will be joining the program whenever these are announced by the approved institutions at Lahore and Islamabad.

10. The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and also complied with the requirements of the relevant Regulations.

11. CFO and Chief Executive Officer (CEO) have duly endorsed the financial Statements before approval of the Board.

12. The Board has formed the following Committees comprising the members mentioned below:

#### Audit Committee

a)	Maj. Gen. (Retd) Saeed Ahmed Wahla	Chairman
b)	Mr. Ahmad Kuli Khan Khattak	Member
c)	Col. (Retd) Syed Yunus Ali Raza	Member

#### Human Resource and Remuneration Committee

a)	Col. (Retd) Syed Yunus Ali Raza	Chairman
b)	Lt. Gen. (Retd) Ali Kuli Khan Khattak	CEO/Member
c)	Mr. Ahmad Kuli Khan Khattak	Member
d)	Mrs. Shahnaz Sajjad Ahmad	Member

13. The terms of reference of the aforesaid Committees have been determined, documented and passed on to the Committees for ensuring compliance.

14. The frequency of meetings of the Committees was as per following:

- |                                  |           |
|----------------------------------|-----------|
| a) Audit Committee               | Quarterly |
| b) HR and Remuneration Committee | Yearly    |

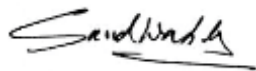
15. The Board has set up an effective internal audit department, its officers possess requisite qualification and experience for the responsibilities and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and are registered with the Audit Oversight Board of Pakistan, that none of the partners of the firm, their spouses and minor children hold shares of the Company and that the Audit Firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the ICAP.

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

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

On behalf of the Board of Directors



**Maj. Gen. (Retd) Saeed Ahmed Wahla**  
Director



**Lt. Gen. (Retd.) Ali Kuli Khan Khattak**  
Chief Executive Officer

**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF  
JANANA DE MALUCHO TEXTILE MILLS 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 **JANANA DE MALUCHO TEXTILE MILLS LIMITED** (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

*Shinewing Hameed Chaudhri & Co.*

**LAHORE; SEPTEMBER 23, 2024**  
**UDIN: CR202410104a0Y3f1xNk**

**SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS**

Audit Engagement Partner: Osman Hameed Chaudhri

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF JANANA DE MALUCHO TEXTILE MILLS LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of **JANANA DE MALUCHO TEXTILE MILLS LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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 year. 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 matter was addressed in our audit
1.	<p><b>Inventory existence and valuation</b></p> <p>The value of stock-in-trade at the reporting date aggregated Rs.1,293 million representing 81% of the Company's total current assets. Stock-in-trade at the reporting date mainly included raw materials and finished goods (note 10).</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of labour and other various overheads incurred in bringing the inventories to their present location and conditions. Judgment has also been exercised by the management in determining the net realisable value of finished goods.</p> <p>We identified this as key audit matter in our audit due to the judgment and assumptions applied by the Company in determining the cost and net realisable value of stock-in-trade at the reporting date.</p>	<p>We assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> <li>- assessed whether the Company's accounting policy for inventory valuation is in line with the applicable financial reporting standards;</li> <li>- attended inventory count at the year-end and reconciled physical inventory with inventory lists provided to ensure completeness of data;</li> <li>- assessed historical cost recorded in inventory valuation by checking purchase invoices on sample basis;</li> <li>- tested reasonability of assumptions applied by the management in allocation of labour and other various overhead costs to inventories;</li> <li>- assessed the management's determination of net realisable value of inventories by performing tests on sale prices secured by the Company for similar items; and</li> <li>- performed net realisable value test to assess whether cost of inventories exceeded its net realisable value by detailed review of subsequent sale invoices.</li> </ul>
2.	<p><b>Contingencies</b></p> <p>As disclosed in note 30 to the accompanying financial statements, the Company has contingent liabilities in respect of various matters, which are pending adjudication before respective authorities and courts of law. This requires the management to make assessments and judgments with respect to likelihood and impact of such litigations on the financial statements of the Company.</p> <p>The management has engaged independent legal counsels on these matters.</p>	<p>In response to this matter, we performed following audit procedures:</p> <ul style="list-style-type: none"> <li>- discussed legal cases with the internal legal department of the Company to understand the management's view point, obtained and reviewed the litigation documents to assess the facts and circumstances;</li> <li>- obtained opinions from legal counsels dealing with such cases in the form of confirmations;</li> </ul>

S. No.	Key audit matters	How the matter was addressed in our audit
3.	<p>The assessment of provisioning against such litigations is a complex exercise and requires significant judgments to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessments are disclosed in said note to these financial statements.</p> <p><b>3. Valuation of Investments</b></p> <p>Refer notes 7 to the financial statements.</p> <p>The Company's investments in an Associated Company having carrying value of Rs.81.492 million as at the reporting date. Investments in Associated Company are measured under equity method of accounting and at the reporting date the recoverable amount is estimated by an independent Valuer to determine the extent of impairment loss; carrying amount of investments is adjusted accordingly.</p> <p>The estimation of the recoverable amount involves significant judgment, including assumptions around the current and future market conditions, forecast cash flows and discount rates, etc.</p> <p>In view of significant judgment involved in the estimation of value in use, we consider this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and</li> <li>- disclosures of legal exposures and provisions were assessed for completeness and accuracy.</li> </ul> <p>Our procedures in relation to assessment of carrying values of investments in Associated Company included the following:</p> <ul style="list-style-type: none"> <li>- assessed the appropriateness of management's accounting for investments in Associated Company.</li> <li>- understood and evaluated the process by which the cash flow forecasts were prepared by the Valuer, including confirming the mathematical accuracy of the underlying calculations;</li> <li>- evaluated the Valuer's competence, capability and objectivity and assessed the appropriateness of methodology adopted by the Valuer engaged by the management;</li> <li>- performed independently, a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions; and</li> <li>- assessed the adequacy of the disclosures made by the Company with regard to applicable accounting and reporting standards.</li> </ul>

#### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

#### **Auditors' 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 auditors' 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 auditors' 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 upto the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

*Shinewing Hameed Chaudhri & Co.*

LAHORE; SEPTEMBER 23, 2024  
UDIN: AR202410104rAwMZO9eI

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS

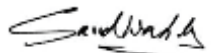
**STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024**

	Note	2024 --- Rupees in '000 ---	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	7,185,322	7,592,697
Intangible assets	6	780	1,040
Investments in Associated Company	7	81,492	71,693
Loans to employees	8	900	1,236
Security deposits		14,598	14,346
		<b>7,283,092</b>	<b>7,681,012</b>
<b>Current assets</b>			
Stores, spares and loose tools	9	75,085	90,099
Stock-in-trade	10	1,293,722	1,465,380
Trade debts	11	4,574	62,405
Advances to employees		1,224	1,588
Advance payments	12	10,942	19,998
Trade deposits and prepayments	13	3,720	77,271
Due from an Associated Company	14	60	-
Other receivables	15	1,923	622
Income tax refundable, advance tax and tax deducted at source		187,027	197,372
Cash and bank balances	16	12,372	40,639
		<b>1,590,649</b>	<b>1,955,374</b>
<b>TOTAL ASSETS</b>		<b>8,873,741</b>	<b>9,636,386</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Authorised capital	17	1,000,000	1,000,000
Issued, subscribed and paid-up capital	18	69,158	69,158
Treasury shares	18.6	(3,410)	(3,410)
Capital reserves:			
- other capital reserves	19	23,803	23,803
- revaluation surplus on property, plant and equipment	20	5,007,712	5,110,134
Revenue reserves			
- general reserve		371,530	371,530
- unappropriated profit		567,241	996,914
<b>Shareholders' equity</b>		<b>6,036,034</b>	<b>6,568,129</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	21	-	2,034
Long term finances	22	624	138,691
Staff retirement benefits - gratuity	23	118,599	100,467
Deferred taxation	24	362,670	531,218
		<b>481,893</b>	<b>772,410</b>
<b>Current liabilities</b>			
Trade and other payables	25	800,066	421,680
Contract liabilities		69,870	77,675
Unclaimed dividends		2,715	2,715
Accrued mark-up		76,387	1,017
Short term finances	26	1,171,942	1,556,639
Current portion of non current liabilities	27	160,084	159,723
Levies and income tax	28	73,559	75,207
Preference shares redemption account	29	1,191	1,191
		<b>2,355,814</b>	<b>2,295,847</b>
<b>Total liabilities</b>		<b>2,837,707</b>	<b>3,068,257</b>
<b>Contingencies and commitments</b>	30		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,873,741</b>	<b>9,636,386</b>

The annexed notes 1 to 51 form an integral part of these financial statements.



**Lt. Gen. Retd.**  
**Ali Kuli Khan Khattak**  
Chief Executive



**Maj. Gen. (Retd)**  
**Saeed Ahmed Wahla**  
Director




**Amin-ur-Rasheed**  
Chief Financial Officer

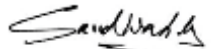
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 --- Rupees in '000 ---	2023 Restated
Sales	31	5,884,712	6,016,527
Cost of sales	32	5,909,283	5,669,629
Gross (loss) / profit		(24,571)	346,898
Distribution cost	33	74,816	59,077
Administrative expenses	34	140,884	121,224
Other expenses	35	42,654	12,587
Other income	36	(92,833)	(87,837)
		165,521	105,051
(Loss) / profit from operations		(190,092)	241,847
Finance cost	37	357,751	324,940
		(547,843)	(83,093)
Share of (loss) / profit from an Associated Company - net	7	(11,482)	643
Impairment reversal / (loss) on investments in Associated Company	7	22,574	(20,236)
		11,092	(19,593)
Loss before revenue taxes and income taxes		(536,751)	(102,686)
Minimum taxes-levy	38.1	73,559	72,023
Loss before income tax		(610,310)	(174,709)
Income taxes	38.2	(142,726)	(94,433)
Loss for the year		(467,584)	(80,276)
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
- gain / (loss) on remeasurement of staff retirement benefit obligation	23	1,485	5,832
- impact of tax		(431)	(1,691)
		1,054	4,141
- (deficit) / surplus arisen upon revaluation of property, plant and equipment	20.2	(90,524)	-
- deferred taxation	20.2	26,252	-
		(64,272)	-
- share of other comprehensive loss of Associated Companies		(28)	(773)
- impact of tax		8	224
	7	(20)	(549)
		(63,238)	3,592
Total comprehensive loss		(530,822)	(76,684)
		----- Rupees -----	
Loss per share - basic and diluted	39	(67.61)	(11.61)


The annexed notes 1 to 51 form an integral part of these financial statements.



**Lt. Gen. Retd.  
Ali Kuli Khan Khattak  
Chief Executive**



**Maj. Gen. (Retd)  
Saeed Ahmed Wahla  
Director**

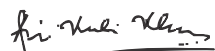


**Amin-ur-Rasheed  
Chief Financial Officer**

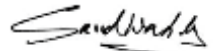
**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2024**

Share capital	Treas-ury shares	Reserves							Total	
		Capital				Revenue				
		Capital redemption	Tax holiday	Share premium	Revalu-ation surplus on property, plant and equipment	Merger reserve	General	Unappr-opriated profit		
----- Rupees in '000 -----										
Balance as at June 30, 2022	69,158	(3,410)	6,694	350	11,409	5,124,591	5,350	371,530	1,035,997	6,621,669
Total comprehensive loss for the year ended June 30, 2023:										
- loss for the year	-	-	-	-	-	-	-	-	(80,276)	(80,276)
- other comprehensive income	-	-	-	-	-	-	-	-	3,592	3,592
	-	-	-	-	-	-	-	-	(76,684)	(76,684)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the year - (net of deferred taxation)	-	-	-	-	-	(37,601)	-	-	37,601	-
Share of revaluation surplus on property, plant and equipment of Associated Company	-	-	-	-	-	23,144	-	-	-	23,144
Balance as at June 30, 2023	69,158	(3,410)	6,694	350	11,409	5,110,134	5,350	371,530	996,914	6,568,129
Total comprehensive loss for the year ended June 30, 2024:										
- loss for the year	-	-	-	-	-	-	-	-	(467,584)	(467,584)
- other comprehensive (loss) / income	-	-	-	-	-	(64,272)	-	-	1,034	(63,238)
	-	-	-	-	-	(64,272)	-	-	(466,550)	(530,822)
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation)										
- on account of incremental depreciation for the year	-	-	-	-	-	(36,387)	-	-	36,387	-
- upon sale of revalued assets	-	-	-	-	-	(490)	-	-	490	-
Share of revaluation surplus on property, plant and equipment of Associated Company	-	-	-	-	-	(1,273)	-	-	-	(1,273)
	69,158	(3,410)	6,694	350	11,409	5,007,712	5,350	371,530	567,241	6,036,034

The annexed notes 1 to 51 form an integral part of these financial statements.



