



Reliance Weaving  
Mills Limited  
A Fatima Group Company

# THE ART OF TEXTILE

Annual Report 2024





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# KEY HIGHLIGHTS

YEAR ENDED JUNE 30, 2024

## Sales

<b>41,461</b>	<b>32,682</b>
2024	2023

Rs. in million

## EBITDA

<b>11.47%</b>	<b>10.25%</b>
2024	2023

Percentage

## Profit for the year

<b>120</b>	<b>203</b>
2024	2023

Rs. in million

## EPS

<b>3.88</b>	<b>6.59</b>
2024	2023

Rupees

## Capital Expenditures

<b>548</b>	<b>5,185</b>
2024	2023

Rs. in million

## Dividend per Share

<b>-%</b>	<b>-%</b>
2024	2023

Percentage





### Break up Value of Share

<b>327.31</b>	328.21
2024	2023

Rupees

### Total Assets

<b>34,864</b>	36,534
2024	2023

Rs. in million

### GP RATIO

<b>11.68%</b>	11.06%
2024	2023

Percentage

### ROCE

<b>0.78%</b>	1.24%
2024	2023

Percentage

### Current Ratio

<b>0.82</b>	0.89
2024	2023

Times

### Net Profit Ratio

<b>0.29%</b>	0.62%
2024	2023

Percentage





# CREDIT RATING RELIANCE WEAVING MILLS LIMITED

**A A-2**



# CERTIFICATIONS



# COMPANY INFORMATION

## BOARD OF DIRECTORS

### Executive Director

Mr. Faisal Ahmed (Chief Executive Officer)

### Non-Executive Directors

Mr. Fawad Ahmed Mukhtar (Chairman)  
Mr. Abbas Mukhtar  
Mr. Muhammad Mukhtar Sheikh  
Mr. Muhammad Fazeel Mukhtar  
Mrs. Fatima Fazal

### Independent Directors

Mr. Imran Bashir  
Mr. Shoaib Ahmad Khan

## COMMITTEES OF THE BOARD

### Audit Committee

Mr. Imran Bashir (Chairman)  
Mr. Shoaib Ahmad Khan (Member)  
Mr. Muhammad Mukhtar Sheikh (Member)

### HR & Remuneration Committee

Mr. Shoaib Ahmad Khan (Chairman)  
Mr. Imran Bashir (Member)  
Mr. Muhammad Fazeel Mukhtar (Member)

### Risk Management Committee

Mr. Faisal Ahmed (Chairman)  
Mr. Imran Bashir (Member)  
Mr. Shoaib Ahmad Khan (Member)

### Nomination Committee

Mr. Fawad Ahmed Mukhtar (Chairman)  
Mr. Faisal Ahmed (Member)  
Mr. Muhammad Fazeel Mukhtar (Member)

## EXECUTIVE MANAGEMENT TEAM

### Chief Financial Officer

Mr. Waheed Ahmad

### Head of Human Resources

Mr. Asad A. Jan





## Company Secretary

Mr. Kamran Ahmad Awan

## Head of Internal Audit & Risk Assurance - OB

Mr. Muhammad Akbar Rana

## Head of Treasury

Mr. Anjum Jameel Sheikh

## Technical Director Weaving

Mr. Ikram Azeem

## GM Marketing

Khawaja Sajid  
Mr. Aqeel Saifi  
Mr. Muhammad Nasir Iqbal  
Mr. Salim Ahmed

## GM Spinning (Multan)

Mr. Muhammad Shoab Alam

## GM Spinning (Rawat)

Mr. Salahudin Khattak

## GM Supply Chain

Mr. Muhammad Javed Nazir

## AUDITORS & SHARES REGISTRAR

### External Auditors

M/s. ShineWing Hameed Chaudhri & Co.  
Chartered Accountants  
2526/F, Shadman Colony, Opposite High Court  
Bahawalpur Road, Multan.  
Tel: 061-4785211-12, 4511979  
E-mail: mux@hccpk.com  
Website: www.hccpk.com

### Shares Registrar

M/s. CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi-74400  
E-mail: info@cdc.pak.com &

## BANKERS / FINANCIAL INSTITUTIONS

Allied Bank Limited  
Habib Bank Limited  
United Bank Limited  
National Bank of Pakistan  
National Bank - Aitemad Islamic Banking  
Meezan Bank Limited  
Soneri Bank Limited  
The Bank of Khyber  
Habib Metropolitan Bank Limited  
Bank Al Habib Limited  
Bank Al Habib Limited - Islamic Banking  
Bank Alfalah Limited  
Samba Bank Limited  
Al-Baraka Bank Pakistan Limited  
Dubai Islamic Bank (Pakistan) Limited  
The Bank of Punjab - Taqwa Islamic Banking  
Askari Bank Limited, Islamic Banking Services  
Saudi Pak Industrial & Agricultural Investment Company Limited  
Pak Brunei Investment Company Limited  
Pak China Investment Company Limited  
Pak Libya Holding Company (Pvt) Limited  
Pakistan Kuwait Investment Company (Pvt) Limited  
First Habib Modaraba  
Bank Islami Pakistan Limited  
Habib Bank Ltd - Islamic Banking  
Muslim Commercial Bank Ltd.

## SITE ADDRESSES

### Unit # 1,2,4 & 5

Fazalpur Khanewal Road, Multan  
Phone & Fax: 061-6740020-3 & 061-6740039

### Unit # 3

Mukhtarabad, Chak Beli Khan Road, Rawat Rawalpindi.  
Phone & Fax: 051-4611579-81 & 051-4611097

## BUSINESS OFFICES

### Registered Office

2<sup>nd</sup> Floor, Trust Plaza, LMQ Road, Multan  
Tel: 061-4509700, 061-4509749  
Fax: 061-4511677, 061-4584288  
E-mail: info@fatima-group.com

### Head Office

E-110, Khayaban-e-Jinnah, Lahore Cantt.  
Tel: 042-35909449, 042-111-328-462  
Fax: 042-36621389  
Website: www.fatima-group.com







# VISION

To be a Company recognized for its art of Textile and best business practices.

# MISSION & VALUES

The mission of Company is to operate state of the art Textile plants capable of producing yarn and fabrics.

The company will conduct its operations prudently assuring customer satisfaction and will provide profits and growth to its shareholders through:

- Manufacturing of yarn and fabrics as per the customers' requirements and market demand.
- Exploring the global market with special emphasis on Europe, USA and Fareast.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Recruiting, developing, motivating and retaining the personnel having exceptional ability and dedication by providing them good working conditions, performance based compensation, attractive benefit program and opportunity for growth.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.



# CORPORATE VALUES

These are the values that Reliance Weaving Mills Limited epitomizes, and are reflected in all our transactions and interactions. Congruence to these values has been a part of our business strategy. They are bound in the very fabric of our organization, shaped by organizational processes, procedures and practices.







### Integrity

Our actions are driven by honesty, ethics, fairness and transparency.



### Excellence

We strive to excel in everything we do.



### Customer Focus

We believe in listening to our customers and delivering value in our products and services.



### Teamwork

We work collectively towards a common goal.



### Innovation

We encourage creativity and recognize new ideas.



### Valuing People

We value our people as our greatest resource.



### Health, Safety, Environment & CSR

We care for our people and the communities around us.



# NOTICE OF THE 34<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the shareholders of Reliance Weaving Mills Limited (the "Company") will be held on Monday, October 28<sup>th</sup>, 2024, at 3:00 pm at 2<sup>nd</sup> Floor, Trust Plaza, L.M.Q. Road, Multan, and via video link to transact the following business:

## ORDINARY BUSINESS:

1. To confirm the minutes of the Extraordinary General Meeting held on March 29, 2024.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2024 together with the Auditors' and Directors' Reports thereon and Chairman's Review.
3. To appoint statutory Auditors' for year ending June 30, 2025 and to fix their remuneration. The Board Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, for their re-appointment.

## SPECIAL BUSINESS:

4. **To ratify and approve the transactions carried out by the Company with related parties as disclosed in the financial statements for the year ended June 30, 2024 and to pass the following Special Resolution, with or without modification(s) in terms of Section 208 of the Companies Act, 2017:**

**"RESOLVED THAT,** related party transactions carried out by the Company during the year in which majority of Directors are interested as disclosed in Note 46 of the financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed."

5. **To authorize the Board of Directors of the Company to approve related party transactions for the financial year ending June 30, 2025, and to pass the following Special Resolutions, with or without modification(s):**

**"RESOLVED THAT,** the Board of Directors of the Company be and are hereby authorized to approve the

transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2025.

**FURTHER RESOLVED THAT,** these transactions, approved by the Board, shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval wherever required."

6. **To consider and if deemed fit, to pass the following special resolutions under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) or deletion(s):**

**"RESOLVED THAT,** consent of the shareholders of the Company be and is hereby accorded under Section 199 of the Act for investment in associated companies, as per following details, in the form of working capital loan, to be made from time to time, for a period of one year starting from the date of approval by the shareholders provided that the return on any outstanding amount of loan shall be KIBOR plus 3.00% (which shall not be less than the average borrowing cost of the Company) and as per other terms and conditions of the agreement to be executed in writing and as disclosed to the Members:

Sr. #	Name of Associated Company	Amount of Loan
1	Fatima Sugar Mills Limited	PKR 400 Million
2	Reliance Commodities (Pvt.) Limited	PKR 200 Million
3	Fatima Transmission Company Limited	PKR 300 Million
4	Fazal Cloth Mills Limited	PKR 200 Million
5	Fatima Holding Limited	PKR 200 Million

**FURTHER RESOLVED THAT,** any of the Directors/Chief Executive Officer and/or Chief Financial Officer and/or the Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents and any ancillary matters thereto for implementing the aforesaid resolution."



**Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed to this notice of meeting circulated to the shareholders of the Company.**

By Order of the Board



**Kamran Ahmad Awan**

Company Secretary

Place: Multan

Dated: October 07, 2024

#### **CLOSURE OF SHARE TRANSFER BOOKS:**

The Share Transfer Books will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Transfers received in order at the office of our Shares Registrar by the close of business hours on October 21, 2024 will be treated in time to attend and vote at the Annual General Meeting. The Members are requested to notify the change of address, if any, immediately to our Shares Registrar.

#### **PARTICIPATION IN THE ANNUAL GENERAL MEETING:**

A Member entitled to attend and vote may appoint another Member as his/her proxy to attend and vote instead of him/her. In order to be effective, duly completed and signed Proxy Form must be received at the Company's Registered Office at 2<sup>nd</sup> Floor, Trust Plaza, L.M.Q. Road, Multan at least 48 hours before the time of the meeting. For the convenience of the Members, a blank Proxy Form is being dispatched with the notice of AGM.

CDC account holders will further have to follow the under mentioned guidelines as laid down by the SECP:

#### **FOR ATTENDING THE MEETING:**

- i) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting; and

- ii) In case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the meeting.

#### **FOR APPOINTING PROXIES:**

##### **In case of Individuals:**

The account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall submit the Proxy Form as per the above requirement. Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the Passport of beneficial owners and the Proxy shall be furnished with the Proxy Form. The Proxy shall produce his / her original CNIC or original Passport at the time of the meeting;

##### **In case of Corporate Entities:**

The Board of Directors' resolution / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted along with the proxy form to the Company. A corporate entity, being Member, may appoint any person, regardless of whether they are a Member or not, as its proxy.

#### **Polling on Special Business:**

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification vide SRO 2192(1)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Reliance Weaving Mills Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Monday, October 28, 2024, at 3:00 p.m., in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the shareholders, ballot paper is available on the Company's website at [www.fatima-group.com](http://www.fatima-group.com).

**Procedure for E-Voting:**

- I. 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 21, 2024.
- II. 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 CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from October 23, 2024, 09:00 a.m. and shall close on October 27, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

**PROCEDURE FOR VOTING THROUGH POSTAL BALLOT:**

The shareholders shall ensure that duly filled and signed ballot papers along with copy of valid Computerized National Identity Card (CNIC)/ copy of passport (non-resident) should reach the Chairman of the meeting through post on the Company's registered address, 2<sup>nd</sup> Floor, Trust Plaza, L.M.Q. Road, Multan or by email at [kamran.ahmad@fatima-group.com](mailto:kamran.ahmad@fatima-group.com), one (1) day before the day of poll i.e. October 27, 2024 during working hours. The signature on the ballot paper shall match with the signature on CNIC.

**Appointment of Scrutinizer:**

In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s. Nasir Javaid Maqsood Imran, Chartered Accountants, (a QCR rated audit firm) to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake

other responsibilities as defined in Regulation 11A of the Regulations.

**Online participation in the Annual General Meeting:**

- a) Pursuant to Circular 4 of 2021, for online participation in the Annual General Meeting, the shareholders are requested to get themselves registered with the Company latest by October 25, 2024 till 05:00 p.m. at [kamran.ahmad@fatima-group.com](mailto:kamran.ahmad@fatima-group.com). by providing the following details:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	** Email ID	** Mobile Phone No.
	Reliance Weaving Mills Limited				

\*\*Shareholders/proxy holders are requested to provide active email addresses and mobile phone number.

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

- b) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary latest by October 25, 2024 till 05:00 p.m. at above-given email address. Shareholders are required to mention their full name, CNIC No and Folio No. for this purpose.
- c) Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

**COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) / NATIONAL TAX NUMBER (NTN):**

The shareholders holding physical shares who have not yet provided their CNIC Number(s) are once again reminded to immediately submit the copy of their CNICs to the Company's Shares Registrar. The corporate Members having CDC



accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to the Company's Shares Registrar. The shareholders and the corporate Members while sending their CNIC and NTN, as the case may be, must mention their folio number(s).