**Lt. Gen. Retd.  
Ali Kuli Khan Khattak  
Chief Executive**



**Maj. Gen. (Retd)  
Saeed Ahmed Wahla  
Director**

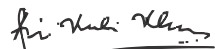


**Amin-ur-Rasheed  
Chief Financial Officer**

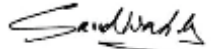
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
		--- Rupees in '000 ---	
<b>Cash flows from operating activities</b>			
Loss for the year - before taxation and share of profit / (loss) of Associated Companies		(547,843)	(83,093)
Adjustments for non-cash charges and other items:			
Depreciation on operating fixed assets	5.7	165,357	166,882
Depreciation on right of use assets	5.11	1,641	1,271
Amortisation of intangible assets	6	260	260
Provision for impairment of trade debts		-	129
Loss / (gain) on sale of operating fixed assets	5.80	38,618	(5,043)
Staff retirement benefits - gratuity (net)		19,617	1,505
Excess workers' welfare fund provision - reversed		-	(928)
Unclaimed payable balances of cotton and store suppliers of prior years - written back	36	(81,194)	(81,656)
Receivable balances of cotton and store suppliers - written off	35	3,419	4,286
Debtors balances - written off	35	617	5,277
Letter of credit claims - written off		-	2,895
Finance cost		349,590	319,982
<b>(Loss) / profit before working capital changes</b>		<b>(49,918)</b>	<b>331,767</b>
<b>Effect on cash flows due to working capital changes</b>			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		15,014	28,312
Stock-in-trade		171,658	357,534
Trade debts		57,213	(58,204)
Loans and advances to employees		700	268
Advance payments		5,637	(1,271)
Trade deposits and prepayments		73,551	(1,395)
Other receivables		(1,301)	(4)
Due from an Associated Company		(60)	-
Increase / (decrease) in trade and other payables and contract liabilities		451,775	(283,408)
		<b>774,187</b>	<b>41,832</b>
<b>Cash generated from operations</b>		<b>724,269</b>	<b>373,599</b>
Taxes paid		(64,862)	(82,477)
<b>Net cash generated from operating activities</b>		<b>659,407</b>	<b>291,122</b>
<b>Cash flows from investing activities</b>			
Fixed capital expenditure - net		(8,444)	(87,787)
Proceeds from sale of operating fixed assets	5.80	119,679	6,189
Intangible assets acquired		-	(1,300)
Security deposits		(252)	-
<b>Net cash generated from / (used in) investing activities</b>		<b>110,983</b>	<b>(82,898)</b>
<b>Cash flows from financing activities</b>			
Lease liabilities		(1,451)	2,382
Long term finances - net		(138,289)	(25,835)
Short term finances - net		(384,697)	209,879
Finance cost paid		(274,220)	(371,180)
<b>Net cash used in from financing activities</b>		<b>(798,657)</b>	<b>(184,754)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(28,267)</b>	<b>23,470</b>
<b>Cash and cash equivalents - at beginning of the year</b>		<b>40,639</b>	<b>17,169</b>
<b>Cash and cash equivalents - at end of the year</b>		<b>12,372</b>	<b>40,639</b>

The annexed notes 1 to 51 form an integral part of these financial statements.



**Lt. Gen. Retd.**  
**Ali Kuli Khan Khattak**  
Chief Executive



**Maj. Gen. (Retd)**  
**Saeed Ahmed Wahla**  
Director



**Amin-ur-Rasheed**  
Chief Financial Officer

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**1. LEGAL STATUS AND OPERATIONS**

Janana De Malucho Textile Mills Ltd. (JDM / the Company) was incorporated in Pakistan as a Public Company in the year 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of yarn. The Company's mills and its registered office are located at Habibabad, Kohat.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

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

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

**2.2 Accounting convention**

These financial statements have been prepared under the historical cost convention, except where otherwise specifically stated.

**2.3 Functional and presentation currency**

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

**2.4 Critical accounting estimates, assumptions and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Useful lives, residual values and depreciation method of property, plant and equipment. - notes 4.1 and 5.1.
- Useful lives, residual values and amortisation method of intangible assets - notes 4.2 and 6.2
- Provision for impairment of inventories - notes 4.4, 4.5, 9 and 10.
- Allowance for expected credit loss - note 4.6.
- Impairment loss of non-financial assets other than inventories - note 4.8.
- Staff retirement benefits - gratuity - notes 4.10 and 23.
- Estimation of provisions - note 4.12.
- Estimation of contingent liabilities - notes 4.13 and 30.
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses) - notes 4.14, 24 and 28.

The revisions to accounting estimates, if any, are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES RESULTING FROM AMENDMENTS IN STANDARDS DURING THE YEAR**

#### **3.1 Standards, amendments to approved accounting standards and interpretations that are effective and have been adopted by the Company**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after July 01, 2023 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

##### **a) IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Effective: January 01, 2023**

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

**b) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors** **Effective: January 01, 2023**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a Company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

The amendments have no impact on the Company's financial statements.

There are number of other standards, amendments and interpretations to the approved accounting standards that are effective but are not relevant to the Company and therefore, have not been presented here.

**3.2 Standards, amendments to approved accounting standards and interpretations that are not effective and have not been adopted by the Company**

The following amendments with respect to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**a) IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures** **Effective: January 01, 2024**

Amendments in IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments; Disclosures; Supplier Finance Arrangements, disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

The amendments are supplement requirements already in IFRS Accounting Standards and require a company to disclose:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

**b) IFRS 16 Leases** **Effective: January 01, 2024**

Leases - Lease Liability in a Sale and Leaseback - Amendments requires a seller lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

The adoption of the above amendments to accounting standards did not have any material effect on the financial statement of the Company.



### 3.3 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) – 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity as a result of this change.

	As at June 30, 2024			As at June 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After change in accounting policy
	----- Rupees -----					
Effect on profit or loss and other comprehensive income						
Final taxes - levy	-	(73,559)	(73,559)	-	(72,023)	(72,023)
Loss before income tax	(536,751)	(73,559)	(610,310)	(102,686)	(72,023)	(174,709)
Income tax expense	(69,167)	(73,559)	(142,726)	(22,410)	(72,023)	(94,433)

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below. They are same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2023.

### 4.1 Property, plant and equipment and depreciation

#### (a) Owned assets

##### Measurement

Items of property, plant and equipment other than freehold land, buildings on freehold land, plant & machinery, generators and capital work-in-progress are measured at cost less accumulated depreciation and impairment loss, if any.

Freehold land is stated at revalued amount whereas buildings on freehold land, plant & machinery and generators are stated at revalued amounts less accumulated depreciation and any identified impairment loss. Cost of some items of plant & machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior years. Borrowing costs are also capitalised for the period upto the date of commencement of commercial production of the respective plant & machinery, acquired out of the proceeds of such borrowings.

Capital work-in-progress is stated at cost less impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

#### **Revaluation**

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in statement of profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus on property, plant and equipment to retained earnings.

#### **Depreciation**

Depreciation is charged so as to write-off the cost or revalued amount of assets (other than freehold land and capital work-in-progress) over their remaining useful lives, using the reducing balance method at rates specified in note 5.1 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the date the asset acquired or capitalised has become available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

#### **Disposal**

Gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in other income in the statement of profit or loss. In case of the sale or retirement of a revalued property, plant and equipment, the attributable revaluation surplus remaining in the revaluation surplus on property, plant and equipment is transferred directly to unappropriated profit.

#### **Judgment and estimates**

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any change in estimates is accounted for on a prospective basis.

#### **b) Right of use assets and related liabilities**

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate. During the current financial year, liabilities have been discounted using the Company's incremental borrowing rates ranging from 23.85% to 24.25% (2023: 18.85% to 23.85%). Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### **4.2 Intangible assets and amortisation thereon**

Expenditure incurred to acquire computer software are capitalised as intangible assets and stated at cost less accumulated amortisation. Amortisation is taken to statement of profit or loss applying straight-line method to amortise the cost of intangible assets over their estimated useful life. Rate of amortisation is stated in note 6.2.

#### **4.3 Investments in Associated Company**

Investments in Associated Company are accounted for by using equity basis of accounting, under which the investments in Associated Company are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Company's share of profit or loss of the Associated Company after the date of acquisition. The Company's share of profit or loss of the Associated Company is recognised in the Company's profit or loss. Distributions received from Associated Company reduce the carrying amount of investments. Adjustments to the carrying amounts are also made for changes in the Company's proportionate interest in the Associated Company arising from changes in the Associated Company's equity that have not been recognised in the Associated Company's profit or loss. The Company's share of those changes is recognised directly in equity of the Company.

The carrying amount of investments is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less cost to sell) with its carrying amount and loss, if any, is recognised in profit or loss.

#### **4.4 Stores, spares and loose tools**

Stores, spares and loose tools are stated at the lower of cost and net realisable

value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated upto the statement of financial position date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for identified obsolete and slow moving items.

#### 4.5 Stock-in-trade

Basis of valuation are as follows:

<u>Particulars</u>	<u>Mode of valuation</u>
--------------------	--------------------------

Raw materials

- |              |   |
|--------------|---|
| - at mills   | - At lower of annual average cost and net realisable value. |
| - in transit | - At cost accumulated to the reporting date.                |

Work-in-process - At cost.

Finished goods - At lower of cost and net realisable value.

Waste - At net realisable value.

- Cost in relation to work-in-process and finished goods consists of prime cost and appropriate production overheads. Prime cost is allocated on the basis of moving average cost.
- Provision for obsolete and slow moving stock-in-trade is determined based on the management's assessment regarding their future usability.
- Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

#### Judgments and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

#### 4.6 Trade debts

Trade debts are initially recognised at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less allowance for Expected Credit Loss (ECL). Carrying amounts of trade debts and other receivables are assessed at each reporting date and allowance is made for doubtful debts and receivables when collection of the amount is no longer probable. Debts and receivables considered irrecoverable are written-off.

#### 4.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist of cash-in-hand and balances with banks.

**4.8 Impairment of non-financial assets other than inventories**

The assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

**4.9 Borrowings and borrowing costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest rate method.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

**4.10 Staff retirement benefits****(a) Defined benefit plan**

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2024 on the basis of the projected unit credit method by an independent Actuary.

Actuarial gains and losses are recognised in other comprehensive income in the period in which these occur and past-service costs are recognised immediately in the statement of profit or loss.

**(b) Defined contribution plan**

The Company, during the financial year ended June 30, 2018, has introduced defined contribution plan through Employees' Provident Fund for its eligible employees. Equal monthly contributions at the rate of 8.33% of their gross salaries are made both by the employees and the Company.

**4.11 Trade and other payables**

Trade and other payables are initially measured at cost, which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

**4.12 Provisions**

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

**4.13 Contingent liabilities**

A contingent liability is disclosed when the Company

- has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or
- 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.

**4.14 Taxation**

Taxation comprises of current tax and deferred tax.

Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any, in which case the tax amounts are recognised directly in other comprehensive income or equity.

The Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Other taxes based on revenue and final taxes are then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

**Current**

Current tax is the expected tax payable on the taxable income for the year; calculated using rates enacted or substantively enacted by the end of the reporting period. The calculation of current tax takes into account tax credits and tax rebates, if any, and is inclusive of any adjustment to income tax payable or recoverable in respect of previous years.

**Deferred**

The Company accounts for deferred taxation using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is charged or credited to the profit or loss except for deferred tax arising on surplus on revaluation of property, plant and equipment, which is charged to revaluation surplus.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

#### **4.15 Dividend and appropriation to reserves**

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

#### **4.16 Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

##### **a) Financial assets**

###### **Classification**

The Company classifies its financial assets in the following measurement categories:

- i) amortised cost where the effective interest rate method is applied;
- ii) fair value through profit or loss; and
- iii) fair value through other comprehensive income.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income (OCI).

###### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

###### **Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss.

###### **Definition of default**

The Company considers the following as constituting an event of default for



internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 10 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### **Impairment of financial assets**

The Company assesses on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its trade debts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Bank balances

#### **Simplified approach for trade debts**

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### **Recognition of loss allowance**

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

#### **Write-off**

The Company writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written-off result in impairment gains.

### **b) Financial Liabilities**

#### **Classification, initial recognition and subsequent measurement**

Financial liabilities are classified in the following categories:



- i) fair value through profit or loss; and
- ii) other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

**i) Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

**ii) Other financial liabilities**

After initial recognition, other financial liabilities, which are interest bearing, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss for the year, when the liabilities are derecognised as well as through effective interest rate amortisation process.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or expired.

**Offsetting of financial assets and financial liabilities**

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

**4.17 Foreign currency transactions**

Foreign currency transactions are recorded in Pak Rupees using the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated in Pak Rupees at the rates of exchange prevailing at the reporting date. Exchange gains and losses are taken to statement of profit or loss.

**4.18 Revenue recognition**

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

**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 recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations

under the contract.

#### Others

Return on deposits is accounted for on 'accrual basis'.

Dividend income and entitlement of bonus shares are recognised when right to receive such dividend and bonus shares is established.

#### 4.19 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the approved accounting standards, is presented in note 45 to these financial statements.

5. PROPERTY, PLANT AND EQUIPMENT		2024	2023
	Note	- - - Rupees in '000 - - -	
Operating fixed assets - tangible	5.1	7,126,863	7,532,536
Capital work-in-progress	5.90	56,025	56,025
Right of use assets	5.10	2,434	4,136
		<u>7,185,322</u>	<u>7,592,697</u>

## 5.1 Operating fixed assets - owned

Particulars	Freehold land	Roads, paths and culverts	Buildings on freehold land				Plant & machinery	Generators	Workshop equipment	Furniture and fixtures	Office & other equipment	Computer equipment and accessories	Vehicles	Arms	Security & surveillance	Total
			Factory	Non-factory	Residential											
					Officers	Workers										
----- Rupees in '000 -----																
As at June 30, 2022																
Cost / revaluation	4,702,000	1,257	569,467	40,331	12,193	43,403	2,283,683	323,173	5,497	19,127	4,529	2,968	49,265	8,039	3,573	8,068,505
Accumulated depreciation	-	178	-	-	-	-	291,594	101,245	2,870	8,569	2,228	2,007	27,841	2,985	2,994	442,511
Book value	4,702,000	1,079	569,467	40,331	12,193	43,403	1,992,089	221,928	2,627	10,558	2,301	961	21,424	5,054	579	7,625,994
Year ended June 30, 2023:																
Additions	-	-	-	-	-	-	19,756	-	-	939	-	-	53,875	-	-	74,570
Disposals																
Cost / Revaluation	-	-	-	-	-	-	(4,470)	-	-	-	-	-	(5,962)	-	-	(10,432)
Depreciation	-	-	-	-	-	-	3,651	-	-	-	-	-	5,635	-	-	9,286
Depreciation for the year	-	54	28,473	2,017	610	2,170	100,380	22,193	131	529	115	288	9,496	253	173	166,882
Book value	4,702,000	1,025	540,994	38,314	11,583	41,233	1,910,646	199,735	2,496	10,968	2,186	673	65,476	4,801	406	7,532,536
Year ended June 30, 2024:																
Additions	-	-	-	-	-	-	-	-	-	270	-	171	8,067	-	-	8,508
Adjustment in depreciation due to deficit in revaluation																
	-	-	-	-	-	-	137,218	(46,693)	-	-	-	-	-	-	-	90,525
Disposals																
Cost / revaluation	-	-	-	-	-	-	(220,235)	(4,687)	-	-	-	-	(8,711)	-	-	(233,633)
Depreciation	-	-	-	-	-	-	72,067	2,501	-	-	-	-	766	-	-	75,334
Depreciation for the year	-	51	27,050	1,916	579	2,062	98,709	20,595	125	559	109	236	13,005	240	121	165,357
Book value	4,702,000	974	513,944	36,398	11,004	39,171	1,526,551	223,647	2,371	10,679	2,077	608	52,593	4,561	285	7,126,863
As at June 30, 2023																
Cost / revaluation	4,702,000	1,257	569,467	40,331	12,193	43,403	2,298,969	323,173	5,497	20,066	4,529	2,968	97,178	8,039	3,573	8,132,643
Accumulated depreciation	-	232	28,473	2,017	610	2,170	388,323	123,438	3,001	9,098	2,343	2,295	31,702	3,238	3,167	600,107
Book value	4,702,000	1,025	540,994	38,314	11,583	41,233	1,910,646	199,735	2,496	10,968	2,186	673	65,476	4,801	406	7,532,536
As at June 30, 2024																
Cost / revaluation	4,702,000	1,257	569,467	40,331	12,193	43,403	2,078,734	318,486	5,497	20,336	4,529	3,139	96,534	8,039	3,573	7,907,518
Accumulated depreciation	-	283	55,523	3,933	1,189	4,232	552,183	94,839	3,126	9,657	2,452	2,531	43,941	3,478	3,288	780,655
Book value	4,702,000	974	513,944	36,398	11,004	39,171	1,526,551	223,647	2,371	10,679	2,077	608	52,593	4,561	285	7,126,863
Depreciation rate (%)		5	5	5	5	5	5	10	5	5	5	30	20	5	30	

- 5.2 The land of Babri Cotton Mills Ltd. (BCM) valuing Rs.487.240 million is still under the title of BCM. The management is in the process to transfer the said land in the Company's name. BCM was merged with / into the Company effective February 15, 2022.
- 5.3 Freehold land represents 308,816 square meters of land situated at Habibabad, Kohat out of which approximately 83,332 square meters represent covered area.
- 5.4 Revaluation surplus on each class of assets, as a result of latest revaluation as detailed in note 20.2, has been determined as follows:

Particulars	Plant & machinery	Generators	Total
--- Rupees in '000 ---			
<b>Cost / revaluation as at April 1, 2024</b>	<b>2,295,022</b>	<b>318,488</b>	<b>2,613,510</b>
<b>Accumulated depreciation to April 1, 2024</b>	<b>458,261</b>	<b>135,799</b>	<b>594,060</b>
<b>Book value before revaluation adjustments as at April 1, 2024</b>	<b>1,836,761</b>	<b>182,689</b>	<b>2,019,450</b>
<b>Revalued amounts</b>	<b>1,699,543</b>	<b>229,383</b>	<b>1,928,926</b>
<b>(Deficit) / revaluation surplus</b>	<b>(137,218)</b>	<b>46,694</b>	<b>(90,524)</b>

- 5.5 Had the operating fixed assets been recognised under the cost model, the carrying amounts of each revalued class of operating fixed assets would have been as follows:

	2024	2023
--- Rupees in '000 ---		
Freehold land	<b>487,580</b>	487,580
Buildings on freehold land:		
- factory	<b>156,637</b>	164,881
- non-factory	<b>16,646</b>	17,522
Residential:		
- officers	<b>694</b>	731
- workers	<b>17,197</b>	18,102
Plant & machinery	<b>1,165,329</b>	1,387,346
Generators	<b>157,808</b>	175,112
	<b><u>2,001,891</u></b>	<b><u>2,251,274</u></b>

- 5.6 Based on the latest revaluation reports dated April 1, 2024 for plant & machinery and generators and report dated June 30, 2022 for Freehold land and buildings on freehold land the forced sale values of assets have been assessed as follows:

	Rupees in '000
Freehold land	3,996,700
Buildings on freehold land	532,317
Plant & machinery & Generators	1,543,141

<b>5.7 Depreciation for the year has been apportioned as under:</b>	<b>2024</b>	<b>2023</b>
	<b>--- Rupees in '000 ---</b>	
Cost of sales	<b>157,950</b>	161,202
Administrative expenses	<b>7,407</b>	5,680
	<b>165,357</b>	<b>166,882</b>

**5.8 Disposal of operating fixed assets**

Particulars	Cost	Accumul ated deprecia tion	Book value	Sale pro- ceeds	Gain / (loss)	Sold through negotiation / insurance claim to
----- Rupees in '000 -----						
<b>2024</b>						
<b>Assets having net book value exceeding Rs 500,000 each</b>						
<b>Plant &amp; Machinery</b>						
Drawing machine	3,943	1,626	2,317	1,418	(899)	Mr. Waqas Ahmad
Cards	28,140	12,155	15,985	9,836	(6,149)	M/s. Tuseef Brothers
Unilap former	2,925	1,309	1,616	1,639	23	----do----
Combers	2,862	867	1,995	1,639	(356)	----do----
Combers	22,701	8,035	14,666	8,199	(6,467)	----do----
Ring Frames	26,101	9,548	16,553	9,836	(6,717)	----do----
Auto cone winder	36,508	10,618	25,890	16,392	(9,498)	----do----
Multi drum filter	773	80	693	820	127	----do----
Multi drum filter	2,507	278	2,229	820	(1,409)	----do----
Compact system	16,834	5,564	11,270	5,737	(5,533)	----do----
Compact system	45,410	14,163	31,247	17,623	(13,624)	----do----
Auto cone winder	31,531	7,824	23,707	34,425	10,718	----do----
	<b>220,235</b>	<b>72,067</b>	<b>148,168</b>	<b>108,384</b>	<b>(39,784)</b>	
<b>Vehicle</b>						
Cherry Tigo 8 Pro	8,711	766	7,944	9,000	1,056	M/s. IGI Insurance
<b>Generators</b>	4,687	2,501	2,185	2,295	110	Mr. Abdul Rauf
	<b>233,633</b>	<b>75,334</b>	<b>158,297</b>	<b>119,679</b>	<b>(38,618)</b>	
<b>2023</b>						
	10,432	9,286	1,146	6,189	5,043	

**5.8.1** The machinery sold during the year was in scrap condition.

<b>5.9 Capital work-in-progress</b>	<b>2024</b>	<b>2023</b>
	<b>--- Rupees in '000 ---</b>	
	<b>Note</b>	
Advances paid to Peshawar Electric Supply Company Ltd. as capital cost of new HT line for extension of load of the Company	<b>43,107</b>	43,107
Advances paid to Sui Northern Gas Pipelines Ltd. for laying of pipe line for rectification of low pressure problem	<b>12,918</b>	12,918
	<b>56,025</b>	<b>56,025</b>

**5.10 Right of use assets**

Balance at beginning of the year	<b>4,136</b>	5,108
Additions during the year	-	5,175
Impact of reassessment	<b>(61)</b>	(194)
Transfer to owned assets:		
- cost	-	(9,208)
- accumulated depreciation	-	4,526
Depreciation charge for the year	<b>5.11 (1,641)</b>	(1,271)
Book value at end of the year	<b>2,434</b>	4,136

5.11 Depreciation for the year has been apportioned as under:	2024	2023
	--- Rupees in '000 ---	
Cost of sales	275	213
Administrative expenses	1,366	1,058
	<u>1,641</u>	<u>1,271</u>
<b>6. INTANGIBLE ASSETS</b>		
Opening balance	1,040	-
Additions during the year	-	1300
Less: amortisation charge for the year	260	260
Book value as at June 30 ,	<u>780</u>	<u>1,040</u>
<b>6.1</b> The Company, during the year ended June 30, 2023, acquired SARP ERP Software costing Rs.1.300 million.		
<b>6.2</b> Amortisation is charged to income applying straight-line method at the rate of 20% per annum.		
<b>7. INVESTMENTS IN AN ASSOCIATED COMPANY - Quoted</b>	<b>2024</b>	<b>2023</b>
	--- Rupees in '000 ---	
<b>Bannu Woollen Mills Ltd. (BWM)</b>		
731,626 (2023: 731,626) ordinary shares of Rs.10 each - <b>cost</b>	7,697	7,697
Shareholding held: 7.70% (2023: 7.70%)		
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by BWM	97,204	97,110
Share of revaluation surplus on property, plant and equipment	199,445	200,718
(Loss) / profit for the year - net of taxation	(11,482)	643
Share of other comprehensive loss - net of taxation	(20)	(549)
	<u>292,844</u>	<u>305,619</u>
Less: impairment loss		
opening balance	(233,926)	(213,690)
Reversal / (charge) for the year	22,574	(20,236)
closing balance	(211,352)	(233,926)
	<u>81,492</u>	<u>71,693</u>
<b>7.1</b> Although the Company has less than 20% voting rights in BWM as at June 30, 2023 and 2022, BWM has been treated as an Associated Company by virtue of common directorships.		
<b>7.2</b> Market value of the Company's investments in BWM as at June 30, 2024 was Rs.19.644 million (2023: Rs.16.374 million).		
<b>7.3</b> BWM was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. It is principally engaged in manufacture and sale of woollen yarn, cloth and blankets. The summary of financial information of BWM based on its audited financial statements for the year ended June 30, 2024 is as follows:		

	2024	2023
	- - - Rupees in '000 - - -	
<b>Summarised statement of financial position</b>		
Non-current assets	2,723,066	2,410,250
Current assets	1,168,196	1,231,653
	<u>3,891,262</u>	<u>3,641,903</u>
Non-current liabilities	203,251	214,496
Current liabilities	554,968	583,776
	<u>758,219</u>	<u>798,272</u>
<b>Net assets</b>	<u><b>3,133,043</b></u>	<u><b>2,843,631</b></u>
<b>Reconciliation to carrying amount</b>		
Opening net assets	2,843,631	2,893,207
Profit / (loss) for the year	306,214	(343,161)
Other comprehensive income for the year	(257)	287,743
Other adjustments*	(16,545)	5,842
Closing net assets	<u><b>3,133,043</b></u>	<u><b>2,843,631</b></u>

\* These mainly comprise of effect of share of revaluation surplus on property, plant and equipment.

	2024	2023
	- - - Rupees in '000 - - -	
Company's share percentage		
7.70% (2023: 7.70%)		
Company's share	241,244	218,960
Impairment loss and miscellaneous adjustments- net	(159,752)	(147,267)
Carrying amount of investment	<u>81,492</u>	<u>71,693</u>
<b>Summarised statement of profit or loss</b>		
Sales	<u>891,268</u>	<u>1,038,734</u>
Profit / (loss) before taxation	<u>300,889</u>	<u>(329,620)</u>
Profit / (loss) after taxation	<u><b>306,214</b></u>	<u><b>(343,161)</b></u>

- 7.4** The value of investments in BWM as at June 30, 2024 and June 30, 2023 is based on independent valuation carried-out by M/s Reanda Haroon Zakaria Aamir Salman Rizwan, Chartered Accountants - a QCR rated firm, having office at 275, Block H1, M.A. Johar Town, Lahore, engaged by the management. The Company has been using the Discounted Cash Flow (DCF) method to calculate Value in Use (VIU) under IAS 36 (Impairment of Assets). However, economic challenges, such as inflation, currency devaluation and increased assets revaluation, have necessitated a reassessment of the impairment assessment approach. Therefore, keeping in view the requirements of IAS 36, a revised model, known as the Market Value of Net Assets Approach has been adopted to calculate the VIU. This model provides a more accurate reflection of the investments value, especially for capital-intensive entities. This change in the VIU calculation method has led to reversal of the impairment loss for the year ended June 30, 2024. This change in estimate has been applied prospectively. These calculations assumed gross profit margin of 28.80% (2023: 28.80%), and capital asset pricing model based discount rate of 27.27% (2023: 21.69%).

8.	<b>LOANS TO EMPLOYEES - Secured</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
			- - - Rupees in '000 - - -	
	Balance as at June 30,	<b>8.1</b>	<b>1,638</b>	2,463
	Less: current portion grouped under current assets		<b>738</b>	1,227
			<b>900</b>	1,236
<b>8.1</b>	These interest free loans to employees have been advanced for various purposes and are recoverable in instalments which vary from case to case. These loans are secured against the gratuity benefits payable to respective employees.			
<b>9.</b>	<b>STORES, SPARES AND LOOSE TOOLS</b>			
	Stores - at mills		<b>46,954</b>	43,359
	Spares		<b>65,162</b>	83,698
	Loose tools		<b>343</b>	416
			<b>112,459</b>	127,473
	Provision for obsolete stores and spares		<b>(37,374)</b>	(37,374)
			<b>75,085</b>	90,099
<b>10.</b>	<b>STOCK-IN-TRADE</b>			
	Raw materials:			
	- at mills		<b>490,237</b>	1,081,049
	- in transit		<b>321,743</b>	57,790
		<b>10.1</b>	<b>811,980</b>	1,138,839
	Work-in-process		<b>145,594</b>	165,325
	Finished goods	<b>10.1</b>	<b>336,148</b>	161,216
			<b>1,293,722</b>	1,465,380
<b>10.1</b>	Raw material and finished good inventories are pledged with National Bank of Pakistan, The Bank of Khyber and Bank Alfalah Ltd., as security for short term finance facilities (note 26).			
<b>11.</b>	<b>TRADE DEBTS - Unsecured, considered good</b>			
	Balance at the year-end		<b>4,646</b>	62,857
	Less: allowance for expected credit loss	<b>11.1</b>	<b>(72)</b>	(452)
			<b>4,574</b>	62,405
<b>11.1</b>	<b>Allowance for expected credit loss</b>			
	Balance at beginning of the year		<b>452</b>	419
	Charge for the year		<b>(57)</b>	129
	Balance written-off during the year		<b>(323)</b>	(96)
	Balance at end of the year		<b>72</b>	452



12. <b>ADVANCE PAYMENTS - Unsecured,</b> considered good	Note	2024 --- Rupees in '000 ---	2023
Store suppliers		8,831	15,566
Others		2,111	4,432
		<u>10,942</u>	<u>19,998</u>
<b>13. TRADE DEPOSITS AND PREPAYMENTS</b>			
Letters of credit		-	743
Prepayments		1,020	1,528
Security deposit	13.1	2,700	75,000
		<u>3,720</u>	<u>77,271</u>
<b>13.1</b> The year end balance represents deposit with Bank Alfalah Ltd. (BAF) against guarantee of similar amount issued by the bank in favor of Sui Northern Gas Pipelines Ltd (SNGPL). Whereas, the preceding year's figure represents deposit amounting Rs.75 million deposited with National Bank of Pakistan (NBP) against guarantees of similar amount issued by the bank in favor SNGPL. The deposit has been received back from NBP during the year ended June 30, 2024.			
<b>14. DUE FROM AN ASSOCIATED COMPANY</b>			
Balance represents due from Gandhara Industries Ltd. on account of sharing of expenses			
<b>15. OTHER RECEIVABLES</b>			
	Note	2024 --- Rupees in '000 ---	2023
Due from employees' provident fund		<u>1,923</u>	<u>622</u>
<b>16. CASH AND BANK BALANCES</b>			
Cash-in-hand		1,864	363
Cash at banks on:			
- current accounts		5,763	12,761
- PLS security deposit account	16.1	498	270
- PLS accounts	16.1	3,168	26,295
- PLS account (employees' / staff gratuity fund account)	16.1	1,079	950
		<u>10,508</u>	40,276
		<u>12,372</u>	<u>40,639</u>
<b>16.1</b> PLS accounts carry profit at the rates ranging from 18% to 20.50% (2023: 12.25% to 19.50%) per annum.			
<b>17. AUTHORISED SHARE CAPITAL</b>			
The authorised share capital of the Company comprises of Rs.1 billion divided into 90,500,000 ordinary shares of Rs.10 each and 9,500,000 cumulative redeemable preference shares of Rs.10 each.			

**18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2024	2023		2024	2023
---- Numbers ----			--- Rupees in '000 ---	
1,640,900	1,640,900	Ordinary shares of Rs.10 each fully paid in cash	16,409	16,409
2,130,544	2,130,544	Ordinary shares of Rs.10 each issued to Financial Institutions by conversion of loans and debentures	21,305	21,305
6,832	6,832	Ordinary shares of Rs.10 each issued by conversion of preference shares	68	68
1,006,518	1,006,518	Ordinary shares of Rs.10 each issued as fully paid bonus shares	10,066	10,066
2,131,028	2,131,028	Ordinary shares of Rs.10 each allotted for consideration otherwise than in cash (note 18.1)	21,310	21,310
<b>6,915,822</b>	<b>6,915,822</b>		<b>69,158</b>	<b>69,158</b>

**18.1** These shares were allotted to the entitled shareholders of Babri Cotton Mills Ltd. upon its merger with and into JDM.

<b>18.2 Ordinary shares held by the Associated Companies and an Associate at the year-end:</b>	2024	2023
	Number of shares	
Bibojee Services (Pvt.) Ltd.	2,031,291	2,031,291
Bannu Woollen Mills Ltd.	1,659,643	1,659,643
Waqf-e-Kuli Khan	40,074	40,074
	<b>3,731,008</b>	<b>3,731,008</b>

**18.3** The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All the shares rank equally with regard to the Company's residual assets.

**18.4** The Company has one class of ordinary shares, which carries no right to fixed income.

**18.5** The Company has no reserved shares for issuance under options and sale contracts.

**18.6** This represent 341 thousand shares of Rs.10 each which were held by Babri Cotton Mills Ltd. at the time of merger within / into Company.

<b>19. OTHER CAPITAL RESERVES</b>	Note	2024	2023
		--- Rupees in '000 ---	
Capital redemption reserve		6,694	6,694
Tax holiday reserve		350	350
Share premium reserve	19.1	11,409	11,409
Merger reserve	19.2	5,350	5,350
		<b>23,803</b>	<b>23,803</b>

**19.1** This represents premium at the rate of Rs.10 per share received on 1,140,900 ordinary shares allotted during the financial year ended June 30, 2010.

19.2 This represents merger reserve arisen at the time of merger of BCM within / into Company.

**20. REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - Net**

	Note	2024 --- Rupees in '000 ---	2023
Revaluation surplus on the Company's property, plant and equipment	20.2	4,808,267	4,909,416
Share of revaluation surplus on property, plant and equipment of an Associated Company	7	199,445	200,718
		<u>5,007,712</u>	<u>5,110,134</u>

20.1 The Company's management had revalued its freehold land on September 30, 1998, September 30, 2004, June 30, 2007, March 31, 2010, February 29, 2012, December 31, 2015 and October 31, 2019. Buildings on freehold land, plant & machinery and generators were revalued on September 30, 2004, June 30, 2007, March 31, 2010, February 29, 2012, December 31, 2015, October 31, 2019 and June 30, 2022. These fixed assets were revalued by Independent Valuers on the basis of market value / depreciated market values and resulted in revaluation surplus aggregating Rs.5.585 billion.