#### **UNCLAIMED SHARE(S) / DIVIDEND(S):**

Pursuant to the Companies Act, 2017, the Company has previously discharged its responsibility whereby the Company approached its shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law. Shareholders, whose dividends still remained unclaimed and/or undelivered share certificates are available with the Company are hereby once again requested to approach the Company to claim their outstanding dividend amounts and/or unclaimed share certificates.

#### **DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:**

As per Section 72 of the Companies Act, 2017, every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares are requested to convert their shares into book-entry form, which would facilitate them in many ways including swift sale/purchase of shares and to streamline their information in Members' Register enabling the Company to effectively communicate with the shareholders.

#### **AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON THE COMPANY'S WEBSITE:**

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2024 have been made available on the Company's website, at-least 21 days before the date of AGM.

#### **TRANSMISSION OF ANNUAL REPORT ELECTRONICALLY:**

In terms of the approval of the members of the Company in the Annual General Meeting held on October 27, 2023 and pursuant to the SECP's Notification No. SRO 389(1)/2023 dated March 21, 2023, the Annual Report for the financial year ended June 30, 2024 containing inter alia the audited financial statements, auditors report, directors' report and Chairman's Review thereon may be viewed and downloaded by following the QR Code and weblink as given hereunder:

Weblink	QR Code
<a href="https://fatima-group.com/financial-reports/">https://fatima-group.com/financial-reports/</a>	

Annual Report has also been emailed to those shareholders who have provided their valid email ids to the Company.

The shareholders who wish to receive hard copy of the Annual Report may send their demand to the Company Secretary / Shares Registrar and the Company will supply hard copy of aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

### **STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017 IN RESPECT OF SPECIAL BUSINESS:**

The statement sets out the material facts under Section 134(3) of the Companies Act, 2017 concerning the special business to be transacted at the Annual General Meeting of Reliance Weaving Mills Limited to be held on Monday, October 28, 2024.

**SPECIAL BUSINESS RELATING TO APPROVAL OF RELATED PARTY TRANSACTIONS:**

The transactions carried out with the associated companies/ related parties have been approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to the provisions of applicable laws. The Board has recommended that these transactions be placed before the shareholders of the Company in the general meeting for ratification/approval pursuant to the provisions of the Companies Act, 2017 (the "Act"). These transactions are given in Note 46 of the financial statements for the year ended June 30, 2024.

All the related party transactions for the year ended June 30, 2024 were executed on arm's length basis in the normal course of business and there were no departures from the guidelines provided in the Code of Corporate Governance for such transactions. Pursuant to above, these transactions have to be approved/ratified by the shareholders in the general meeting. The Directors and their relatives do not have any direct or indirect interest in the aforesaid transactions except to the extent of their shareholding/common directorship with related parties.

**SPECIAL BUSINESS RELATING TO RELATED PARTY TRANSACTIONS FOR YEAR ENDING JUNE 30, 2025:**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2025 on an

arm's length basis as per the approved policy with respect to "transactions with related parties" in the normal course of business. There could be cases where majority of the Directors hold common directorship with these associated companies. In line with good governance practices, it is recommended that the Board of Directors of the Company be authorized to approve transactions with related parties on case to case basis for the year ending June 30, 2025, which transactions shall be deemed to be approved by the shareholders. The nature and scope of related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution to the extent of their shareholding/common directorship in the companies.

**SPECIAL BUSINESS RELATING TO INVESTMENT IN ASSOCIATED COMPANIES:**

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(II)/2017 dated December 06, 2017, it is informed that the following Directors of the Company are also the Directors in the investee company; however, they have no direct or indirect interest except to the extent of shareholding / directorship in the investee company:

Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
<ul style="list-style-type: none"> <li>• Mr. Fawad Ahmed Mukhtar</li> <li>• Mr. Faisal Ahmed</li> <li>• Mr. Abbas Mukhtar</li> <li>• Mr. Muhammad Mukhtar Sheikh</li> <li>• Muhammad Fazeel Mukhtar</li> </ul>	<ul style="list-style-type: none"> <li>• Mr. Fawad Ahmed Mukhtar</li> <li>• Mr. Faisal Ahmed</li> </ul>	NONE	<ul style="list-style-type: none"> <li>• Mr. Faisal Ahmed</li> <li>• Mr. Abbas Mukhtar</li> <li>• Mr. Muhammad Mukhtar Sheikh</li> </ul>	<ul style="list-style-type: none"> <li>• Mr. Fawad Ahmed Mukhtar</li> <li>• Mr. Faisal Ahmed</li> </ul>

The Directors have carried out the required due diligence for the purpose of this loan.



**Information under Regulation 3 of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017**

	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
Registration No. and Date	0076592 15.07.2011	0036107 28.01.1996	0091244 26.12.2014	0002266 14.05.1966	0018591 20.09.1988
Registered Office Address	E-110, Khayaban-e-Jinnah, Lahore-Cantt	2nd Floor Trust Plaza LMQ Road, Multan	E-110, Khayaban-e-Jinnah, Lahore Cantt	697, Abid Majeed Road, Lahore Cantt	E-110, Khayaban-e-Jinnah, Lahore Cantt
Authorized Share Capital	PKR 2,200 (M)	PKR 350 (M)	PKR 1,000 (M)	PKR 1,700 (M)	PKR 1,180(M)
Paid up Capital	PKR 2,102 (M)	PKR 80.05 (M)	PKR 647(M)	PKR 300 (M)	PKR 1,172(M)
Basis of Relationship	Common Directorship	Common Directorship	Sponsorship	Sponsorship	Common Directorship

**Earning / Loss per share of the associated companies are as under:**

PKR					
Year	FSML	RCL	FTCL	FCML	FHL
2021	3.39	45.52	(2.5063)	181.06	1.40
2022	1.94	85.86	(0.5583)	153.68	(1.26)
2023	3.39	0.701	0.4702	19.54	(2.16)

**Breakup value per share of the associated companies are as under:**

PKR					
Year	FSML	RCL	FTCL	FCML	FHL
2021	26.36	337.89	(3.8099)	1156.58	90.30
2022	28.50	453.33	5.2212	1350.98	89.04
2023	29.26	46.034	4.7072	750.53	86.88

Latest financial position, including main items of the financial position and statement of profit or loss of the associated companies or associated undertakings;

PKR in million					
Particulars	FSML	RCL	FTCL	FCML	FHL
Paid up capital	2,101.71	80.05	646.72	300	1,171.55
Un-appropriated profit/(loss)	4,317.22	2,970.928	(342)	21,140	5,872.65
Current liabilities	8,098.58	6,021.963	244	39,172	9,842.19
Current assets	7,955.01	8,994.018	57	48,917	12,072.80
Sales	17,922.71	6,350.820	95	77,697	431.12
Gross profit/(loss)	4,717.21	1,921.806	70	10,086	423.69
Net Profit/Loss	713.40	56.112	30	586	(253.24)

**In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, further information as per Regulations are as under:**

		<b>Fatima Transmission Company Limited</b>																												
I	Description of the project and its history since conceptualization	Fatima Transmission Company Limited (FTCL) was incorporated on December 26, 2014 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to lay down power transmission line. The National Electric Power Regulatory Authority (NEPRA) has granted permission to FTCL for constructing and owning transmission facilities in 2015. Under the license, FTCL has setup a 37 km long transmission line for evacuating 120MW electricity from generation facilities to supply to a number of Bulk Power Consumers.																												
II	Starting date and expected date of completion of work	The project was taken over from EPC contractor in May 2017 and duly tested through dispatch from August 2019 to December 2019 under wheeling arrangement. COD was achieved in June 2020.																												
III	Time when such project became commercially operational	The commercial operations of the Company are directly linked with the operations of the Fatima Energy Limited. As soon as the commercial operations of the Fatima Energy Limited commences; the commercial operations of the FTCL also commenced simultaneously.																												
IV	Expected time by which the project shall start paying return on investment	In addition to above, the management of FTCL expects that it would be able to achieve its optimum capacity in next couple of years, which will enable sufficient cash flows to repay its obligations as well as payout to its shareholders.																												
V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	<p><b>Investment in Preference Shares</b></p> <table border="1"> <thead> <tr> <th><b>Name of Sponsor</b></th> <th><b>PKR Million</b></th> </tr> </thead> <tbody> <tr> <td>Reliance Weaving Mills Limited</td> <td>73.398</td> </tr> <tr> <td>Fazal Cloth Mills Limited</td> <td>127.956</td> </tr> <tr> <td>Fatima Holdings Limited</td> <td>152.282</td> </tr> <tr> <td>Fazal Holdings (Private) Limited</td> <td>14.506</td> </tr> <tr> <td>Fatima Sugar Limited</td> <td>48.585</td> </tr> <tr> <td></td> <td><b>416.727</b></td> </tr> </tbody> </table> <p><b>Investment in Ordinary Shares</b></p> <table border="1"> <thead> <tr> <th><b>Name of the Sponsor</b></th> <th><b>PKR Million</b></th> </tr> </thead> <tbody> <tr> <td>Reliance Weaving Mills Limited</td> <td>71.875</td> </tr> <tr> <td>Fazal Cloth Mills Limited</td> <td>55.200</td> </tr> <tr> <td>Fatima Holding Limited</td> <td>87.400</td> </tr> <tr> <td>Fazal Holdings (Private) Limited</td> <td>15.525</td> </tr> <tr> <td>Directors</td> <td>0.000</td> </tr> <tr> <td></td> <td><b>230.000</b></td> </tr> </tbody> </table>	<b>Name of Sponsor</b>	<b>PKR Million</b>	Reliance Weaving Mills Limited	73.398	Fazal Cloth Mills Limited	127.956	Fatima Holdings Limited	152.282	Fazal Holdings (Private) Limited	14.506	Fatima Sugar Limited	48.585		<b>416.727</b>	<b>Name of the Sponsor</b>	<b>PKR Million</b>	Reliance Weaving Mills Limited	71.875	Fazal Cloth Mills Limited	55.200	Fatima Holding Limited	87.400	Fazal Holdings (Private) Limited	15.525	Directors	0.000		<b>230.000</b>
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**General Disclosures:**

Requirements	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
	PKR in million				
<b>Maximum amount of investment</b>	400	200	300	200	200
In case any loan has already been granted to the said associated companies or associated undertakings, the complete details thereof.	<b>Given in below.</b>				
Purpose of loans or advances and benefits likely to accrue to the investing company and its Members from such loans;	<p><b>Purpose:</b> To earn income on the loans/advances to be provided to the associated companies to meet working capital needs of the associated companies.</p> <p><b>Benefits:</b> The Company will receive markup above the borrowing cost of the Company, which will benefit the Company's cash flow by earning profit on its surplus funds.</p> <p><b>Period:</b> For a period of one year from the date of Annual General Meeting.</p>				
Sources of funds to be utilized for investment	Loan/advance will be given out of own funds of the Company.				
<b>Where loans or advances are being granted using borrowed funds:</b>					
- Justification for granting loan or advance out of borrowed funds	Not Applicable				
- Detail of guarantees/assets pledged for obtaining such funds, if any;	Not Applicable				
- Cost Benefit Analysis	Not Applicable				
<b>Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.</b>					
- Nature	Loan/advance				
- Purpose	To earn mark-up on loan being provided to FSML, FTCL, RCL, FCML and FHL, this will augment the Company's cash flow.				
- Period	Maximum period of one year.				
- Rate of markup	KIBOR+3.00% but above average borrowing cost of the Company.				
- Repayment	Investee Company shall pay loan and mark-up to investing company on one-month notice or at maturity.				
Direct or indirect interest of Directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	The Directors of the Company are Sponsors and Directors of the Investee Companies. None of the Directors or their relatives or associates are interested in above resolution in any way except as Members of the Company.				
In case of any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	There is no impairment and/or write off against any facility given to any associated company.				

Requirements	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Holding Limited
	PKR in million				
<b>Maximum amount of investment</b>	400	200	300	200	200
Any important details necessary for the Members to understand the transaction.	Not Applicable				
Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as detailed in preamble.				
Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	22.28%				
Rate of interest, markup, profit, fees or commission to be charged;	KIBOR+3.00%				
Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Not Applicable				
If loans carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable:	Not Applicable				
(a) Conversion formula	Not Applicable				
(b) Circumstances in which conversion may take place	Not Applicable				
(c) Time when conversion may be exercisable;	Not Applicable				
Repayment schedule and terms and conditions of loans or advances to be given to Investee companies.	Loan will be paid back by each investee company within one month notice or at maturity.				



# RELIANCE WEAVING MILLS LIMITED

## BALLOT PAPER FOR VOTING THROUGH POST

Ballot Paper for the Special Businesses at the 34<sup>th</sup> Annual General Meeting to be held on Monday, October 28, 2024, at 3:00 p.m. at the Registered Office of the Company at 2<sup>nd</sup> Floor, Trust Plaza, LMQ Road, Multan.

Contact details of Chairman, where ballot paper may be sent:

Business Address: The Chairman, Reliance Weaving Mills Limited, 2<sup>nd</sup> Floor, Trust Plaza, LMQ Road, Multan.

Email Address: kamran.ahmad@fatima-group.com

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner)	
<b>Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)</b>	
Name of Authorized Signatory:	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory - (copy to be attached)	

I/We hereby exercise my/our vote in respect of the following Resolutions through postal ballot by giving my/our assent or dissent by placing tick mark in the appropriate box below:

Nature and Description of Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
<p><b>Agenda Item 4:</b> To ratify and approve the transactions carried out by the Company with related parties as disclosed in the financial statements for the year ended June 30, 2024 and to pass the following Special Resolution, with or without modification(s) in terms of Section 208 of the Companies Act, 2017:</p> <p>“RESOLVED THAT, related party transactions carried out by the Company during the year in which majority of Directors are interested as disclosed in Note 46 of the financial statements for the year ended June 30, 2024, be and are hereby ratified, approved and confirmed.”</p> <p><b>Agenda Item 5:</b> To authorize the Board of Directors of the Company to approve related party transactions for the financial year ending June 30, 2025, and to pass the following Special Resolutions, with or without modification(s):</p> <p>“RESOLVED THAT, the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2025.</p> <p>FURTHER RESOLVED THAT, these transactions, approved by the Board, shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/ approval wherever required.”</p>		

Nature and Description of Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)																		
<p><b>Agenda Item 6:</b> To consider and if deemed fit, to pass the following special resolutions under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) or deletion(s):</p> <p><b>“RESOLVED THAT,</b> consent of the shareholders of the Company be and is hereby accorded under Section 199 of the Act for investment in associated companies, as per following details, in the form of working capital loan, to be made from time to time, for a period of one year starting from the date of approval by the shareholders provided that the return on any outstanding amount of loan shall be KIBOR plus 3.00% (which shall not be less than the average borrowing cost of the Company) and as per other terms and conditions of the agreement to be executed in writing and as disclosed to the Members:</p> <table border="1" data-bbox="154 842 669 1198"> <thead> <tr> <th data-bbox="154 842 228 911">Sr. #</th> <th data-bbox="228 842 472 911">Name of Associated Company</th> <th data-bbox="472 842 669 911">Amount of Loan</th> </tr> </thead> <tbody> <tr> <td data-bbox="154 911 228 979">1</td> <td data-bbox="228 911 472 979">Fatima Sugar Mills Limited</td> <td data-bbox="472 911 669 979">PKR 400 Million</td> </tr> <tr> <td data-bbox="154 979 228 1048">2</td> <td data-bbox="228 979 472 1048">Reliance Commodities (Pvt.) Limited</td> <td data-bbox="472 979 669 1048">PKR 200 Million</td> </tr> <tr> <td data-bbox="154 1048 228 1117">3</td> <td data-bbox="228 1048 472 1117">Fatima Transmission Company Limited</td> <td data-bbox="472 1048 669 1117">PKR 300 Million</td> </tr> <tr> <td data-bbox="154 1117 228 1185">4</td> <td data-bbox="228 1117 472 1185">Fazal Cloth Mills Limited</td> <td data-bbox="472 1117 669 1185">PKR 200 Million</td> </tr> <tr> <td data-bbox="154 1185 228 1198">5</td> <td data-bbox="228 1185 472 1198">Fatima Holding Limited</td> <td data-bbox="472 1185 669 1198">PKR 200 Million</td> </tr> </tbody> </table> <p><b>FURTHER RESOLVED THAT,</b> any of the Directors/Chief Executive Officer and/or Chief Financial Officer and/or the Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents and any ancillary matters thereto for implementing the aforesaid resolution.”</p>	Sr. #	Name of Associated Company	Amount of Loan	1	Fatima Sugar Mills Limited	PKR 400 Million	2	Reliance Commodities (Pvt.) Limited	PKR 200 Million	3	Fatima Transmission Company Limited	PKR 300 Million	4	Fazal Cloth Mills Limited	PKR 200 Million	5	Fatima Holding Limited	PKR 200 Million		
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## NOTES:

1. Duly filled postal ballot should be sent to the Chairman of Reliance Weaving Mills Limited at above-mentioned postal or email address.
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting within business hours on or before October 27, 2024. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

This postal Poll paper is also available for download from the website of Reliance Weaving Mills Limited at <https://fatima-group.com/rwml/page.php/forms-rwml>. Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

**Signature of Shareholder(s) / Proxy Holder(s) / Authorized Signatory**

(In case of corporate entity, please affix company stamp)

Place: Multan

Date: October 07, 2024



# COMPANY PROFILE

**Reliance Weaving Mills Limited was incorporated on April 07, 1990 with its Registered Office at 2<sup>nd</sup> Floor, Trust Plaza, L.M.Q. Road, Multan and is listed on Pakistan Stock Exchange. The Head Office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore-Cantt.**

The Company is a fully integrated comprising of yarns and fabrics production facilities, which is located at two sites i.e. Fazalpur Khanewal Road, Multan (Multan Unit) and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi (Rawat Unit). Multan Units and its surrounding comprises of 185.5 acres of land having 228 bachelors' quarters and 24 family quarters for workers and management employees.

The Spinning division at Multan comprises of two units, unit # 4 & 6. Unit # 4 comprises of 42 ring frames consisting of 47,520 spindles with total annual production capacity of 25,248 tons based on average count Ne 14. We have state of the art and modern technology, TOYOTA RX-240 and RX-300 E Draft capable of making wide range of counts. These machines can attain high speed of 21,000 RPM. Our ring machines are 2004, 2013 and 2014 model. Currently, we are producing yarn counts from 6/1 cdd to 21/1 cdd. The above unit produces Carded Yarn, Combed Yarn, Siro Yarn, Core Yarn, Dual Core Yarn, Slub Yarn, Dual Core+Slub Yarn and Core+Slub Yarns. We are specialized in making yarn for Denim. We have installed compact system on our existing frames gaining the ability of compact yarn manufacturing and have also installed Bobbin Transport System (BTS), which will cause the automation in the system and reducing workers handling. We have also installed Auto Doffer Auto-cone.

The Company has recently achieved a milestone in textile field in the form of launching new spinning unit # 6 comprises of 14 Ring frames (25,536 spindles each) with total annual production capacity of 5,794 tons based on fine count average Ne 35. We have state of the art and modern technology, RIETER K48 with E Draft capable of making wide range of fine counts. These machines can attain high speed of 25,000 RPM with Muratec Qpro Japanese Link coner and Marzoli Simplex with auto doffer and BTS system. Our machines are 2022 model. Currently, we are producing yarn counts from 30/1 cdd Cpt to 40/1 Cmb Cpt.

The Weaving unit comprises of 490 looms of high speed latest air jet machines of Tsudakoma (Japan) & Picanol (Belgium) with total grey cloth production of (91 Million Meters per year ) (SGM's) is based on 60 picks. We cater for home textiles and apparels from various varieties of yarns blends such as Cotton/Polyester, Cotton/Viscose/ Linen, Fancy Yarns, Stretch Yarns from different natural fibers & synthetic blends. The unit is equipped with latest warping and sizing machine, batchers, complete range fabric inspection and packing machinery installations, well equipped laboratory having complete range yarn and fabric testing facility, LDS system, air compressors, air conditioning / chiller system, boilers and self-gas engine power generation. The weaving facilities can produce plain (basket/mat weave, ribbed warp & weft), twill, satin, sateen weave, warp stripe, weft stripe satin, cellular weave, BFC, pique, broken twill, missing dent, 16 frame dobby designs, variation of basic weave such as creps, double cloth, gauze (leno), tappet, dobby, namely jacquard.

The Rawat unit comprises of 34 acres of land having accommodation capacity for 500 workers and 90 rooms for bachelors. The unit consists of 38 Toyoda Japan (RY-5) spinning frame with total annual production capacity of 138,000 bags based on standard count of 20/1 cdd. The unit produces yarns namely Mélange, Marl, Slub, Injection Nappy and Fancy Draw Blend Yarns. We are producing almost all types of Fancy Yarns and Grey Fabrics and have state-of-the-art high speed machines with latest facilities coupled with highly skilled team of dedicated workers and engineers to meet the challenges of textile sector.

We are constantly working to upgrade our plant by replacing old machines with latest high speed machines to be abreast with modern trends in the local textile industry and abroad to have competitive edge over our competitors to bring our Company in the forefront of the textile sector of Pakistan.



# DIRECTORS' PROFILE



## Mr. Fawad Ahmed Mukhtar

Chairman

Mr. Fawad Ahmed Mukhtar is the Chairman of the Company. He has extensive experience in manufacturing and industrial management. In addition to being a successful business leader, he is also a renowned philanthropist. After graduation, he has spent over 30 years in developing his family business into a sizable conglomerate. Mr. Mukhtar leads several community service initiatives of the Group including the Fatima Fertilizer Trust and Welfare Hospital, Fatima Fertilizer Education Society and School and Mukhtar A. Sheikh Welfare Trust, among others. He is also the Chairman of Reliance Commodities (Private) Limited, Fatima Holding Limited, Fatima Sugar Mills Limited, Air One (Private) Limited, Fatima Trading Company (Pvt.) Limited and is the CEO of Fatima Fertilizer Company Limited, Pakarab Fertilizers Limited, Fatimafert Limited and Fatima Cement Limited. He is also the Director of Fatima Electric Company Limited and Pakarab Energy Limited. In addition, he is a member of the Board of Directors of the National Management Foundation, a sponsoring body of Lahore University of Management Sciences (LUMS).



## Mr. Faisal Ahmed

CEO / Executive Director

Mr. Faisal Ahmed is the Chief Executive Officer of the Company. He is also the CEO of Fatima Sugar Mills Limited and Farrukh Trading Company Limited and the Chairman of Workers Welfare Board at Pakarab Fertilizers Limited. He also serves on the Board of Fatima Fertilizer Company Limited, Pakarab Fertilizers Limited, Fatimafert Limited, Fatima Electric Company Limited, Pakarab Energy Limited, Fatima Cement Limited, Fazal Cloth Mills Limited, Reliance Commodities (Private) Limited and Air One (Private) Limited. Mr. Faisal is the former City Mayor and District Nazim of Multan and continues to lead welfare efforts in the city. He was also a Member in the Provincial Finance Commission (Punjab), Steering Committee of Southern Punjab Development Project and Decentralization Support Program. He has also served as the Chairman of Multan Development Authority and was a Member of a syndicate of Bahauddin Zakariya University, Multan.



## Mr. Abbas Mukhtar

Non-Executive Director

Mr. Abbas Mukhtar is the Director of Fatima Group - one of the prominent family businesses in Pakistan, manufacturing fertilizers, textiles, Power and Sugar. The Group has an asset base of \$2 billion, employs over 6,300 regular employees and has annual sales of approximately \$1 billion. Mr. Abbas Mukhtar joined the family business post completing his bachelor's degree from University of Pennsylvania (UPenn). Abbas oversees strategy with regards to the fertilizer business, as well as the Fatima Cement Limited. As a member of the senior management of Fatima Group, he is actively involved in social welfare initiatives pertaining to healthcare and education. Abbas is also an avid supporter of sports in Pakistan. He constantly works for the growth of sports in Pakistan through various ventures, for healthier, happier society. He is also on the Board of Fazal Cloth Mills Limited and Fatima Sugar Mills Limited.



## Mr. Muhammad Mukhtar Sheikh

Non-Executive Director

Mr. Muhammad Mukhtar is the Director of Fatima Group - one of the prominent family businesses in Pakistan - manufacturing Fertilizers, Textiles, Power and Sugar. The Group has an asset base of \$2 billion, employees over 6,300 regular employees and has annual sales of approximately \$1 billion. Over the last 3 decades, Fatima Group progressed to play a significant role in Pakistan's economy. He is actively involved in several community service initiatives of the Group including the Mukhtar A. Sheikh Welfare Trust, Mukhtar A. Sheikh Hospital, Fatima Fertilizer Trust, Welfare Hospital and Fatima Fertilizer Education Society and School, etc. Muhammad is an alumni of Babson College, Wellesley, MA Boston, with a degree in entrepreneurship and Strategic Management. He looks forward to spearheading important and state of the art new projects, as Fatima Group continues to diversify. He is also on the Board of Fazal Cloth Mills Limited, Fatima Sugar Mills Limited and Fatima Management Company Limited.





## Mr. Muhammad Fazeel Mukhtar

Non-Executive Director

Mr. Fazeel joined the Board of Reliance Weaving Mills Limited in March 2024 as a Non-Executive Director. He has attained the Honors Bachelor of Commerce Management Degree from University of Ottawa, Ottawa, ON, Canada. His core expertise include Corporate Planning and Business Analysis among others. Apart from business expertise, he is actively involved in philanthropist activities and has self-started an NGO with the name of HISA (Helping Injured Sick Animals) which is dedicated towards providing help to injured and abused animals in Pakistan. He is the founder and CEO of HISA. He is also serving on the Board of Fatima Sugar Mills Limited and Farrukh Trading Company Limited as well as acting as a Director of Textile and Steel Projects. He is a Certified Director, having completed the prestigious Directors' Training Program at LUMS.



## Mr. Imran Bashir

Independent Director

Mr. Imran Bashir is a Chartered Accountant and a Certified Director, having completed the prestigious Directors' Training Program at LUMS. He possesses 25 years of post-qualification diversified experience in assurance, corporate advisory, internal audit and finance. Mr. Imran started his career from Ford Rhodes Robson Morrow (Now EY Ford Rhodes Sidat Hyder), Lahore. He has served Securities and Exchange Commission of Pakistan for a period of almost four years as Director Enforcement. He has also worked in Riaz Ahmed & Co., KPMG Taseer Hadi & Co., First Capital/Worldcall Group, Dawood Hercules Chemicals Limited, The Bank of Punjab and Shaheen Air International Limited at senior positions. He has extensive experience in financial/accounting matters, corporate laws, Internal Audit and is partner of Rizwan & Company, Chartered Accountants. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan and is currently active member of Small and Medium Practice Committee of the Institute. He specializes in management consultancy and assurance and transactions advisory services including mergers and acquisition.