20.2 The Company's management, as at April 1, 2024, has again revalued its plant & machinery and generators. These assets have been revalued on the basis of depreciated fair market values. The revaluation exercise has been carried-out by independent Valuers - Hamid Mukhtar & Co. (Pvt.) Ltd, Lahore The appraisal resulted into a loss / deficit arisen on revaluation aggregating Rs.90.524 million which has been debited to this account. The year-end balance has been arrived at as follows:

	Note	2024 --- Rupees in '000 ---	2023
<b>Opening balance</b>		5,193,291	5,246,250
Less: loss / deficit arisen on revaluation carried-out during the year	5.4	(90,524)	-
Less: transferred to unappropriated profit on account of:			
- incremental depreciation for the year		(51,249)	(52,959)
- upon sale of revalued assets		(692)	-
		<u>5,050,826</u>	<u>5,193,291</u>
Less: deferred tax on:			
- opening balance of surplus		283,875	299,233
- loss / deficit arisen on revaluation carried-out during the year		(26,252)	-
- incremental depreciation for the year		(14,862)	(15,358)
- sale of revalued assets		(202)	-
		<u>242,559</u>	<u>283,875</u>
<b>Closing balance</b>		<u>4,808,267</u>	<u>4,909,416</u>

21. LEASE LIABILITIES	2024	2023
	--- Rupees in '000 ---	
Balance at beginning of the year	3,473	1,091
Additions during the year	-	5,175
Impact of reassessment	(62)	(194)
Interest accrued	657	351
Repaid during the year	(2,046)	(2,950)
	<u>2,022</u>	<u>3,473</u>
Current portion grouped under current liabilities	(2,022)	(1,439)
Balance at end of the year	<u>-</u>	<u>2,034</u>

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

Particulars	2024			2023		
	Upto one year	From one to three years	Total	Upto one year	From one to three years	Total
	----- Rupees in '000 -----					
Minimum lease payments	2,251	-	2,251	2,046	2,251	4,297
Less: finance cost allocated to future periods	229	-	229	607	217	824
Present value of minimum lease payments	<u>2,022</u>	<u>-</u>	<u>2,022</u>	<u>1,439</u>	<u>2,034</u>	<u>3,473</u>

22. LONG TERM FINANCES - Secured	Note	2024	2023
		--- Rupees in '000 ---	
First Habib Modaraba (FHM)			
- diminishing musharaka (DM I)	22.1	1,904	2,906
The Bank of Khyber (BoK)			
- demand finance - I	22.2	-	32,917
- demand finance - II	22.3	-	5,565
Pak Oman Investment Company Ltd. (POIC)			
- term finance - I	22.5	66,667	133,333
- term finance - II	22.6	80,000	100,000
Sindh Modaraba (SM)			
- diminishing musharaka (DM II)	22.7	10,115	22,254
		<u>158,686</u>	<u>296,975</u>
Less: current portion grouped under current liabilities			
- FHM (DM I)		1,280	996
- BoK (demand finance - I)		-	32,917
- BoK (demand finance - II)		-	5,565
- POIC (term finance - I)		66,667	66,667
- POIC (term finance - II)		80,000	40,000
- SM (DM II)		10,115	12,139
		<u>158,062</u>	<u>158,284</u>
		<u>624</u>	<u>138,691</u>

- 22.1** This DM of Rs.5.068 million is utilised for purchase of a vehicle and is repayable in 60 equal monthly instalments of Rs.107 thousand ending November, 2025. The DM carries profit at the rate of 3-months KIBOR + 2.50% per annum; the effective profit rates during the year ranged from 23.96% to 25.41% (2023: 17.66% to 24.58%) per annum. The finance facility is secured against registration of vehicle in FHM's name.
- 22.2** These finances had been obtained by Babri Cotton Mills Ltd. (BCM - merged with the Company with effect from February 04, 2022) to retire letters of credit established for import of textile machinery for BMR. These finances carried mark-up at the rate of 6-months KIBOR + 2%; the effective mark-up rate charged by BoK during the year ranged from 23.48% to 24.97% (2023: 17.48% to 19.07%) per annum. The Company during the year has repaid the said loan.  
BoK had transferred the BCM's exposure to the Company after the Court verdict dated January 31, 2022 vide its letter bearing Ref. # BoK / RCCB / 2022 / 11997 dated April 16, 2022.
- 22.3** These finances had been obtained by BCM for acquisition of local textile machinery for BMR. These finances carried mark-up at the rate of 6-months KIBOR + 2%; the effective mark-up rate charged by BoK during the year ranged from 23.48% to 24.97 % (2023:17.48% to 19.07%) per annum. The company during the year has repaid the said loan  
BoK had transferred the BCM's exposure to the Company after the Court verdict dated January 31, 2022 vide its letter bearing Ref. # BoK / RCCB / 2022 / 11997 dated April 16, 2022.
- 22.4** The finances obtained from BoK, as detailed in notes 22.2 and 22.3, were secured against first joint pari passu charge on fixed assets of the Company and personal guarantees of two sponsoring directors of the Company.
- 22.5** These finances have been obtained against finance facility of Rs.200 million for mid term working capital requirements of the Company. The facility tenor is two years including six months grace period and is secured against first pari passu charge over present and future fixed and current assets of the Company. The finance facility carries profit at 3-months KIBOR + 2.50% per annum; the effective profit rate during the year ranged from 22.70% to 25.10% (2023:17.48% to 24.63%) per annum. The outstanding balance of these finances is repayable in 1 semi annual instalments ending July, 2024.
- 22.6** These finances have been obtained against finance facility of Rs.100 million for working capital requirements of the Company. The facility tenor is two years including nine months grace period and is secured against first pari passu charge over present and future fixed and current assets of the Company. The finance facility carries profit at 3-months KIBOR + 2.35% per annum; the effective profit rate during the year ranged from 22.59% to 25.26% (2023: 24.28% to 25.26%) per annum. These finances are repayable in 5 equal quarterly instalments commenced March, 2024.

**22.7** These finances have been obtained by BCM from SM against aggregate limit of Rs.50 million for the purpose of acquisition of plant and machinery. The facility tenor is five years and is secured against title of assets in the name of SM, registered charge of Rs.48.555 million over financed assets and personal guarantee of Ex-Chief Executive of BCM. The finance facility carries profit at 3-months KIBOR + 2.90% per annum; the effective profit rates during the year ranged from 23.71% to 25.93% (2023: 16.49% to 24.98%) per annum. The outstanding balance of these finances is repayable in 48 equal monthly instalments ending April, 2025.

**23. STAFF RETIREMENT BENEFITS - Gratuity**

The future contribution rates of this scheme include allowance for deficit and surplus. Projected unit credit method, based on the following significant assumptions, is used for valuation:

<b>Significant actuarial assumptions</b>	<b>2024</b>	<b>2023</b>
- discount rate	<b>14.75%</b>	16.25%
- expected rate of growth per annum in future salaries	<b>13.75%</b>	20.0%
- mortality rates	<b>SLIC 2001-2005</b>	SLIC 2001-2005
	Setback 1 year	
- withdrawal rates	<b>Age-based</b>	Age-based
- retirement assumption	<b>Age 60</b>	Age 60

Amount recognised in the statement of financial position is the present value of defined benefit obligation at the reporting date:

<b>The movement in the present value of defined benefit obligation is as follows:</b>	<b>2024</b>	<b>2023</b>
	<b>--- Rupees in '000 ---</b>	
Opening balance	<b>100,467</b>	104,794
Current service cost	<b>25,405</b>	21,138
Interest cost	<b>14,664</b>	12,634
Benefits paid	<b>(20,452)</b>	(32,267)
Remeasurements of obligation	<b>(1,485)</b>	(5,832)
Closing balance	<b>118,599</b>	100,467

**Expense recognised in the statement of profit or loss**

Current service cost	<b>25,405</b>	21,138
Interest cost	<b>14,664</b>	12,634
	<b>40,069</b>	33,772

Charge for the year has been allocated to cost of sales.

<b>Remeasurement recognised in other comprehensive income</b>	<b>2024</b>	<b>2023</b>
	--- Rupees in '000 ---	
Change in financial assumption	<b>557</b>	-
Experience adjustments	<b>928</b>	5,832
	<b>1,485</b>	5,832

Comparison of present value of defined benefit obligation and experience adjustments on obligation for five years is as follows:

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	----- Rupees in '000 -----				
Present value of defined benefit obligation	<b>118,599</b>	100,467	104,794	72,729	58,738
Experience adjustments on obligation	<b>(1,485)</b>	(5,832)	17,735	4,145	(11,275)

#### Impact on defined benefit obligation

<b>Year-end sensitivity analysis:</b>	<b>Change in assumption</b>	<b>Increase</b>	<b>Decrease</b>
		--- Rupees in '000 ---	
Discount rate	1%	<u>111,125</u>	<u>127,134</u>
Salary growth rate	1%	<u>127,449</u>	<u>110,708</u>

**23.1** The average duration of the defined benefit obligation as at June 30, 2024 is 7 years.

**23.2** The expected contribution to defined benefit obligation for the year ending June 30, 2025 is Rs.39.870 million.

<b>24. DEFERRED TAXATION - Net</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
		--- Rupees in '000 ---	
This is composed of the following:			
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation allowances		<b>341,343</b>	389,556
- surplus on revaluation of property, plant and equipment	<b>20.2</b>	<b>242,559</b>	283,875
- lease liabilities		<b>705</b>	1,199
		<b>584,607</b>	674,630
Deductible temporary differences arising in respect of:			
- staff retirement benefits - gratuity		<b>(34,394)</b>	(29,426)
- provision for obsolete stores and spares		<b>(10,838)</b>	(10,839)
- minimum tax recoverable against normal tax charge in future years		<b>(176,705)</b>	(103,147)
		<b>(221,937)</b>	(143,412)
		<b>362,670</b>	531,218

25. TRADE AND OTHER PAYABLES	Note	2024	2023
		--- Rupees in '000 ---	
Creditors		122,467	79,714
Bills payable against imported raw material		247,922	57,514
Advance payments	25.1	39,343	184
Accrued expenses	25.2	306,602	205,851
Tax deducted at source		11,481	11,329
Sales tax payable		42,239	22,404
Gratuity payable to employees		-	1,000
Due to Waqf-e-Kuli Khan	25.3	27,560	28,124
Security deposits repayable on demand - interest free		283	283
Others		2,169	15,277
		<u>800,066</u>	<u>421,680</u>

25.1 These advances have been received against sale of land.

25.2 No amount was payable to Associated Companies at the end of current and preceding years.

25.3 Waqf-e-Kuli Khan (a Charitable Institution) is administered by the following directors of the Company:

- Lt. General (Retd.) Ali Kuli Khan Khattak
- Mrs. Shahnaz Sajjad Ahmad
- Mr. Ahmad Kuli Khan Khattak
- Dr. Shahin Kuli Khan Khattak

26. SHORT TERM FINANCES	Note	2024	2023
		--- Rupees in '000 ---	
Secured	26.1	1,153,923	1,521,320
Un-secured (temporary bank overdrafts)		18,019	35,319
		<u>1,171,942</u>	<u>1,556,639</u>

26.1 Short term finance facilities available from National Bank of Pakistan (NBP) and The Bank of Khyber (BoK) under mark-up arrangements aggregate Rs.1.608 billion (2023: Rs.1.608 billion) and are secured against pledge of raw materials & finished goods and first pari passu charge on current & fixed assets of the Company and personal guarantees of two sponsoring directors of the Company. These facilities, during the year, carried mark-up at the rates ranging from 22.31% to 25.02% (2023: 16.63% to 24.23%) per annum.

Facilities available for opening letters of credit and guarantee from NBP and BoK aggregate Rs.625 million (2023: Rs.625 million) out of which facilities amounting Rs.316.119 million (2023: Rs.450 million) remained unutilised at the year-end. These facilities are secured against lien on import documents and the securities as detailed in the preceding paragraph.

Facilities from NBP were available upto January 31, 2024 whereas the facilities from BoK were available upto December 31, 2023. The facilities available from Bok and NBP have been renewed and the renewed facilities from BoK will be available upto December 31, 2024 and from NBP upto January 31, 2025.



- 26.2** Letter of credit / short term finance facility available from Bank Alfalah Ltd. (BAFL) amounts to Rs.250 million; out of which facilities amounting Rs.116.302 million remained unutilised at the year-end. This facility is available upto November, 2024 and is secured against lien over import documents, pledge of raw materials and ranking charge on current and fixed assets of the Company.

Facility available from BAFL for issuance of guarantee favouring Sui Northern Gas Pipelines Ltd. (SNGPL) amounts to Rs.75 million ( 2023:Rs.75 million); this facility has been utilised to the tune of Rs.2.700 for issuance of bank guarantee favouring SNGPL; balance facility remained unutilised as at June 30, 2024. This facility is available upto November, 2024 and will be secured against lien on cash / TDR placed with BAFL.

27. CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2024 --- Rupees in '000 ---	2023
Lease liabilities	21	2,022	1,439
Long term finances	22	158,062	158,284
		<u>160,084</u>	<u>159,723</u>
<b>28. LEVIES AND INCOME TAX</b>			
Opening balance		75,207	97,173
Add: provision made during the year:			
current	28.2	73,559	75,207
prior year adjustment		-	(3,184)
		<u>73,559</u>	<u>72,023</u>
		148,766	169,196
Less: payments / adjustments made against completed assessments		75,207	93,989
		<u>73,559</u>	<u>75,207</u>

- 28.1** Income tax returns of the Company have been filed upto the tax year 2023 i.e. accounting year ended June 30, 2023.

- 28.2** No numeric tax rate reconciliation is presented in these financial statements as provision for the current and preceding years represents tax payable under section 113 ( Minimum tax on the income of certain persons) of the Income Tax Ordinance, 2001 (the Ordinance).

- 28.3** The Department, on October 05, 2015, for tax year 2015 has charged tax under sections 161/236 G&H of the Ordinance amounting Rs.6.995 million; the Commissioner Inland Revenue Appeals - CIR(A) has decided the appeal on April 16, 2018 against the Company. The Company has filed further appeal on May 16, 2018 before the Appellate Tribunal Inland Revenue, Lahore - ATIR, which is pending adjudication.

- 28.4** Tax charged for the tax year 2014 at Rs.42.883 million on February 08, 2018 has been deleted by the CIR(A) on June 23, 2018 and he has also partially set aside various additions made by the Deputy Commissioner. The Company as well as the Income Tax Department (the Department) have filed further appeals on July 12, 2018 on the point of set aside before the ATIR, which are pending adjudication.

- 28.5** The Department, on March 24, 2015, has charged tax under sections 161/236 G&H of the Ordinance for tax years 2014 and 2015 at Rs.12.936 million and Rs.4.809 million respectively; the CIR(A) has decided the appeal on March 15, 2016 against the Company against which the Company has filed further appeal on April 07, 2016 before the ATIR, which is pending adjudication.
- 28.6** The Department, on October 03, 2016, has charged tax aggregating Rs.3.998 million under sections 161/205 of the Ordinance for the tax year 2012 against which appeal has been filed on October 13, 2016 before the CIR(A), which is pending adjudication.
- 28.7** The CIR(A) has decided the appeal for the tax year 2011 in favour of the Company on October 06, 2016 and demands of tax charged under sections 161/205 of the Ordinance aggregating Rs.5.632 million have been deleted. The Company has filed for appeal effects with the Department on December 06, 2016, which is under process. However, the Department has filed further appeal before the ATIR on January 04, 2017. The case has been decided in favor of the Company vide order dated October 18, 2023.
- 28.8** The ATIR has decided the appeal on February 21, 2017 for tax year 2007 and remanded the case back to the Deputy Commissioner Inland Revenue for de novo consideration.
- 28.9** The ATIR, during the financial year ended June 30, 2017 for the tax years 2004 to 2006, had cancelled all the assessments on October 05, 2016 made under section 122(5A) of the Ordinance by the Commissioner Inland Revenue LTU, Lahore and restored the original assessments under section 120(1) of the Ordinance.
- 28.10** The Department has charged tax on June 26, 2023 under section 122(5A) of the Ordinance for tax year 2021 at Rs.130.185 million against which appeal has been filed with CIR(A) Lahore. CIR(A) has remanded the case back to assessing officer. However, the Company has filed an appeal with ATIR which is pending adjudication.
- 28.11** The Department has charged tax on June 21, 2023 under section 122(5A) of the Ordinance for tax year 2017 at Rs.3.724 million against which appeal has been filed with CIR(A) Lahore, which is pending adjudication.

#### TAX STATUS OF BABRI COTTON MILLS LTD. (BCM)

- 28.12** Income tax returns of BCM have been filed upto the tax year 2023 i.e. accounting year ended June 30, 2023.
- 28.13** As per the rectification order dated February 03, 2017, the Department has charged tax under sections 161 / 205 of the Ordinance raising tax demands of Rs.4.885 million for the tax year 2015 against which BCM has filed an appeal on February 22, 2017 before the CIR(A), Peshawar which is pending adjudication.

<b>29. PREFERENCE SHARES REDEMPTION ACCOUNT</b>	<b>2024</b>	<b>2023</b>
Amounts payable on:	<b>Note</b>	<b>--- Rupees in '000 ---</b>
- 7.5% redeemable cumulative preference shares	<b>29.1</b>	134
- 10% redeemable cumulative preference shares	<b>29.2</b>	1,057
		<u>1,191</u>
		<u>1,191</u>

- 29.1** This represents the balance of total issue of 250,000 shares, which became convertible at par into ordinary shares of the Company or redeemable in cash at the option of the shareholders of the said class of shares after August 30, 1976. The Company had redeemed 118,828 shares during the year 1976, which were tendered for redemption in accordance with the terms of the issue.

3,060 shares were converted into ordinary shares of the Company after the year 1976 at the option exercised by the shareholders.

These shares totalling 128,112 could not be redeemed during the preceding years due to non-availability of adequate funds and incurrance of persistent losses. The Company's profitability and availability of funds in the recent past had allowed the management to redeem these shares fully as provided under section 85 of the repealed Companies Ordinance, 1984. The Company, during the current year, had redeemed no further shares and the opening balance of 13,435 shares was outstanding as at June 30, 2024.

- 29.2** This represents the balance of total issue of 426,250 shares, which were convertible at par into ordinary shares of the Company at the option of the shareholders of the said class of shares during the period from October 01, 1977 to October 01, 1981. As per terms of the issue, the unconverted shares were to be redeemed on October 01, 1982. However, 3,772 shares were converted into ordinary shares of the Company after the year 1984 at the request of the shareholders although the time for conversion as fixed by the Controller of Capital Issues had expired on October 01, 1981. These shares are due for redemption at par since October 01, 1982.

As stated in the preceding note, the Company's profitability and availability of funds in the recent past had allowed the management to redeem these shares also. The Company, upto June 30, 2014, had redeemed 314,483 shares whereas 2,112 further shares were redeemed during the financial year ended June 30, 2017; 52 shares were redeemed during the financial year ended June 30, 2020. The Company, during the year ended June 30, 2021, had further redeemed 162 shares. As at June 30, 2024 balance of 105,669 shares was outstanding.

### **30. CONTINGENCIES AND COMMITMENTS**

- 30.1** The Sales Tax Department (the Department), vide its judgment dated March 06, 2018, has created sales tax demands of Rs.5.978 million on account of discrepancies pointed out by CREST for which appeal has been decided by the Commissioner Inland Revenue [Appeals-CIR(A)] and remanded-back the issue to the Deputy Commissioner Inland Revenue. The Company, however, has filed an appeal with the Appellate Tribunal Inland Revenue (ATIR), Lahore against the orders of CIR (A), which is pending adjudication.
- 30.2** The Department, vide order dated January 24, 2018 under section 11(3) of the Sales Tax Act, 1990 (the Act) has created demand of Rs.182.690 million for the period July, 2011 to June, 2013 against which the Company has filed writ petition before the Lahore High Court (LHC) on January 30, 2018, which has declared the order passed by the Department illegal and void ab-initio on February 09, 2018. The Department against order of the LHC has filed an appeal on March 27, 2018 before the Supreme Court of Pakistan (SCP), which is pending adjudication.

- 30.3** The Department, vide order dated May 31, 2022, under section 11(3) of the Act has created demand of Rs.1,360.689 million, which included further tax and penalties for the period July, 2016 to June, 2019 against post refund audit. The Company has filed appeal against the impugned assessment order with the Commissioner (Appeals), who decided the appeal in favour of the Company and deleted the whole demand vide order dated December 30, 2022. The Company as well as the Department have filed further appeals with ATIR, Lahore, which are pending adjudication.
- 30.4** The Supreme Court of Pakistan (SCP) vide its judgment dated August 13, 2020 has declared the Gas Infrastructure Development Cess (GIDC) Act, 2015 as valid and constitutional. The SCP in its said judgment stated that the Cess under GIDC Act, 2015 is applicable only to those consumers of natural gas, which on account of their industrial or commercial dealings had passed on the GIDC burden to their end customers/clients.

The Company and Babri Cotton Mills Ltd (BCM - merged with the Company on February 04, 2022) have filed review petitions against the said judgment of SCP for waiver of the full amount of GIDC cess on the ground that, being spinning Units and producing raw materials for weaving sector, have not passed on the GIDC burden to their customers. The SCP has dismissed the said review petitions vide its judgment dated November 02, 2020; however, the SCP, in its said judgment, has mentioned that the companies claiming any relief under the GIDC Act, 2015 may approach the right forum.

In case of the Company, Sui Northern Gas Pipelines Ltd. (SNGPL), along with gas bill for the month of August, 2020, has raised GIDC demands aggregating Rs.380.957 million. The management, during the financial year ended June 30, 2017, has made GIDC provision amounting Rs.78.043 million relating to that year in its books of account, however, the balance GIDC provisions aggregating Rs.302.914 million have not been recognised in the books of account.

In case of BCM, SNGPL, along with gas bill for the month of August, 2020, has raised GIDC demands aggregating Rs.345.261 million against which provisions have not been recognised in the books of account.

In February, 2021, the Company and BCM through the forum of the KP Textile Mills Association have filed writ petitions before the PHC claiming non-applicability of the GIDC Act, 2015 in the ambit of the exemption in line with the provision of section 8(2) of the GIDC Act, 2015 and sought relief against the recovery of GIDC instalment bills. The PHC issued stay order in March, 2021 and restrained SNGPL from taking any adverse action against the Companies. However, PHC, vide its judgment dated June 15, 2022, has dismissed the petition filed by the KP Textile Mills Association and Others, observing that while exercising jurisdiction vested under article 199 of the Constitution, the Court can neither enter into factual controversies nor decide disputed questions of facts. the PHC, however, has allowed the Petitioners to approach A competent Court of law / forum having jurisdiction in the matter, if they so advised.

After dismissal of the petition by the Peshawar High Court filed by KP Textile Mills Association and Others, the Company and BCM, during July, 2022, have filed civil suits before the Court of Senior Civil Judge, Peshawar praying the Court to declare that the Company and BCM have not passed on the burden of GIDC to end consumers and are entitled to the benefit / exemption under section 8 (2) of the GIDC Act, 2015 as per the dicta laid down by the Supreme Court in civil appeals / civil review petition and by the PHC in a writ petition. The Company and BCM have further prayed that SNGPL be restrained from recovering GIDC and disconnecting their gas supplies. The Trial Court has issued restraining orders in favour of the Companies and has restrained SNGPL from the recovery of GIDC or taking any other coercive action. The restraining order is still intact against SNGPL.