## Mr. Shoaib Ahmad Khan

Independent Director

Mr. Shoaib Ahmad Khan has over 39 years of experience in government and development finance sectors. He served as Member Finance, National Highway Authority. He enjoys cross functional expertise in Financial Management, Public Private Partnership, Budgeting, Accounts, Audit, Commercialization & Revenue Management, besides handling sensitive cases of Arbitration & Dispute Resolution. In the Development Finance side, his exposure remained in Project Appraisal, Monitoring, Restructuring and Treasury Portfolio Management. He did his MBA from the University of Punjab, and MSc in Defense and Strategic Studies/NDC, from National Defense University. He is also Diplomaed Institute of Bankers in Pakistan.

# BOARD COMMITTEES

## AUDIT COMMITTEE



<b>Mr. Imran Bashir</b>	(Chairman)
<b>Mr. Shoaib Ahmad Khan</b>	(Member)
<b>Mr. Muhammad Mukhtar Sheikh</b>	(Member)

## HR & REMUNERATION COMMITTEE



<b>Mr. Shoaib Ahmad Khan</b>	(Chairman)
<b>Mr. Imran Bashir</b>	(Member)
<b>Mr. Muhammad Fazeel Mukhtar</b>	(Member)

## RISK MANAGEMENT COMMITTEE



<b>Mr. Faisal Ahmed</b>	(Chairman)
<b>Mr. Imran Bashir</b>	(Member)
<b>Mr. Shoaib Ahmad Khan</b>	(Member)

## NOMINATION COMMITTEE



<b>Mr. Fawad Ahmed Mukhtar</b>	(Chairman)
<b>Mr. Faisal Ahmed</b>	(Member)
<b>Mr. Muhammad Fazeel Mukhtar</b>	(Member)





# MANAGEMENT PROFILE



## Mr. Waheed Ahmad

Chief Financial Officer

With over two decades of experience in finance, accounting, and strategic business planning, Mr. Waheed Ahmad is a highly accomplished Chartered Accountant. He got certifications from LUMS in Leadership and Management Development Program. His expertise spans across corporate finance, risk management, ERP systems, and budget management, with a focus on maximizing operational efficiency and profitability.

Throughout his career, Mr. Waheed has been instrumental in securing and managing large-scale finances, including \$85 million with major banks. His strategic handling of currency risks through forwards, options, and swaps has resulted in substantial profits for the company, while his negotiation skills have yielded significant savings, annually from treasury discounting.

In addition to his financial acumen, Mr. Waheed has demonstrated exceptional leadership in operational management, having led multiple large-scale projects including the expansion of production facilities and the implementation of energy-efficient systems. His work in budgeting and business planning has driven the company's growth, and his five-year expansion plan is projected to double the company's revenue. Mr. Waheed has also worked with prestigious international firms like Boston Consulting Group to explore global market opportunities.

Mr. Waheed's key competencies include Corporate Finance & Risk Management, Budgeting & Strategic Business Planning, ERP Oracle Systems Implementation, Banking Relations & Loan Profiling, Currency Risk Management & Financial Negotiations, Tax Management & Cost Optimization, Leadership in Operational and Financial Growth.



## Mr. Asad A. Jan

Head of Human Resources

Mr. Asad A. Jan began his journey in 1994 after earning his Master's in Business Administration, and since then, he has been a driving force in shaping the success of the Companies he has been a part of.

He embarked on his journey with the Fatima Group in 2010, and over the course of 13 years, he ascended the corporate ladder, assuming various influential roles within the conglomerate's extensive and diverse business portfolio. His tenure included a pivotal role as the Head of HR, overseeing departments encompassing Energy, Fertilizer, Healthcare, Packaging, Sugar, Steel, and Textile. As a strategic leader, Asad played a transformative role in cultivating a growth-centric mindset by seamlessly integrating HR initiatives into the overarching organizational structure.

Asad's professional trajectory is marked by a marvelous history of revitalizing and repositioning the individuals in various businesses of the group, a testament to his expertise in instituting and fortifying talent management and leadership development. Beyond his role as a seasoned human resource professional, Asad boasts the distinction of being a Registered Lead Auditor for Quality and Environmental Management Systems, a recognition of his proficiency and commitment to excellence, accredited by IRCA-UK. This additional facet of his expertise underscores his dedication to fostering quality and sustainability within organizations he serves.



## Kamran Ahmad Awan

Company Secretary

Mr. Kamran Awan is an eminent corporate professional with extensive expertise in handling and resolving the corporate matters. He enjoys a wide experience of more than 27 years across key industries such as Fertilizer, Textile, Sugar, and Energy. Over the progression of his career, he has consistently demonstrated the ability to handle and excel in high-pressure and competitive environments.

Mr. Awan's academic credentials reflect his commitment to professional excellence. He is a passionate learner and believes in continuous professional development. He holds a master degree in Business Administration and a diploma in Management Information System (MIS) from the University of Management & Technology (UMT), Lahore. He further expanded his knowledge with a Post Graduate Diploma in Corporate Law and Practice from the University Law College, University of the Punjab, Lahore. His participation in numerous seminars and workshops has refined his skills in communication, corporate affairs, practical application and compliance with the corporate laws. He is a Certified Director, having completed the prestigious Director's Training Program at LUMS.

Since joining the Fatima Group, he has played a vital role in driving the company's growth and success by ensuring meticulous compliance of the corporate and legal requirements. His broad experience and strategic insight has made significant contributions to the organization's achievements. Prior to joining the Fatima Group in July 2015, Mr. Awan held a pivotal role at the Dawood Group from 1997 to 2015.



## Khawaja Sajid

General Manager Marketing

Khawaja Sajid is the General Manager in Marketing Department. He has over 33 years of diversified marketing experience in different products of textile and carries a successful leadership experience in this portfolio. He has worked with the reputed textile companies of Pakistan. He holds the Master Degree in Business Administration from Baha-u-Din Zakariya University, Multan. Mr. Sajid joined Reliance Weaving Mills Limited in 2004 and remains devoted till today.



## Mr. Aqeel Saifi

General Manager Marketing

Mr. Aqeel Saifi holds Master's degree in Business Administration from Imperial College of Business Studies and B.Sc (hons) Degree in Computer Sciences from FAST - NUCES. He has been attached to the textile industry for over 20 years, working with well reputed textiles organizations of Pakistan. He is with Reliance Weaving Mills Limited since August 2015.



## Mr. Muhammad Nasir Iqbal

General Manager Yarn Marketing & Sales

Mr. Nasir Iqbal holds Master degree in Business Administration. He has total experience of 25 years in Textile sector. He has an extensive knowledge of Customers and Suppliers for yarn sale and procurement with varying categories of coarse, fine, stretch, slub & siro yarn. His professional strength is to develop & manage Certification like BCI, Primark, GOTS, OCS, GRS, CMIA & Inditex and find customers having good name in export to distinguished brands. He has been working with Reliance Weaving Mills Limited since 2003, as a valuable resource.



## Mr. Salim Ahmed

General Manager Marketing

Salim Ahmed holds the master degrees in Business Administration and M.A. Economics. He has been in the Textile industry since last 26 years with well reputed textile mills in Pakistan, and has vast experience of fancy yarns of knitting and weaving. He has been in Reliance Weaving Mills Limited since August 2010.



## Mr. Muhammad Akbar Rana

Head of Internal Audit & Risk Assurance - OB

Mr. Muhammad Akbar Rana is a Fellow Member of the Institute of Cost and Management Accountants of Pakistan and Certified ISO 22301:2019- Business Continuity Management Systems Auditor/Lead Auditor- IRCA UK. He is associated with Fatima Group since 2003 and has diversified work experience of Fertilizer, Textile, Sugar and Packaging Industries in the field of Internal Audit & Accounts, Enterprise Risk Management, Business Continuity Management System, Information System, Governance and Compliance. Currently, he is leading Internal Audit & Risk Assurance function of Sugar & Textile Divisions of Fatima Group.

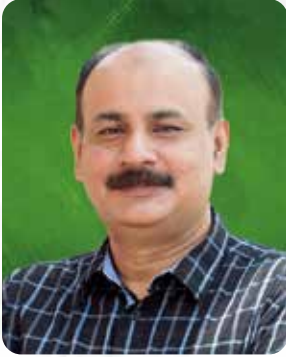




## Mr. Ikram Azeem

Technical Director (Weaving)

Mr. Ikram Azeem holds B.Sc (Textile Engineering) degree with specialization in Weaving in year 1996 from National Textile University, Faisalabad. He has total field experience of 27 years by working on different types of looms, (PICANOL Air Jet Loom, Tsudakoma Air Jet Loom and Toyota Air Jet Loom). In addition, he got technical training of TSUDAKOM AIR Jet Loom from Japan and Picanol Air Jet Loom from Belgium and Staubli training { under motion of loom and knotting machine form FRANCE } ,with additional technical trainings of steam fired & hot water chiller form china. Attended technical trainings for energy saving and optimum utilization of machinery with best cost saving. He is a part of this organization since the year 2000.



## Mr. Muhammad Shoab Alam

General Manager (Spinning Multan)

Mr. Muhammad Shoab Alam holds B.Sc. Textile (Spinning) Degree from the University of Engineering & Technology Lahore. He was Vice President of Spinning Society and is part of this Group since the installation of spinning Unit (2005). He has experience of managing coarse and fine count mills, ranging from 6/1 to 120/1 on various types of machinery setups and producing different types of yarn from GIZA, PIMA and Brazalian Cotton. He also got training for blow room and card from Reiter in Winterthur, Switzerland. In 2024 a new state of the art spinning unit # 6, completely automated and latest machines has also been installed under his supervision.



## Mr. Salahuddin Khattak

General Manager (Spinning Rawat)

Mr. Salahuddin Khattak holds B.Sc. Textile (Spinning) Degree from National Textile University, Faisalabad. He has total field experience of 15 years of working on different types of Melange Yarn, Injection Yarn, Lycra Melange Yarns, Slub and Snow Effect Yarns. He is part of this organization since 2010.



## Mr. Anjum Jamil Sheikh

Head of Treasury

Mr. Anjum Jamil has been associated with Fatima Group since June 1999 and held varied managerial roles over the last 25 years in Textile/Sugar Division. Besides his professional skill sets working in multiple positions, his other initiatives make him as an effective team player, proactive and contributes by out of box thinking. He is an asset for the organization and always worked progressively in achieving company goals. He is CA-Intermediate by profession and had completed his 4 years professional training from Deloitte Pakistan within timeframe of 1993-1997. He had started his career in December 1997 as Manager Audit from Yousuf Adil Saleem & Co. Chartered Accountants.



## Mr. Muhammad Javed Nazir

General Manager (Supply Chain)

Mr. Muhammad Javed Nazir joined Fatima Group in 2022. He is a highly accomplished professional with extensive expertise in supply chain management. As the General Manager of Supply Chain at Fatima Group, he brings a wealth of experience and a proven track record in optimizing and streamlining supply chain operations. With his Certified Supply Chain Professional (CSCP) designation, he possesses a deep understanding of industry best practices, enabling him to implement efficient processes that drive cost savings and enhance overall operational efficiency. Mr. Nazir leadership and strategic vision play a pivotal role in ensuring seamless coordination across the entire supply chain, contributing to the success and growth of Fatima Group.



# CHAIRMAN'S REVIEW

Fawad Ahmed Mukhtar

Chairman

I am pleased to present the review for the year ended 30 June 2024 highlighting the Company's performance and the role of the Board of Directors in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

## BOARD PERFORMANCE AND GOVERNANCE

This past year has brought significant challenges to the textile sector, yet the Board has effectively fulfilled its duties, providing crucial strategic guidance and oversight. The Board's active involvement in key decision-making processes has enabled us to navigate the complexities associated with high energy costs, inflation, and fluctuating currency rates. The Board has closely monitored management performance to ensure that our strategic initiatives remained aligned with market demands and operational efficiencies.

We are unwavering in our commitment to high standards of corporate governance. Recognizing the importance of accountability and transparency, we have fostered an environment where all the Board members actively participate in discussions and decision-making. The annual self-evaluation have allowed us to identify areas for improvement and align our practices with global best standards.

As a Chairman, I will continue to lead the Board, promoting a culture of openness and constructive debate on key issues. I remain dedicated to ensuring compliance with all relevant codes and regulations and supporting management in making decisions that enhance value for our stakeholders in both the short and long term.

Our independent Internal Audit department employs a risk-based audit methodology, with internal audit reports

submitted to the Board Audit Committee (BAC) quarterly, highlighting areas for improvement.

## STRATEGIC INITIATIVES

The Board's proactive approach has enabled us to maintain our market share despite economic challenges, achieving net sales of PKR 41,461 Million. We have endorsed initiatives aimed at optimizing operations, including the installation of solar energy systems that align with our sustainability objectives and help reduce operational costs.

Furthermore, the Board has played a crucial role in strengthening our brand and expanding our presence in untapped markets. By prioritizing strategic planning and effective risk management, we have positioned the Company to respond adeptly to ongoing challenges in the textile sector.

## ACKNOWLEDGMENT

I would like to express my sincere gratitude to my fellow Board members for their commitment and insightful contributions. Their dedication to fostering a culture of open dialogue has been vital in guiding the Company through these challenging times.

## CONCLUSION

In conclusion, I would like to thank all our stakeholders, shareholders, directors, customers, employees, bankers, and suppliers for their continued support. As we enter FY 2025, I am confident that the Board and management will tackle ongoing challenges with resilience, ensuring we continue to deliver value to our shareholders and positively impact the recovery of the textile sector.