The management, in light of the opinion of its legal council, maintains that since the Company has not passed on the burden of GIDC to its consumers, it is not liable to pay GIDC as it clearly falls within the ambit of the exemption in line with section 8(2) of the GIDC Act, 2015.

SNGPL, following the Court's order, corrects gas bill of each month by removing the GIDC amount and requests payment for the net bill amount only i.e., excluding GIDC.

Additionally, para 42(iv) of the SCP's judgment dated August 13, 2020 categorically stated that:

"The Federal government shall take all steps to commence work on the laying of the North South pipeline within six months and on TAPI pipeline as soon as its laying in Afghanistan reaches the stage where the work of laying pipeline on Pakistan soil can conveniently start and on IP pipeline as soon as the sanctions on Iran are no more an impediment in its laying. In case no work is carried out on North-South pipeline within the prescribed time and for laying any of the two other major pipelines (IP and TAPI) though the political conditions become conducive, the purpose of levying Cess shall be deemed to have been frustrated and the GIDC Act, 2015 would become permanently in-operational and considered dead for all intents and purposes."

Since the work on IP (Iran-Pakistan Pipeline Project) and TAPI (Turkmenistan-Afghanistan-Pakistan-India) gas pipelines did not commence within six months as ordered by the SCP; therefore, the provisions of GIDC Act, 2015 regarding recovery and applicability of GIDC are no longer applicable and enforceable.

- 30.5** An order has been passed by the Collector of Customs, Karachi dated November 11, 2020 creating a demand of Rs.19.223 million along with a penalty of Rs.500 thousand. The above order has been challenged by way of filing an appeal before the Customs Appellate Tribunal, Karachi. Further, a stay order was also obtained from the Sindh High Court by filing constitutional petition. During the current year, the Customs Appellate Tribunal, Karachi has decided the case in favour of Company.
- 30.6** Guarantees aggregating Rs.177.7 million (2023: Rs.175 million) issued by commercial banks on behalf of the Company in favour of SNGPL were outstanding as at June 30, 2024.

	2024	2023
	--- Rupees in '000 ---	
<b>30.7</b> Commitments against irrevocable letters of credit outstanding at the year-end were for:		
- raw materials	-	158,255
<b>30.8</b> Also refer contents of note 28.		
<b>31. SALES - Net</b>		
Yarn	7,064,310	7,128,715
Waste	1,515	38,857
	<u>7,065,825</u>	<u>7,167,572</u>
Less: sales tax	1,181,113	1,151,045
	<u>5,884,712</u>	<u>6,016,527</u>

32. COST OF SALES		2024	2023
	Note	--- Rupees in '000 ---	
Raw materials consumed	32.1	3,706,309	3,846,898
Packing materials consumed		100,583	95,287
Salaries, wages and benefits	32.2	745,932	661,836
Power and fuel		1,155,904	720,586
Stores and spares consumed		136,667	149,582
Repair and maintenance		15,452	17,035
Depreciation on operating fixed assets	5.7	157,950	161,202
Depreciation on right of use assets	5.11	275	213
Insurance		20,276	19,633
Others		25,136	23,369
		<u>6,064,484</u>	<u>5,695,641</u>
Adjustment of work-in-process			
Opening		<u>165,325</u>	<u>147,471</u>
Closing	10	<u>(145,594)</u>	<u>(165,325)</u>
		<u>19,731</u>	<u>(17,854)</u>
Cost of goods manufactured		<u>6,084,215</u>	<u>5,677,787</u>
Adjustment of finished goods			
Opening stock		<u>161,216</u>	<u>153,058</u>
Closing stock	10	<u>(336,148)</u>	<u>(161,216)</u>
		<u>(174,932)</u>	<u>(8,158)</u>
		<u>5,909,283</u>	<u>5,669,629</u>
<b>32.1 Raw materials consumed</b>			
Opening stock		1,138,839	1,522,385
Purchases		3,379,441	3,463,308
		<u>4,518,280</u>	<u>4,985,693</u>
Less: closing stock	10	811,980	1,138,839
Raw materials issued		<u>3,706,300</u>	<u>3,846,854</u>
Cess on cotton consumed		9	44
		<u>3,706,309</u>	<u>3,846,898</u>
<b>32.2</b>			
These include Rs.40.069 million (2023: Rs.33.772 million) in respect of staff retirement benefits - gratuity and Rs.9.710 million (2023: Rs.9.403 million) for employees' provident fund contribution.			
<b>33. DISTRIBUTION COST</b>		2024	2023
	Note	--- Rupees in '000 ---	
Salaries and benefits	33.1	26,773	21,726
Commission		42,780	31,786
Freight and handling		4,458	4,488
Gifts and samples		133	250
Others		672	827
		<u>74,816</u>	<u>59,077</u>
<b>33.1</b>			
These include Rs.1,390 thousand (2023: Rs.1,302 thousand) for employees' provident fund contribution.			



34. ADMINISTRATIVE EXPENSES	Note	2024 --- Rupees in '000 ---	2023
Salaries and benefits	34.1	96,827	81,478
Printing and stationery		626	821
Travelling and conveyance - staff		646	817
Travelling - directors		310	270
Communication		1,501	1,599
Rent, rates and taxes		2,577	3,314
Entertainment expenses		1,018	966
Insurance		4,020	3,105
Vehicles' running and maintenance		8,934	8,752
Advertisement		202	569
Subscription		983	1,122
Repair and maintenance		2,898	2,540
Auditors' remuneration:			
- statutory audit		1,346	1,346
- half yearly review		273	260
- certification charges		24	22
- out-of-pocket expenses		45	45
- short provision for the preceding year		2	17
		1,690	1,690
Legal and professional charges (other than Auditors)		4,477	3,452
Depreciation on operating fixed assets	5.7	7,407	5,680
Depreciation on right of use assets	5.11	1,366	1,058
Amortisation	6	260	260
Others		5,142	3,731
		<u>140,884</u>	<u>121,224</u>

**34.1** These include Rs.5.025 million (2023: Rs.4.652 million) for employees' provident fund contribution.

35. OTHER EXPENSES	Note	2024 --- Rupees in '000 ---	2023
Receivable balances of cotton and store suppliers - written off		3,419	4,286
Debtors balances - written off		617	5,277
Letter of credit claims - written off		-	2,895
Provision for impairment of trade debts - net	11.1	-	129
Loss on sale of operating fixed assets	5.8	38,618	-
		<u>42,654</u>	<u>12,587</u>





**40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

	2024	2023
	--- Rupees in '000 ---	
<b>40.1 Financial instruments by category</b>		
<b>Financial assets - At amortised cost</b>		
Security deposits	14,598	14,346
Loans to employees	900	1,236
Advances to employees	1,224	1,588
Trade debts	4,646	62,857
Due from an Associated Company	60	-
Other receivables	1,923	622
Bank balances	10,508	40,276
	<u>33,859</u>	<u>120,925</u>
<b>Financial liabilities - At amortised cost</b>		
Lease liabilities	2,022	3,473
Long term finances	158,686	296,975
Trade and other payables	707,003	387,763
Unclaimed dividends	2,715	2,715
Accrued mark-up	76,387	1,017
Short term finances	1,171,942	1,556,639
Redeemable preference shares	1,191	1,191
	<u>2,119,946</u>	<u>2,249,773</u>

**40.2 Financial Risk Factors**

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

Risk management is carried-out by the Company's finance department under policies approved by the board of directors. The Company's finance department evaluates financial risks based on principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the board of directors.

**40.3 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

**(a) Currency risk**

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on raw materials denominated in CN¥ and U.S. \$. The Company's exposure to foreign currency risk for CN¥ and U.S. \$ is as follows:

	Rupees	CN¥	U.S.\$
	--- Rupees in '000 ---		
<b>2024</b>			
<b>Funded</b>			
<b>Bills payable</b>	247,922	2,431	579
<b>Total exposure</b>	<u>247,922</u>	<u>2,431</u>	<u>579</u>
<b>2023</b>			
<b>Funded</b>			
<b>Bills payable</b>	57,514	-	201
<b>Unfunded</b>			
<b>Outstanding letters of credit</b>	158,255	-	553
<b>Total exposure</b>	<u>215,769</u>	<u>-</u>	<u>754</u>

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2024	2023	2024	2023
CN¥ to Rupee	38.43	266.88	38.53	319.76
U.S. \$ to Rupee	287.63	246.53	278.80	285.99

#### Sensitivity analysis

As at June 30, 2024, if Rupee had strengthened by 10% against U.S.\$ with all other variables held constant, loss before taxation for the current year would have been lower by the amount shown below mainly as a result of net foreign exchange gain on translation of foreign currency financial liabilities:

	2024	2023
	--- Rupees in '000 ---	
<b>Effect on loss for the year:</b>		
U.S.\$ to Rupee	16,143	5,748
CN¥ to Rupee	9,366	-

#### (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 change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2024	2023	2024	2023
	Effective rate		Carrying amount	
	%	%	--- Rupees in '000 ---	
<b>Fixed rate instruments</b>				
<b>Financial assets</b>				
Bank balances	18 to 20.50	12.25 to 19.50	<u>3,666</u>	<u>26,565</u>
<b>Variable rate instruments</b>				

<b>Financial liabilities</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Effective rate</b>		<b>Carrying amount</b>	
	<b>%</b>	<b>%</b>	<b>--- Rupees in '000 ---</b>	
Long term				
finances	<b>22.70 to 25.93</b>	17.48 to 25.26	<b>158,686</b>	296,975
Lease finances	<b>23.85 to 24.25</b>	18.85 to 23.85	<b>2,022</b>	3,473
Short term				
finances	<b>22.31 to 25.02</b>	16.63 to 24.23	<b>1,153,923</b>	1,521,320

#### **Fair value sensitivity analysis for fixed rate instruments**

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

#### **Cash flow sensitivity analysis for variable rate instruments**

At June 30, 2024, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, loss before taxation for the year would have been higher / lower by Rs.13,146 thousand (2023: Rs.18,218 thousand) mainly as a result of higher / lower interest expense on variable rate financial liabilities.

#### **(c) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result 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 instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk.

#### **40.4 Credit risk exposure and concentration of credit risk**

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

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

Credit risk primarily arises from trade debts and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 10 days to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

**Exposure to credit risk**

The maximum exposure to credit risk at the reporting date along with comparative is tabulated below:

	2024	2023
	--- Rupees in '000 ---	
Security deposits	14,598	14,346
Trade debts	4,646	62,857
Trade deposits	2,700	75,000
Due from an Associated Company	60	-
Bank balances	10,508	40,276
	<u>32,512</u>	<u>192,479</u>

All the trade debts at the reporting date represent domestic parties.

The ageing of trade debts at the year-end was as follows:

Not past due	1,409	61,621
Past due	3,237	1,236
	<u>4,646</u>	<u>62,857</u>

Based on past experience, the Company's management believes that no further impairment loss allowance is necessary in respect of trade debts as there are reasonable grounds to believe that the amounts will be realised in short course of time.

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

Bank	Short term rating	Long term rating	Agency
United Bank Ltd.	A1+	AAA	JCR
Habib Metropolitan Bank Ltd.	A1+	AA+	PACRA
National Bank of Pakistan	A1+	AAA	PACRA
The Bank of Khyber	A-1	A+	VIS
Bank Alfalah Ltd.	A1+	AAA	PACRA
Meezan Bank Ltd.	A1+	AAA	JCR
Faysal Bank Ltd.	A1+	AA	PACRA

**40.5 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 is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

Financial liabilities in accordance with their contractual maturities are presented below:

	Carrying amount	Contractual cash flows having maturity of less than one year	Contractual cash flows having maturity of upto five years
<b>2024</b>			
	- - - Rupees in thousand - - -		
Lease liabilities	2,022	2,251	-
Long term finances	158,686	158,406	676
Trade and other payables	707,003	707,003	-
Unclaimed dividends	2,715	2,715	-
Accrued mark-up	76,387	76,387	-
Short term finances	1,171,942	1,445,017	-
Redeemable preference shares	1,191	1,191	-
	<u>2,119,946</u>	<u>2,392,970</u>	<u>676</u>
<b>2023</b>			
Lease liabilities	3,473	2,046	2,251
Long term finances	296,975	288,350	151,671
Trade and other payables	387,763	387,763	-
Unclaimed dividends	2,715	2,715	-
Accrued mark-up	1,017	1,017	-
Short term finances	1,556,639	1,917,145	-
Redeemable preference shares	1,191	1,191	-
	<u>2,249,773</u>	<u>2,600,227</u>	<u>153,922</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective at the respective year-ends. The rates of mark-up have been disclosed in the respective notes to these financial statements.

#### 41. MEASUREMENT OF FAIR VALUES

The management, as at April 1, 2024, had engaged an independent external Valuer to carry out valuation of plant & machinery and generators. Selection criteria included market knowledge, reputation, independence and whether professional standards were maintained. When measuring the fair value of an asset, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

#### 42. CAPITAL RISK MANAGEMENT

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, mark-up bearing long term finances, lease liabilities, mark-up bearing short term finances less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at June 30, 2024 and June 30, 2023 is as follows:

	2024	2023
	- - - Rupees in '000 - - -	
Lease liabilities	2,022	3,473
Long term finances	158,686	296,975
Short term finances	1,171,942	1,556,639
Cash and bank balances	(12,372)	(40,639)
Net debt	<u>1,320,278</u>	<u>1,816,448</u>
Share capital	69,158	69,158
Treasury shares	(3,410)	(3,410)
Reserves		
- capital	5,031,515	5,133,937
- revenue	938,771	1,368,444
<b>Equity</b>	<b>6,036,034</b>	<b>6,568,129</b>
<b>Capital</b>	<b><u>7,356,312</u></b>	<b><u>8,384,577</u></b>
<b>Gearing ratio (Net debt / (Net debt + Equity))</b>	<b><u>17.95%</u></b>	<b><u>21.66%</u></b>

**43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

Particulars	Chief Executive		Director		Executives	
	2024	2023	2024	2023	2024	2023
----- Rupees in '000 -----						
Managerial remuneration	6,336	6,336	500	1,200	162,845	149,911
Bonus / ex-gratia	-	434	-	-	-	9,104
Retirement benefits	528	528	-	-	12,300	11,214
Leave salary	476	477	-	-	12,270	11,006
Medical	1,970	1,138	-	-	9,625	3,038
Utilities	428	516	10	28	3,398	2,003
	<b>9,738</b>	<b>9,429</b>	<b>510</b>	<b>1,228</b>	<b>200,438</b>	<b>186,276</b>
No. of persons	1	1	1	1	17	16

**43.1** Meeting fees of Rs.1,350 thousand (2023: Rs.1,640 thousand) were also paid to five (2023: six) non-working directors and one working director during the year.

**43.2** Chief executive and all the executives are provided with free use of residential telephones and the Company maintained cars. Executives are also provided with free housing facility.

**44. TRANSACTIONS WITH ASSOCIATED COMPANIES AND RELATED PARTIES**

**44.1** The Company's shareholders vide a special resolution dated December 24, 2021 have enhanced the previous approved limit of Rs.12.500 million to Rs.25.000 million on account of transactions among Associated Companies of the Group, which fall under normal trade transactions for sale and purchase of store and spare parts, purchase of raw materials and certain other related transactions not falling under the purview of section 199 of the Companies Act, 2017 (the Act). The Chief Executive Officer and Chief Financial Officer have been authorized jointly by members of Company in their annual general meeting held on October 17, 2022 to approve all transactions carried out and to be carried out in normal course of business with Associated Companies / related parties during year ended June 30, 2024.

**44.2** Dr. Shahin Kuli Khan Khattak, a non-executive director with effect from July 01, 2022, was appointed as Executive Director Public Relations (EDPR) at a gross salary of Rs.600,000 per month in addition to utilities and other perquisites. The salary and other expenses of EDPR are being shared with five other Associated Companies on a pro rata basis. However, after her appointment as CEO of The Universal Insurance Company Ltd., in the month of November 2023, the sharing of expenses has been stopped.

**44.3** The Company, Bannu Woollen Mills Ltd. and Rahman Cotton Mills Ltd. (Associated Companies), on January 01, 2023, have entered into a lease rental agreement with the Executive Director Finance & Production (EDFP) whereby property owned by EDFP situated at Tufail Road, Lahore has been rented at monthly rent of Rs.465,000. The rent and utilities are being shared by the Company and above mentioned Associated Companies on a pro rata basis.



- 44.4** Maximum aggregate debit balance of the Associated Companies at any month-end during the year was Rs. 2.434 million (2023: Rs.22.899 million).
- 44.5** Mark-up on Associated Companies' balances has not been accrued during the current and preceding years as the Company has executed no such transactions attracting mark-up accrual.
- 44.6** The related parties of the Company comprise of Associated Companies (on the basis of common directorship), its directors, key management personnel and employees' provident fund. The Company in the normal course of business carries-out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Amounts due to / from them are disclosed in the relevant notes. The transactions with related parties are made at normal market prices.

Material transactions with related parties during the year were as follows:

Name	Nature of relationship	Nature of transaction	2024 Rupees in '000	2023
Bannu Woollen Mills Ltd.	Associated Company	Expenses recovered	437	240
		Salaries & benefits recovered	3,484	2,354
		Sale of yarn	-	4,128
Rahman Cotton Mills Ltd.	-do-	Expenses recovered	-	126
Gammon Pakistan Ltd.	-do-	Rent paid	-	242
Gandhara Automobiles Ltd.	-do-	Salaries & benefits recovered	3,484	2,354
		Expenses recovered	398	366
		Purchase of vehicles	-	37,074
Gandhara Industries Ltd.	-do-	Salaries & benefits recovered	3,484	2,354
		Expenses recovered	398	366
		Purchase of vehicles	-	11,087
The Universal Insurance Company Ltd.	-do-	Salaries & benefits - recovered	3,484	2,354
		- paid	686	1,590
		Expenses recovered	240	240
Gandhara Tyre & Rubber Company Ltd.	-do-	Expenses recovered	-	126
Key management personnel		Remuneration and other benefits	191,247	178,318
Other related parties				
Staff retirement fund		Contribution paid to employees' provident fund	40,083	35,555
Executive Director Finance & Production		Lease rental (payable) / paid	(1,023)	1,860

**45. OPERATING SEGMENT**

These financial statements have been prepared on the basis of single reportable segment.

- 45.1** Yarn sales represent 99.98% (2023: 99.46%) of the total sales of the Company.
- 45.2** All of the Company's sales relate to customers in Pakistan.
- 45.3** All non-current assets of the Company as at June 30, 2024 are located in Pakistan.
- 45.4** The Company does not have transactions with any customer which amount to 10% or more of its sales.

<b>46. CAPACITY AND PRODUCTION</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
		---- Numbers ----	
Spindles installed	<b>46.2</b>	<b>98,224</b>	101,320
Rotors installed		<b>600</b>	600
Shifts worked		<b>1,093</b>	1,094
Spindles / rotors shifts worked		<b>63,036,998</b>	74,343,760
		----KGs.----	
Installed capacity at 20's count on the basis of shifts worked		<b>41,347,151</b>	41,741,927
Actual production of yarn of all counts		<b>5,863,616</b>	6,504,731
Actual production converted into 20's count		<b>23,442,708</b>	27,838,606

- 46.1** It is difficult to describe precisely the production capacity in textile industry since it fluctuates widely depending on various factors such as count of yarn spun, spindles' speed, twist per inch and raw materials used, etc. It also varies according to the pattern of production adopted in a particular year.
- 46.2** During the current financial year, 40,080 spindles have remained closed, as the management reduced production because of frequent increase in gas & electricity tariffs and also due to non-availability of raw materials due to the import embargo imposed by the State Bank of Pakistan to save the dwindling foreign exchange.

<b>47. NUMBER OF EMPLOYEES</b>	<b>2024</b>	<b>2023</b>
	----- Numbers -----	
Number of permanent employees as at June 30,	<u><b>1,074</b></u>	<u>1,275</u>
Average number of permanent employees during the year	<u><b>1,163</b></u>	<u>1,371</u>

- 47.1** Due to closure of the production capacity excess workforce of the Company has been permanently laid-off during the current financial year.

**48. PROVIDENT FUND RELATING DISCLOSURES**

Investments out of the provident fund have been made in accordance with the requirements of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

**49. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES**

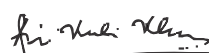
	Lease liabilities	Long term finances	Short term finances	Accrued mark-up	Total
----- Rupees in '000 -----					
Balance as at June 30, 2022	1,091	322,810	1,346,760	52,215	1,722,876
<b>Changes from financing activities</b>					
Finances obtained net of repayments	2,382	(25,835)	209,879	-	186,426
Finance cost paid	-	-	-	(371,180)	(371,180)
	2,382	(25,835)	209,879	(371,180)	(184,754)
<b>Other changes</b>					
Mark-up expense for the year	-	-	-	319,982	319,982
Balance as at June 30, 2023	3,473	296,975	1,556,639	1,017	1,858,104
<b>Changes from financing activities</b>					
Finances repayments	(1,451)	(138,289)	(384,697)	-	(524,437)
Finance cost paid	-	-	-	(274,220)	(274,220)
	(1,451)	(138,289)	(384,697)	(274,220)	(798,657)
<b>Other changes</b>					
Mark-up expense for the year	-	-	-	349,590	349,590
Balance as at June 30, 2024	2,022	158,686	1,171,942	76,387	1,409,037

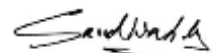
**50. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on September 21, 2024 by the board of directors of the Company.

**51. GENERAL**

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements and re-classifications have been made in these financial statements.

  
**Lt. Gen. Retd.**  
**Ali Kuli Khan Khattak**  
**Chief Executive**

  
**Maj. Gen. (Retd)**  
**Saeed Ahmed Wahla**  
**Director**

  
**Amin-ur-Rasheed**  
**Chief Financial Officer**

# JANANA DE MALUCHO TEXTILE MILLS LIMITED

## FORM OF PROXY

I/We \_\_\_\_\_, of \_\_\_\_\_ being a member of the Janana De Malucho Mills Limited and holder of \_\_\_\_\_ Shares as per Folio No. \_\_\_\_\_ and/or CDC Participation ID # \_\_\_\_\_ and Sub Account # \_\_\_\_\_ do hereby appoint Mr. \_\_\_\_\_ of \_\_\_\_\_ having Folio No. \_\_\_\_\_ and/or CDC Participation ID # \_\_\_\_\_ and Sub Account # \_\_\_\_\_ as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of the company scheduled to be held on **Saturday, the October 26, 2024 at 11:00 a.m.**, and at any adjournment thereof at registered office of the company Habibabad, Kohat.

At witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

1. Signature \_\_\_\_\_

Name \_\_\_\_\_

C.N.I.C \_\_\_\_\_

Address \_\_\_\_\_

Please affix  
Revenue Stamps  
of Rs.50/-

2. Signature \_\_\_\_\_

Name \_\_\_\_\_

C.N.I.C \_\_\_\_\_

Address \_\_\_\_\_

**Member's signature**

(This signature should agree  
with specimen registered with  
the Company)

### Notes:

1. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend, speak and vote instead of him / her. A proxy must be a member of the Company.
2. A member shall not be entitled to appoint more than one proxy.
3. The instrument appointing a proxy must be duly signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of the CNIC or the Passport of beneficial owners and the proxy shall be furnished along with the proxy form. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished along with the proxy form.
5. Proxies in order to be valid, must be received at the registered office Habibabad, Kohat. not later than forty eight (48) hours before the time scheduled for the meeting.
6. The proxy shall produce his original CNIC or original Passport at the time of the Meeting.