## چیسر مین کا جائزہ

نواد احمد مختار

چیسر مین

مجھے 30 جون 2024 کو اختتام پذیر ہونے والے سال کیلئے کمپنی کی کارکردگی اور اسٹیک ہولڈرز کے منافع کیلئے انتظامی امور کی انجام دہی میں بورڈ آف ڈائریکٹرز کے راہنماہ کردار پر مشتمل جائزہ رپورٹ پیش کرتے ہوئے انتہائی خوش محسوس ہو رہی ہے۔

### بورڈ کی کارکردگی اور گورننس:

گزشتہ سال نیٹسٹائل سیکٹر کیلئے کئی نمایاں چیلنجز کا باعث ٹھہرا، اس کے باوجود بورڈ نے اہم اسٹریٹجک راہنمائی اور امور کی نگرانی سے متعلقہ اپنی ذمہ داریاں احسن طریقے سے سرانجام دیں۔ اہم فیصلہ سازی میں بورڈ کی فعال شمولیت کے سبب ہم توانائی کی بلند قیمتوں، افراط زر اور کرنسی کی قدر میں اتار چڑھاؤ سے منسلک پیچیدگیوں پر قابو پانے کے قابل ہوئے۔ ہمارے اسٹریٹجک اقدامات کے مارکیٹ تقاضوں کے مطابق ہونے اور عملی افادیت یقینی بنانے کیلئے بورڈ نے انتظامیہ کی کارکردگی کا باریک بینی سے جائزہ لیا۔

ہم کارپوریٹ گورننس کے اعلیٰ معیارات پر عمل پیرا رہنے کیلئے پرعزم ہیں۔ احتساب اور شفافیت کی اہمیت کو مد نظر رکھتے ہوئے ہم نے ایک ایسا ماحول تشکیل دیا ہے جہاں بورڈ کے تمام ممبران بحث و مباحثہ اور فیصلہ سازی میں فعال انداز میں شرکت کرتے ہیں۔ سالانہ بنیادوں پر خود تفتیش ہمیں بہتری کے شعبوں کی نشاندہی اور اپنے طریقہ کار کو عالمی اسٹینڈرڈز سے ہم آہنگ کرنے میں معاونت فراہم کرتی ہے۔

بطور چیئر مین، میں بورڈ کی قیادت، آزادانہ کچھ کے فروغ اور کلیدی مسائل پر تعمیری بحث و مباحثہ کیلئے کاوشیں جاری رکھوں گا۔ میں ہمارے اسٹیک ہولڈرز کیلئے مختصر اور طویل مدتی نتائج کی حامل فیصلہ سازی اور تمام متعلقہ قواعد و ضوابط کی تعمیل میں انتظامیہ کی مدد کا تسلسل برقرار رکھوں گا۔

ہمارا آزادانہ آڈٹ ڈیپارٹمنٹ رسک مینڈ آڈٹ طریقہ اختیار کرتا ہے، جس کے تحت بورڈ آڈٹ کمیٹی (BAC) کو سہ ماہی بنیادوں پر آڈٹ رپورٹس جمع کروائی جاتی ہیں اور ان میں بہتری کی گنجائش کے حامل شعبوں کی نشاندہی کی جاتی ہے۔

### اسٹریٹجک اقدامات:

بورڈ کے فعال انداز نے معاشی چیلنجوں کے باوجود ہمیں اپنا مارکیٹ شیئر برقرار رکھنے کے قابل بنایا، اور کمپنی نے 41,461 ملین روپے کی خالص سیلز حاصل کیں۔ ہم نے کاروباری بہتری کی امید رکھنے والے ایسے اقدامات بشمول سٹاکس توانائی کی تنصیب کی توثیق کی ہے، جو دیرپا ترقی اور عملی اخراجات میں کمی کے ہمارے ہدف کے عین مطابق ہیں۔

مزید برآں، بورڈ نے ہمارے برانڈ کے استحکام اور غیر رسائی شدہ مارکیٹس تک ہماری رسائی بڑھانے میں اہم کردار ادا کیا ہے۔ اسٹریٹجک منصوبہ بندی اور موثر رسک مینجمنٹ کو ترجیح دیتے ہوئے ہم نے کمپنی کو نیٹسٹائل سیکٹر کے چیلنجز سے نبرد آزما ہونے کیلئے مکمل تیار کیا ہے۔

### اعتراف:

میں اپنے ساتھ بورڈ ممبران کے عزم اور بصیرت کو سراہتا ہوں۔ مفید اور افادیت پر مبنی بات چیت کے کچھ کے فروغ کیلئے ان کا عزم مشکل وقت میں کمپنی کی راہنمائی میں اہم کردار ادا کر رہا ہے۔

### نتیجہ:

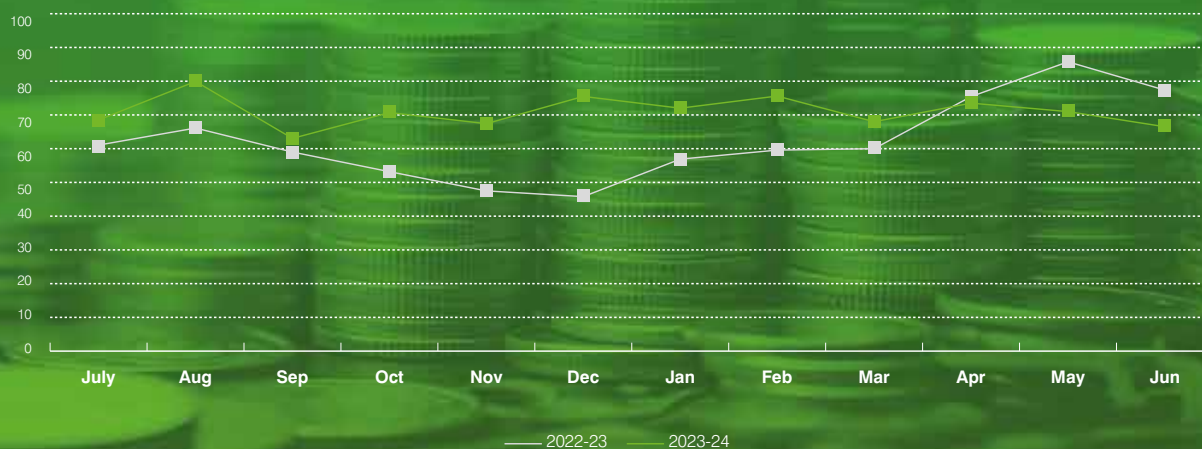
آخر میں، میں اپنے تمام اسٹیک ہولڈرز، حصص یافتگان، ڈائریکٹرز، صارفین، ملازمین، بینکرز اور سپلائرز کی مسلسل معاونت پر ان کا شکریہ ادا کرنا چاہوں گا۔ جیسا کہ ہم مالی سال 2025 میں داخل ہو رہے ہیں، مجھے یقین ہے کہ بورڈ اور انتظامیہ ہر چیلنج سے بخوبی نمٹنے کی اور ہم اپنے شیئر ہولڈرز کیلئے ویلیو میں اضافہ اور نیٹسٹائل انڈسٹری پر مثبت اثرات مرتب کرنے کا اپنا مشن جاری رکھیں گے۔

# MARKET PRICE DATA

The following table show month end wise share price of the company that prevailed during the financial year 2023-24 and 2022-23 in PSX:

Month	2023-24			2022-23		
	High	Low	Close	High	Low	Close
July	80.90	73.10	75.00	71.50	60.15	61.07
August	80.62	62.76	62.76	72.90	62.10	66.11
September	66.95	55.50	60.00	70.00	59.00	59.00
October	74.95	55.00	57.55	65.00	53.06	53.19
November	72.99	57.00	68.17	55.95	46.02	47.49
December	78.96	67.07	70.00	47.00	40.00	45.79
January	75.25	65.00	69.95	60.20	44.35	56.90
February	75.20	64.66	66.00	64.40	54.40	59.58
March	78.00	61.06	77.97	62.00	53.89	60.00
April	78.00	72.25	72.25	78.90	59.00	75.44
May	77.33	71.00	71.00	86.50	74.50	85.75
June	85.40	63.02	81.38	91.00	77.35	77.35

## SHARE PRICE ANALYSIS





# DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company take pleasure in presenting the Directors' Report together with the Company's annual audited financial statements for the year ended June 30, 2024. The Directors' Report prepared under Section 227 of the Companies Act, 2017 (the "Act") will be put forward to the members at the Annual General Meeting of the Company scheduled to be held on October 28, 2024.

## FINANCIAL RESULTS:

The current financial year commenced amid significant economic uncertainty, precipitated by a confluence of adverse events, including Russia's invasion of Ukraine. These developments had extensive and severe repercussions on the global economy, leading to notable disruptions across various key sectors. The cumulative impact of these factors has significantly affected the global trade landscape, resulting in supply chain disruptions, escalating energy prices, commodity shortages and sharp inflation.

Despite severe economic challenges and political instability in Pakistan, the company achieved its highest-ever revenue of Rs. 41.46 billion, marking a 26.86% increase compared to the previous year. This growth was primarily driven by improved sales prices and rupee devaluation. Despite achieving higher sales values, the company faced challenges stemming from inflationary pressures that impacted raw materials costs and conversion expenses, particularly utility prices. Nevertheless, the company managed to increase gross profit by 33.91% reaching to PKR 4.84 billion. Additionally, finance costs surged by 58.95% totaling PKR 3.89 billion. As a result, the company reported a post-tax net profit of PKR 120 million.

Major financial Indicators are as under:

Description	2024	2023
	Rupees in Million	
Sales	41,461	32,682
Cost of Sales	36,619	29,066
Gross Profit	4,842	3,616
Finance Cost	3,893	2,449
Profit after Tax	120	203

## FUTURE OUTLOOK:

In line with above, the textile sector in Pakistan is facing numerous challenges, including reduced global demand, costly business environment, reduced cotton yields, expensive imports, inadequate availability of raw materials,

currency fluctuations, high government taxation and high energy rates. These factors have made the textile industry less competitive on both regional and global scales, leading to the closure of many small to medium-sized entities. However, larger vertically integrated production facilities are showing resilience.

The company's management remains optimistic about sustainable profitability by focusing on cost transformation and urging the government to implement supportive policies for the sector. Despite these challenges, the company has opened the LC for installing a 9 MW solar energy project in the current year. This project aims to generate green energy while reducing energy costs.

Additionally, it is expected that KIBOR rate will reduce further by 5% till the end of December 2024.

Both these factors will help the company in growth and also to reduce the finance and energy cost.

## ECONOMIC INDICATOR:

Pakistan's economy grappled with challenges including low foreign reserves, a depreciating currency. Import bills decreased by .84% to USD 55 billion, while export increased by 10.54% to USD 30.65 billion. Inflation recorded at 24.7% while 29.18% in 2023, prompting the State Bank of Pakistan to decrease the policy rate to 20.5%.

Pakistan has negotiated with IMF on loan of 7 billion dollars, this bailout package helps to stabilize the economy.

The overall economic landscape remains uncertain despite some relief measures.

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The Board is fully aware of its responsibilities under the corporate and financial reporting framework outlined in the SECPs Code of Corporate Governance (CCG). The following statements exemplify its dedication to adhering to the highest standards of CCG best practices..

- 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.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed.
- A sound internal control system has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practice of Corporate Governance.

## MATERIAL CHANGES IN FINANCIAL STATEMENTS:

Particulars	Unit	June 30, 2024	June 30, 2023
Gross Profit	%	11.68	11.06
Return on Sales	%	0.30	0.62
Earnings Per Share	Rs.	3.88	6.59
Market Value of a Share	Rs.	81.38	80.90
Balance Sheet Footing	Rs. in Million	34,864	36,534

## MARKET CAPITALIZATION:

At the close of the year, the market capitalization of the Company stood at Rs. 2,507 million as against Rs. 2,493 million last year.

## MODERNIZATION & EXPANSION:

The Company is committed to modernizing and expanding its production line according to rapidly evolving technology to produce products of international quality.

The Company has installed fine cotton yarn mill of 25,520 spindles to diversify its product and also installed 3 MW solar system.

## OUTSTANDING TAXES AND DUTIES:

Details of outstanding taxes and duties are given in the financial statements.

## CONTRIBUTION TO NATIONAL EXCHEQUER:

Your Company contributes substantially to the national economy in terms of taxes and duties and the contribution is increasing as the Company is growing. This year, the Company contributed in the National Exchequer in the form of Federal Excise Duty, Sales Tax, Custom Duties, Income Tax, etc.

## CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company practices active corporate citizenship through corporate philanthropy, environmental protection measures, community investments & welfare schemes, consumer protection measures, welfare spending for under privileged classes, industrial relations, encouragement for employment of special persons, occupational safety & health, business ethics & anti corruption measures, national cause donations, contributing to national exchequer and rural development programs.

Your Company considers CSR as a fundamental sustainable business practice to contribute voluntarily towards better society and strives to be a good corporate citizen. We have always shown strong commitment and support for public health and promotion of education. The Company is a permanent donor of reputable charity organizations including Mukhtar A. Sheikh Trust, which contributes towards the well-being of deprived people by setting-up Hospitals and Medical Camps. The free medical camps are set up in far flung areas of the Country where healthcare is very hard to access. Patients avail free medical check-up along with medicines.

## EARNINGS PER SHARE:

Your Company's post-tax profit of Rs. 120 million translates into EPS of Rs. 3.88 as against Rs. 6.59 last year.



## FINAL CASH DIVIDEND:

Due to PKR devaluation and high-interest rates, the company will not be declaring dividends this year to reduce increased borrowing driven by higher working capital requirements. The company remains committed to providing sustainable returns to shareholders in the future.

## ELECTION OF DIRECTORS:

During the year under review, the Directors of the Company completed their tenure and the Election of Directors was held on March 29, 2024. Eight directors were elected for the next three years' term.

## MEETINGS OF THE BOARD OF DIRECTORS:

Five meetings of the Board of Directors were held during the year. Attendance was as follows:

Sr. #	Name of Participants	Designation	Attendance
1	Mr. Fawad Ahmed Mukhtar	Chairman	3/5
2	Mr. Faisal Ahmed	CEO	5/5
3	Mrs. Fatima Fazal	Female Director	2/5
4	Mr. Muhammad Mukhtar Sheikh	Director	5/5
5	Mr. Muhammad Fazeel Mukhtar	Director	1/2
6	Mr. Abbas Mukhtar	Director	2/3
7	Mr. Fahd Mukhtar	Director	0/2
8	Mr. Shahid Aziz *	Independent Director	3/3
9	Mr. Muhammad Shaukat *	Independent Director	3/3
10	Mr. Imran Bashir *	Independent Director	2/2
11	Mr. Shoaib Ahmad Khan *	Independent Director	2/2

\*Mr. Imran Bashir and Mr. Shoaib Ahmad Khan were elected as Independent Directors in place of the outgoing Independent Directors Mr. Shahid Aziz and Mr. Muhammad Shaukat upon completion of their three years' term.

## DIRECTORS' REMUNERATION:

The Company do not pay remuneration irrespective of their classification e.g. Executive Director,

Non-Executive Director and Independent Director except the meeting fee to the Independent Directors along with any travel and other necessary expenses of traveling and accommodation for attending the Board and its Committees' meetings and free use of maintained cars to the Company's Directors.

Details of remuneration paid to the Executive and Non-executive Directors during the year is given in Note 44 of the financial statements.

## COMMITTEES OF THE BOARD:

The Board Committees and their Members are disclosed on Page 26 of the Annual Report.

## DISCLOSURE RELATING TO REMUNERATION OF KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:

The CEO does not receive any remuneration from the Company. The information required under Companies Act, 2017 in respect of executive employees of the Company is annexed at Note 44 of the Report.

## STATEMENT OF ETHICS & BUSINESS PRACTICES:

The statement of business ethics and core values provides the framework on which the Company conducts its business. The Board and the employees are the custodians of the excellent reputation for conducting our business according to the highest principles of business ethics. The following principles constitute the business ethics and core values of the Company to promote the Employer Branding:

- Demonstrate honesty, integrity, fairness and ethical behavior when interacting within or outside the organization;
- Compliance with all Laws & Regulations as a good corporate citizen;
- Commitment to run the business in an environment that is sound and sustainable;
- Belief in the principles of reliability, credibility and transparency in business transactions;
- To be an equal opportunity employer;
- Safeguard shareholders interest;

- Ensuring Health & Safety Environment to protect our people, neighbors, customers & visitors;
- Encourage to face the business challenges;
- Investment in Human Capital;
- Proper financial disclosures of any conflict of interest transactions, if any;
- Accountability and responsibility;
- Good and effective public relations;
- Promotion of culture of excellence by exceeding the expectations of all stakeholders;
- Customer satisfaction for continuous growth;
- Encourage employees to be creative & innovative;
- Respect for all stakeholders;
- Reliable & dependable supplier, enhancement of profitability to benefit shareholders, employees and the Government.

## DIVERSITY, EQUITY & INCLUSION VISION STATEMENT:

Creating a work environment and impacting communities where **Diversity Thrives, Equity Prevails, and Inclusion Unites**. Nurturing a work culture that embraces all generations, values broad spectrum of ideas and integrates them within the organization.

## SUSTAINABILITY REPORTING:

The Company recognizes the importance of ESG and is committed to adhering to SECP's regulatory guidelines on ESG disclosure. We strongly believe that ESG factors have significant impact on investor confidence, financial stability and overall business viability. We are integrating sustainability considerations into our operations which will help to mitigate risks, enhance reputation and offer sustainable products and services. This approach ultimately creates long-term value for all stakeholders.

The Company is in a process of developing policies as suggested by SECP in its recent guidelines.

## RISK MANAGEMENT AND INTERNAL CONTROL:

The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality

level besides devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the audit committee for information and review. The Internal Audit is responsible for providing assurance on the effectiveness and adequacy of the internal control and risk management framework in managing risks within acceptable levels throughout the Company. The Company's Risk Mitigation Strategy includes reduction of the likelihood that a risk event will occur and/ or reduction of the impact of a risk event if it does occur. For this purpose, the Board, through its Audit Committee, reviews the potential risks and the adequacy of internal controls and risk management procedures. The Company's System of Internal Control provides reasonable assurance that assets are safeguarded against theft and unauthorized use, all business transactions and events are recorded and accounting records are accurate and all applicable laws and regulations are complied with. The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.

## INTERNAL AUDIT AND RISK ASSURANCE FUNCTION:

Internal Audit function is effectively operating within the framework set out in Code of Corporate Governance and the charter defined by the Audit Committee of the Board of Directors, to provide an independent and objective evaluation on the effectiveness of governance, risk management and control activities. The Internal Audit function is progressing from a conventional function into a business partner and advisory role by following a proactive approach towards effective corporate governance through risk mitigation, adding value within the business process and creating synergies at the group level. The Board relies on the inputs and recommendations of the internal audit function through its Audit committee on the adequacy and effectiveness of internal controls in the organization and takes appropriate measures. The Internal Audit function is effectively utilizing risk control matrices, to prioritize and develop its annual plan and to strengthen the internal controls through periodic reviews of all the functions / processes in the organization and carried out its assignments in accordance with annual audit plan approved by the Audit Committee. The Committee has reviewed material Internal Audit findings, taken appropriate action where necessary or brought the matters to the Board's attention where required. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control



objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by internal audit function. Internal Audit also emphasizes the importance of Business Continuity and completeness of Risk Control measures to have seamless operations at entity level. Further, as 2nd line of defense, an Enterprise Risk Management (ERM) function is operating to oversee all the business risks and develop appropriate and effective mitigation strategies.

## **CODE OF CONDUCT:**

As per the Corporate Governance guidelines, the Company has prepared a Code of Conduct and communicated throughout the Company apart from placing it on its website.

## **HEALTH SAFETY & ENVIRONMENT:**

The Company is well aware of its responsibility to the environment being a responsible environment protecting corporate citizen. During the year, HSE performance of all the segments remained excellent. Strong commitment of Plant team has enabled it to achieve all HSE standards. Comprehensive monitoring and self-auditing regimes remained in focus backed by internal and external audits. Management Safety Audits, Emergency Response, Plant Reliability Enhancement Program, Occupational Health & Industrial Hygiene and Customized Housekeeping audits are few to be named.

## **INFORMATION TECHNOLOGY DIVISION:**

In an increasingly digital business landscape, the Information Technology Division (ITD) continues to be a cornerstone of the company's operational success, driving innovation and efficiency across all levels of the organization. By delivering a robust portfolio of IT services, ITD empowers employees, optimizes processes, and enhances overall business performance. We rely on Oracle E-Business Suite products to aid in planning, organizing, leading, and controlling our business functions. Our vision is to continuously optimize decision-making processes by harnessing advanced analytics and adopting cutting-edge technologies we are committed to reducing our paper footprint, promoting sustainability, and improving operational efficiency. Furthermore, we are focusing on extending our reach to customers through the adoption of innovative digital solutions.

ITD's strategic priorities are fully aligned with the company's long-term goals, ensuring that technology remains a core driver of organizational growth and competitive advantage. We remain dedicated to aligning ITD's goals with the Company's vision, supporting growth, and delivering value through strategic technology initiatives

## **BUSINESS CONTINUITY PLANNING AND SAFETY PROCEDURES FOR DATA PROTECTION:**

The Company has a comprehensive disaster recovery plan in place which entails backup facilities at different areas. This system is also subject to regular system checks to ensure continued effectiveness in case of any emergency. Standard Operating Procedures and checklists have also been developed, identified and explored in detail where situations/areas of high risk that could hamper Company operations. Accordingly, action plans have been prepared to manage strategic business risks considering the general economic conditions, competitive realities and possible scenarios and ensuring that risk management process and culture are embedded throughout the Company.

## **INVESTOR GRIEVANCE POLICY:**

The Company continuously engages with its investors and responds to their queries, concerns and grievances. The Shares Registrar is responsible to address the investor's grievances.

## **ANNUAL AND QUARTERLY REPORTS ACCESSIBILITY:**

The annual and quarterly reports are available on the Company's website.

## **AUDITORS:**

The existing auditors, M/S. ShineWing Hameed Chaudhri & Co., Chartered Accountants will retire at the conclusion of the Annual General Meeting and being eligible, have offered themselves for re-appointment.

## PATTERN OF SHAREHOLDING:

The Pattern of Shareholding as required under the Code of Corporate Governance is attached with this Report.

## BRIEF ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND THE CEO:

Pursuant to CCG 2019 (including any other statutory rules or re-enactment(s) for the time being in force), the Directors of your Company confirm that:

- The Chairman manages the Board and guide with a primary role to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.
- All the meetings of the Board of Directors are presided by the Chairman who has the power to set the agenda and signing of minutes and is also entrusted with the leadership of the Board proceedings.
- The CEO carries the responsibility for overall success of the Company by making top level managerial decisions.

## OFFICES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER:

In compliance with good governance practices, the position of Chairman of the Board of Directors and the office of Chief Executive Officer are held by separate persons with clear duties and responsibilities.

## DIRECTORS' TRAINING PROGRAM:

Out of eight Directors, three Directors have completed the Directors Training Program (DTP) while the three Directors meet the exemption criteria; hence, are exempted from the DTP

## ANNUAL EVALUATION OF BOARD PERFORMANCE:

An annual evaluation of the Board is carried out on the basis of a self-assessment questionnaire to ensure that the Board's overall performance and effectiveness is measured

and benchmarked against expectations in the context of objectives set by the Company. The evaluation provides the Board with an opportunity to review the balance skills, experience, diversity and perspectives. The size and composition of the Board is adequate to govern the Board procedures.

The criteria used in evaluating the performance is as under:

- Board Composition and Organization;
- Terms of Reference;
- Skills and Expertise of Board Members strategic planning;
- Availability of guideline to the Management;
- Efficiency of board meetings and decision making process;
- Regular follow up to measure the impact of Board's decisions;
- Communication between the Board and the Management;
- Constitution of Board Committees with members possessing adequate technical knowledge and expertise;
- Dividing the roles of Chairman and the CEO Quality of Management reports received from Board Committees;
- Board & CEO effectiveness; and
- Risk Mitigation.

## DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS:

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

- Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in IAS that continued to apply and other applicable provisions, if any, of the Companies Act, 2017 to the extent applicable. These are in accordance with generally accepted accounting principles in Pakistan. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

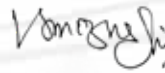


- The policies to ensure uniform accounting treatment are prescribed to the associated companies or subsidiaries, if any.
- Your Company operates in Oracle EBS R-12 an ERP system and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updates of various master data in the underlying ERP system.
- Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.
- Your Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/validate them as and when appropriate. The basis of such judgments and estimates are also approved by the Statutory Auditors and Audit Committee.
- The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.
- Your Company has a code of conduct applicable to all its employees along with a Whistle Blowing Policy to report malpractices, if any.

## ACKNOWLEDGEMENT:

The Directors would like to express their appreciation to the Securities & Exchange Commission of Pakistan, Banks, Financial Institutions, Insurance Companies and the Shareholders for their continuous support, cooperation, trust and confidence in the Company. The Directors would also like to express their gratitude for the support provided by our valued customers and suppliers.

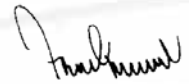
The Directors would also like to place on record their appreciation for the commitment, dedication, devotion, loyalty and hard work by all cadres of employees towards the growth, well-being and success of the Company.



**Imran Bashir**

Independent Director

Place: Multan  
Dated: September 30, 2024



**Faisal Ahmed**

Chief Executive Officer

- آپ کی کمپنی ایک مضبوط ذاتی تشخیص میکانزم کا بیان دے سکتی ہے جس کے تحت لائن منیجرز اس بات کی تصدیق کرتے ہیں کہ مختلف اکاؤنٹنگ پالیسیز، اکاؤنٹنگ hygiene کی پابندی اور پروویژنوں کو بیکر ٹیمپریجٹ جات درست ہیں۔
- آپ کی کمپنی اپنے مالی گوشواروں کی تیاری میں مضبوط پالیسیز کی بنیاد پر فیصلہ سازی کرتی اور اندازہ لگاتی ہے اور جب مناسب ہو بیرونی ایجنٹوں سے ان کی تصدیق/توثیق کرواتی ہے۔ ان فیصلوں اور تخمینوں کی بنیاد کی بھی قانونی آڈیٹرز اور آڈٹ کمیٹی سے منظوری لی جاتی ہے۔
- انتظامیہ آپ کی کمپنی کی مالی کارکردگی کا مختلف پیرامیٹرز کے حساب سے منظور شدہ پلانز کے مطابق وقفہ جاتی بنیادوں پر جائزہ لیتی ہے اور جہاں درکار ہو ضروری اقدامات عمل میں لاتی ہے۔
- آپ کی کمپنی ایک ضابطہ اخلاق رکھتی ہے جو تمام ملازمین پر لاگو ہے جبکہ بد عملی (اگر کوئی ہو تو) کو رپورٹ کرنے کیلئے ایک Whistle Blowing Policy موجود ہے۔

### اظہار تشکر:

ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، بینکوں، مالیاتی اداروں، انشورنس کمپنیوں اور شیئرز ہولڈرز کی جانب سے کمپنی کے ساتھ مسلسل تعاون، معاونت، اعتماد اور مجھ سے پر تہ دل سے مشکور ہیں۔ اس کے ساتھ ساتھ ڈائریکٹرز معزز صارفین اور ترسیل کنندگان کے تعاون پر ان کا شکریہ ادا کرتے ہیں۔

ہم کمپنی کی ترقی، خوشحالی اور کامیابی میں کردار ادا کرنے والے ہر شعبہ سے وابستہ ملازمین کے عزم، لگن، وفاداری اور انتھک محنت پر انہیں خراج تحسین پیش کرتے ہیں۔

*Umar Bhatti*

عمران بشیر  
خود مختار ڈائریکٹر

*Farid Ahmad*

فیصل احمد  
چیف ایگزیکٹو آفیسر

مقام: ملتان

تاریخ: 30 ستمبر، 2024



## آڈیٹرز:

کارکردگی کی تشخیص کیلئے استعمال کیا جانے والا طریقہ کار درج ذیل ہے:

- بورڈ کی ساخت اور تنظیم

- بورڈ کی ٹرمز آف ریفرنس

- بورڈ ممبران کی قابلیت اور مہارتیں

- انتظامیہ کو مضبوطی پلاننگ اور ہدایات کی دستیابی

- بورڈ میٹنگ اور فیصلہ سازی کے طریقہ کار کی استعداد

- بورڈ کے فیصلوں کے اثرات کا جائزہ لینے کیلئے باقاعدگی سے معائنہ

- بورڈ اور کمپنی کے مابین ابلاغ کا معیار

- مناسب تکنیکی سمجھ بوجھ اور تجربہ رکھنے والے ممبران پر مشتمل موزوں بورڈ کمیٹیوں کا قیام

- چیئر مین اور چیف ایگزیکٹو آفیسر کے کردار میں فرق

- بورڈ کمیٹیوں کی جانب سے موصول ہونے والی بیٹجمنٹ رپورٹس کا معیار

- بورڈ اور چیف ایگزیکٹو آفیسر کا اثر اور

- خطرات کی تخفیف

موجودہ آڈیٹرز میسرز شان دنگ حمید چودھری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے موقع پر ریٹائر ہو جائیں گے اور انہوں نے اہل ہونے کے ناطے دوبارہ تعیناتی کیلئے اپنی خدمات پیش کی ہیں۔

## شیئر ہولڈنگ کا پٹرن:

شیئر ہولڈنگ کا پٹرن، جس کا اظہار رپورٹنگ فریم ورک کے تحت لازمی ہے، اس رپورٹ میں شامل کیا گیا ہے۔

## چیئر مین اور چیف ایگزیکٹو آفیسر کا کردار اور ذمہ داریاں:

کوڈ آف کارپوریشن گورننس 2019 (بشمول کوئی بھی دیگر قانونی شق یا دوبارہ وضع کیے گئے قانون) آپ کی کمپنی کے ڈائریکٹرز اس کی یقین دہانی کرواتے ہیں کہ:

- چیئر مین بورڈ کا تنظیم ہے اور بنیادی کردار کے ساتھ اس بات کی راہنمائی کرتا ہے کہ بورڈ کمپنی کی ہدایت اور حکمت عملی کے مطابق امور کے تعین اور ان پر عملدرآمد میں مکمل طور پر فعال ہے

- بورڈ آف ڈائریکٹرز کے تمام اجلاسوں کی صدارت چیئر مین کرتا ہے جو کہ ایجنڈا کے تعین کا مجاز اور مندرجات پر دستخط کا اختیار رکھتا ہے اور اس کے ساتھ ساتھ وہ بورڈ کی کارروائی میں

قائد کی حیثیت رکھتا ہے

- چیف ایگزیکٹو آفیسر اعلیٰ سطح کے انتظامی فیصلوں کے ذریعے کمپنی کی مجموعی کامیابی کی ذمہ داری اٹھاتا ہے

## مالی گوشواروں سے متعلقہ انٹرنل کنٹرولز کی تفصیلات:

آپ کی کمپنی نے مالی گوشواروں کے حوالے سے مناسب انٹرنل کنٹرولز ترتیب دیئے ہیں، جس میں چند حسب ذیل ہیں:

- آپ کی کمپنی نے IAS میں واضح کردہ نافذ العمل اکاؤنٹنگ معیارات اور کنٹریبلٹیکٹ 2017 کی دیگر نافذ العمل دفعات (اگر ہوتو) کے مطابق اکاؤنٹنگ پالیسیز اپنائی ہیں اور یہ مسلسل لاگو ہیں۔ یہ

پاکستان میں منظور شدہ عمومی اکاؤنٹنگ اصولوں کے عین مطابق ہیں۔ ان پالیسیوں میں کسی بھی قسم کی تبدیلی (اگر ہوتو) کی قانونی آڈیٹرز سے مشاورت کے بعد ڈٹ کمیٹی سے منظوری لی جاتی ہے۔

- یکساں اکاؤنٹنگ ٹریٹمنٹ یقینی بنانے کیلئے پالیسیز شراکت دار کمپنیوں یا ذیلی اداروں (اگر کوئی ہو) کو بیان کی گئی ہیں۔

- آپ کی کمپنی Oracle EBS R-12 میں ایک ERP سسٹم آپرٹ کرتی ہے اور اپنے زیادہ تر اکاؤنٹنگ ریکارڈز ایکٹریبلٹیکٹ میں رکھتی ہے اور وقفے وقفے سے ان کا بیک اپ

تیار کیا جاتا ہے۔ ERP سسٹم اکاؤنٹنگ کے مطابق تمام ٹرانزیکشنز کی غیر محسوس انداز میں انجام دی کیلئے تشکیل دیا گیا ہے۔ آپ کی کمپنی ERP سسٹم کے تحت مختلف ماسٹر ڈیٹا کی درست اور بروقت اپ ڈیٹس کیلئے خود کار طریقہ رکھتی ہے۔

## چیئر مین اور چیف ایگزیکٹو آفیسر کے دفاتر:

بہتر گورننس مشقوں کی تعمیل کیلئے بورڈ آف ڈائریکٹرز کے چیئر مین کا عہدہ اور چیف ایگزیکٹو آفیسر کے دفتر کی ذمہ داری دو الگ الگ افراد کو سونپی جاتی ہے اور ان دونوں افراد کی الگ الگ ذمہ داریاں اور فرائض ہوتے ہیں۔

## ڈائریکٹرز کا ٹریننگ پروگرام:

آٹھ میں سے تین ڈائریکٹرز، ڈائریکٹرز ٹریننگ پروگرام (ڈی ٹی پی) مکمل کر چکے ہیں جبکہ تین ڈائریکٹرز کو تاشی حاصل ہے اور وہ اس ڈی ٹی پی سے مستثنیٰ ہیں۔

## بورڈ کی کارکردگی کے بارے میں سالانہ تشخیص:

بورڈ کی مجموعی کارکردگی اور اسکے موثر ہونے کی یقین دہانی کیلئے بورڈ آف ڈائریکٹرز کی جانب سے خود-تشخیصی سوالنامے کی بنیاد پر سالانہ تشخیص کی جاتی ہے اور کمپنی کی متعین کردہ اہداف اور توقعات سے اس کا موازنہ کیا جاتا ہے۔ یہ تشخیص بورڈ کو متوازن مہارتوں، تجربے، تنوع اور نقطہ نظر کے جائزہ کا موقع فراہم کرتی ہے۔ بورڈ کا حجم اور ساخت بورڈ کے طریقہ کار کی گمرانی کیلئے موزوں ہے۔

حسابات کے ریکارڈ بالکل درست اور تمام قوانین و ضوابط پر عملدرکیر کیا گیا ہے۔ کمپنی کا اندرونی کنٹرولز کا سسٹم ڈیزائن کے حساب سے مضبوط ہے اور اس کے موثر اور موزوں ہونے کی باقاعدگی سے تفتیش کی گئی ہے۔

## انٹرنل آڈٹ اور رسک Assurance فنکشن:

انٹرنل آڈٹ فنکشن کو ڈیف کارپوریٹ گورننس اور بورڈ کی آڈٹ کمیٹی کی جانب سے وضع کردہ ہدایات کے مطابق بہترین انداز میں نافذ العمل ہے تاکہ گورننس، رسک مینجمنٹ اور کنٹرول کی سرگرمیوں کے موثر ہونے کے بارے میں ایک خوب مختار اور اہداف پر مبنی تفتیش فراہم کی جاسکے۔ انٹرنل آڈٹ کا فنکشن ایک فعال لائٹ عمل کی بیرونی کر کے خطرات میں کمی، کاروبار میں زیادہ منافع اور گروپ کی سطح پر باہمی اتفاق کی تشکیل کے ذریعے موثر کارپوریٹ گورننس کی جانب بڑھ کر واپس اپنی طریقہ کار سے ایک کاروباری شراکت دار اور مشاورتی کردار کی جانب ترقی کر رہا ہے۔ بورڈ اپنی آڈٹ کمیٹی کے ذریعے ادارہ میں انٹرنل کنٹرول کے موثر اور موزوں ہونے کیلئے انٹرنل آڈٹ فنکشن کی آراء اور سفارشات پر انحصار کرتا ہے اور اس کے مطابق مناسب اقدامات عمل میں لاتا ہے۔ انٹرنل آڈٹ فنکشن اپنے سالانہ پلان کو ترجیح دیتی دینے اور ادارہ میں تمام فنکشنز/ طریقہ کار کے مختلف وقتہ جاتی جائزوں کے ذریعے انٹرنل کنٹرول کی مضبوطی کیلئے رسک کنٹرول کے طریقہ کار کو موثر انداز میں زیر استعمال لارہا ہے اور آڈٹ کمیٹی کی منظوری کے مطابق اپنے امور سالانہ آڈٹ پلان کے تحت سرانجام دیتا ہے۔ کمیٹی نے مادی انٹرنل آڈٹ کے نتائج کا جائزہ لیا، جہاں ضروری تھا مناسب ردعمل دیا یا معاملات کو بورڈ کی توجہ کیلئے اس کے سامنے پیش کیا۔ آڈٹ کمیٹی نے انٹرنل آڈٹ فنکشن کی فراہم کردہ یقین دہانی کی بدولت کاروباری، تعمیل، رسک مینجمنٹ، فنانشل رپورٹنگ اور کنٹرول کے مقاصد، کمپنی کے اثاثہ جات اور شیئرز ہولڈرز کے مفاد کے تحفظ میں کامیابی ممکن بنائی۔ انٹرنل آڈٹ کاروباری تسلسل کی اہمیت اور ادارہ جاتی سطح پر امور کی بلا نظر انجام دتی کیلئے رسک کنٹرول کے اقدامات کی تکمیل پر زور دیتا ہے۔ مزید برآں، حفاظت کے دوسرے طریقہ کار پر ایک انٹرنل آڈٹ رسک مینجمنٹ (ERM) فنکشن کام کر رہا ہے جو تمام کاروباری خطرات پر نظر اور ازالہ کیلئے موزوں اور موثر حکمت عملیاں مرتب کرتا ہے۔

## ضابطہ اخلاق:

کارپوریٹ گورننس کی ہدایات کے مطابق کمپنی نے ایک ضابطہ اخلاق ترتیب دیا ہے اور تمام عملہ کو اس سے مطلع کرنے کے ساتھ ساتھ یہ ویب سائٹ پر اپ لوڈ کیا گیا ہے

## صحت کی حفاظت اور ماحول:

کمپنی ایک ذمہ دار ماحول دوست ادارہ ہونے کے ناطے ماحول سے متعلق اپنی ذمہ داریوں سے بخوبی آگاہی رکھتی ہے۔ سال کے دوران تمام شعبہ جات کی HSE کارکردگی قابل تعریف رہی۔ پلانٹ ٹیم کے پینے عزم کی بدولت تمام HSE ایشیڈرز کے حصول میں کامیابی ممکن ہوئی۔ جامع نگرانی اور خود تفتیشی کے عمل پر توجہ مرکوز رہی جبکہ اس دوران اندرونی و بیرونی آڈٹ کا تعاون شامل رہا۔ مینجمنٹ سینٹی آڈٹس، ایمرجنسی رسپانس، پلانٹ Reliability Enhancement پروگرام، پیشہ وارانہ صحت اور صنعتی صفائی اور کسمائز ڈاؤس کیپیگ آڈٹس قابل ذکر ہیں۔

## انفارمیشن ٹیکنالوجی ڈویژن:

ڈیجیٹل کے تیزی سے بدلتے منظر نامہ میں انفارمیشن ٹیکنالوجی ڈویژن کمپنی کے امور کی کامیابی، جدت کے فروغ اور تمام درجوں پر استعداد کار کی بہتری کیلئے ایک اہم جزو کے طور پر اپنی شناخت رکھے ہوئے ہے۔ آئی ٹی خدمات کے شاندار رپورٹ فولیو، ملازمین کے استحکام کیلئے آئی ٹی ڈی کی فراہمی سے طریقہ کار کی تیز رفتاری اور مجموعی طور پر کاروباری کارکردگی میں اضافہ یقینی بنایا جا رہا ہے۔ کاروباری فنکشنز میں پلاننگ، دیکھ بھال، راہنمائی اور کنٹرولنگ کیلئے Oracle ای۔ بیزنس سوٹ کی پراڈکٹس ہماری ٹیکنالوجی سے متعلقہ معاونت ہیں۔

ہمارا ڈیٹا اعلیٰ پایہ کے تجزیاتی عمل کو بروئے کار لاکر فیصلہ سازی کے عمل کو مسلسل بہتر بنانا ہے اور جدید ٹیکنالوجی کے استعمال سے ہم بیہرہ پرنت میں کمی، پائیداری کے فروغ اور عملی امور میں استحکام کیلئے پرعزم ہیں۔ مزید برآں، ہم جدید ڈیجیٹل ذرائع اپنا کر صارفین تک اپنی رسائی بڑھانے پر توجہ مرکوز کر رہے ہیں۔

آئی ٹی ڈی کی ترجیحات کمپنی کے طویل مدتی اہداف کے ساتھ مطابقت رکھتے ہیں اور اس عمل میں اس بات کی یقین دہانی کی جاتی ہے کہ ٹیکنالوجی ادارہ جاتی ترقی اور مسابقتی برتری کا اہم حصہ ہے۔ ہم آئی ٹی ڈی کے اہداف کو کمپنی کے نصب العین سے ہم آہنگ کرنے، ترقی کے فروغ اور ٹیکنالوجی پر مبنی سٹریٹجک اقدامات کے سہارے قدر میں اضافہ کیلئے مسلسل کوششیں کر رہے ہیں۔

## کاروباری تسلسل کی حکمت عملی اور ڈیٹا کی حفاظت کا طریقہ کار:

کمپنی مختلف مقامات پر بیک اپ سہولت کے ساتھ ہنگامی صورتحال سے نمٹنے کیلئے ایک جامع حکمت عملی کی حامل ہے۔ یہ نظام کسی بھی ہنگامی صورتحال میں اس سسٹم کی کارکردگی جانچنے کیلئے ریگولر سسٹم چیکس رکھتا ہے۔ کمپنی کے امور کیلئے زیادہ پرخطر صورتحال/مقامات پر شیڈڈ ڈاؤن پریوینٹ پروسیجرز اور چیک لسٹس بھی مرتب، واضح اور تشکیل دی گئی ہیں۔ اسی طرح عام معاشی حالات، مقابلہ جاتی حقائق اور ممکنہ منظر نامے کو دیکھتے ہوئے سٹریٹجک کاروباری خطرات سے نبرد آزما ہونے کیلئے ایکشن پلان تیار کیا گیا ہے اور اس بات کی یقین دہانی کی جاتی ہے کہ پوری کمپنی میں رسک مینجمنٹ کا طریقہ کار اور کچھ شامل ہے۔

## سرمایہ کاروں کی شکایت کے بارے میں پالیسی:

کمپنی اپنے سرمایہ کاروں سے مسلسل رابطے میں رہتی ہے اور اُن کے سوالات، خدشات اور شکایات پر فوری جواب دیتی ہے۔ جبکہ شیئرز رجسٹر ارسرمایہ کاروں کی شکایات کا بروقت ازالہ یقینی بنانے کا ذمہ دار ہے۔

## سالانہ اور سہ ماہی رپورٹس تک رسائی:

سالانہ اور سہ ماہی رپورٹس کمپنی کی ویب سائٹ پر بھی دستیاب ہیں۔



- \*\*جناب عمران بشیر اور جناب شعیب احمد خان تین سالہ مدت مکمل ہونے پر سبکدوش ہونے والے
- ڈائریکٹران جناب شاہد عزیز اور جناب محمد شوکت کی جگہ 29 مارچ 2024 کو منعقد ہونے والے سالانہ اجلاس عام میں بطور خود مختار ڈائریکٹر منتخب ہوئے۔
- اپنے لوگوں، ہمسایوں، صارفین اور مہمانوں کی حفاظت کیلئے صحت مند اور محفوظ ماحول کی فراہمی
- کاروباری چیلنجز سے تہرہ آزا ہونے کیلئے حوصلہ افزائی
- انسانی وسائل میں سرمایہ کاری
- مفاد کے نکلناؤ (اگر کوئی ہو تو) کے معاملے میں مکمل مالی وضاحت
- اختساب اور ذمہ داری

### ڈائریکٹرز کا معاوضہ:

- بہترین اور معیاری تعلقات عامہ
- اسٹیک ہولڈرز کے توقعات سے بڑھ کر اُنکے مفاد کا تحفظ
- دیہی پارتی کیلئے صارفین کا اطمینان
- جدت اور تخلیق کیلئے ملازمین کی حوصلہ افزائی
- تمام اسٹیک ہولڈر کیلئے عزت و احترام
- دیہی پاور قابل اعتماد ترسیل کنندہ، حصص داران، ملازمین اور حکومت کے فائدہ کیلئے منافع میں اضافہ
- ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو ادا کیے گئے مشاہرے کی تفصیلات مالی گوشواروں کے نوٹ 4.4 میں درج ہیں۔

### تنوع، مساوات اور شمولیت کے ویژن کا بیان:

کام کیلئے سازگار ماحول کی تشکیل اور کمیونٹی کیلئے تنوع، مساوات اور شمولیت پر مبنی فوائد۔ تمام نسلوں کی شمولیت، وسیع آئیڈیاز کی اہمیت اور ادارہ میں اس کی باہمی آہنگی پر مشتمل ورک کچر کا فروغ۔

### بورڈ کی کمیٹیاں:

بورڈ کی کمیٹیوں اور اُنکے ممبران کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 26 پر واضح کی گئی ہے۔

### استحکام کی رپورٹنگ:

کمپنی ای ایس جی کی اہمیت کو مکمل طور پر تسلیم کرتی ہے اور ای ایس جی سے متعلقہ سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کے قواعد و ضوابط پر عملدرآمد کیلئے پرعزم ہے۔ ہمارا پختہ یقین ہے کہ ای ایس جی کے عوام سرمایہ کاروں کے اعتماد، مالی استحکام اور مجموعی کاروباری عمل داری پر نمایاں اثرات مرتب کرتے ہیں۔ ہم اپنے اُمور میں پائیداری کے تحفظات کو ضم کر رہے ہیں جو کہ خطرات میں کمی، سہا کے میں اضافہ اور دریا مین مصنوعات اور خدمات کی فراہمی میں مددگار ثابت ہوں گے۔ یہ نقطہ نظر تمام اسٹیک ہولڈرز کیلئے طویل مدتی فوائد کا باعث بنے گا۔

کمپنی پالیسیوں کی تیاری میں سیکورٹیز اینڈ ایکسچینج کمیشن کے راہنما ضوابط پر مکمل عمل پیرا ہے۔

### ڈائریکٹرز، کلیدی انتظامیہ کے معاوضے اور ملازمین کے کوائف کا بیان:

چیف ایگزیکٹو آفیسر کمپنی سے معاوضہ وصول نہیں کرتا۔ کمپنی کے ایگزیکٹو ملازمین سے متعلقہ کمپنیز ریٹ، 2017 کے تحت درکار معلومات اس رپورٹ کے نوٹ 4.4 میں بیان کیا گیا ہے۔

### اخلاقیات اور کاروباری اُمور کا بیان:

کاروباری اخلاقیات اور بنیادی اقدار کا بیان یہ فریم ورک مہیا کرتا ہے جس کی بنیاد پر کمپنی اپنے اُمور سرانجام دیتی ہے۔ بورڈ اور کمپنی کے ملازمین کاروباری اخلاقیات کے سنبھلنے والے اصولوں پر عمل پیرا رہتے ہوئے ہمارے کاروباری اُمور کی انجام دہی کیلئے اچھی سہا کے کے محافظ ہیں۔

مندرجہ ذیل اصول کمپنی کی کاروباری اخلاقیات اور بنیادی اقدار کا مرکزی جزو ہیں:

- ادارہ کے اندر اور باہر معاملات کی انجام دہی کے دوران ایمانداری، سہولیت، انصاف اور اخلاقی رویے کا پرچار
- اچھے کارپوریٹ ادارہ ہونے کے ناطے تمام قوانین و ضوابط کی پیروی
- محفوظ اور پائیدار ماحول میں کاروباری اُمور چلانے کے عزم کا اظہار
- کاروباری لین دین میں اعتماد، بھروسے اور شفافیت کے اصولوں پر یقین
- باتفریق یکساں ملازمت کے مواقع
- حصص داران کے مفاد کا تحفظ

### رسک مینجمنٹ اور انٹرنل کنٹرول:

کمپنی نے خطرات کی نشاندہی، موزوں پیچیدہ لیول کی تفویض اور ازالہ کیلئے مناسب اقدامات پر مبنی ایک مضبوط نظام قائم کیا ہے جس کی کمپنی کے تمام مرکزی اُمور کی انجام دہی کے دوران انتظامیہ مکمل نگرانی اور اس پر عملدرآمد یقینی بناتی ہے اور آڈٹ کمیٹی کی معلومات اور جائزہ کیلئے پیش کیا جاتا ہے۔ انٹرنل آڈٹ کمیٹی میں تمام سطحوں پر خطرات سے تہرہ آزا ہونے کیلئے انٹرنل کنٹرول اور رسک مینجمنٹ فریم ورک کے موثر اور جامع ہونے کی یقین دہانی کا ذمہ دار ہے۔ کمپنی کی خطرات کے ازالہ کی حکمت عملی میں خطرات کے روٹا ہونے کے ممکنات میں کمی اور یا خطرہ ظاہر ہونے کی صورت میں اس کے اثرات میں کمی شامل ہے۔ اس مقصد کیلئے بورڈ اپنی آڈٹ کمیٹی کے ذریعے ممکنہ خطرات اور انٹرنل کنٹرول اور رسک مینجمنٹ کے طریقہ کار کے موثر ہونے کا جائزہ لیتا ہے۔ k- کمپنی کا انٹرنل کنٹرول سسٹم اس بات کی مناسب یقین دہانی کرواتا ہے کہ تمام اثاثہ جات چوری اور غیر مجاز استعمال سے محفوظ، تمام کاروباری لین دین اور ایپس ریکارڈ پر موجود اور تمام

## مالیاتی گوشواروں میں مواد کی تبدیلی:

مندرجات	یونٹ	30 جون 2024	30 جون 2023
کل منافع	فیصد	11.68	11.06
فروخت پرواپسی	فیصد	0.30	0.62
فی ٹیکس آمدن	روپے	3.88	6.59
ٹیکس کی مارکیٹ ویلیو	روپے	81.38	80.90
فٹینگ شیٹ	ملین روپے	34,864	36,534

مستقل ڈوزر ہے جس میں سے ایک مختار ہے۔ شیخ ٹرسٹ ہے جو کہ محرم افراد کی بھلائی کیلئے ہسپتال اور میڈیکل کمپس قائم کرتے ہیں۔ ملک کے ایسے مقامات پر میڈیکل کمپس لگائے جاتے ہیں جہاں صحت عامہ کی سہولیات تک رسائی بہت مشکل ہے۔ ان میڈیکل کمپس کی بدولت ان علاقوں کے مستحق افراد کو چیک اپ کے ساتھ ساتھ ادویات بھی مفت فراہم کی جاتی ہیں۔

## شیرز پر منافع:

آپ کی کمپنی نے 120 ملین روپے بعد از ٹیکس منافع حاصل کیا جو کہ 3.88 روپے فی شیر آمدن پر منتج ہوا۔ گزشتہ سال یہ آمدن 6.59 روپے فی شیر تھی۔

## مارکیٹ میں حصہ داری:

سال کے اختتام پر کمپنی کی مارکیٹ میں حصہ داری 2,507 ملین روپے ہے جو کہ گزشتہ سال 2,493 ملین روپے تھی۔

## حتمی کیش ڈیویڈنڈ:

روپے کی قدر میں کمی اور بلند شرح سود کی وجہ سے کمپنی اس سال ڈیویڈنڈ کا اعلان نہیں کر رہی تاکہ زیادہ ورکنگ کپٹیل کی ضروریات کو مد نظر رکھتے ہوئے قرضہ جات میں کمی لائی جاسکے۔ کمپنی مستقبل میں شیر ہولڈرز کو پائیدار ریٹرنز کی فراہمی کیلئے پرعزم ہے۔

## جدت و توسیع:

کمپنی عالمی معیاری مصنوعات کی تیاری کیلئے اس تیزی سے بدلتی ٹیکنالوجی کے مطابق اپنی جدت و توسیع کیلئے پرعزم ہے۔ کمپنی نے پراڈکٹ میں تنوع کیلئے 25,520 سپنڈلز کی حامل یارن کاٹن اور 3 میگا واٹ کاسولر سٹم بھی نصب کیا ہے۔

## ڈائریکٹرز کا انتخاب:

زیر جائزہ سال کے دوران کمپنی کے ڈائریکٹرز نے اپنی مدت مکمل کر لی ہے اور ڈائریکٹرز کا ایکشن 29 مارچ 2024 کو ہوا۔ جس میں 31 مارچ 2024 سے عرصہ تین سال کیلئے 8 ڈائریکٹرز منتخب ہوئے۔

## واجب الادا ٹیکس اور ڈیویڈنڈ:

واجب الادا ٹیکس اور ڈیویڈنڈ کی تفصیلات مالی گوشواروں میں دی گئی ہیں۔

## بورڈ آف ڈائریکٹرز کے اجلاس:

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ان میں حاضری حسب ذیل رہی:

نمبر شمار	شرکاء کے نام	عہدہ	حاضری
1	جناب نواز احمد مختار	چیئر مین	3/5
2	جناب فیصل احمد	چیف ایگزیکٹو آفیسر	5/5
3	محترمہ فاطمہ فضل	خانقاہ ڈائریکٹر	2/5
4	جناب محمد مختار شیخ	ڈائریکٹر	5/5
5	جناب محمد فضیل مختار	ڈائریکٹر	1/2
6	جناب عباس مختار	ڈائریکٹر	2/3
7	جناب نہد مختار	ڈائریکٹر	0/2
8	جناب شاہد عزیز*	خود مختار ڈائریکٹر	3/3
9	جناب محمد شوکت*	خود مختار ڈائریکٹر	3/3
10	جناب عمران بشیر**	خود مختار ڈائریکٹر	2/2
11	جناب شعیب احمد خان**	خود مختار ڈائریکٹر	2/2

## قومی خزانے میں حصہ داری:

آپ کی کمپنی ٹیکسز اور ڈیویڈنڈ کی مدین ملکی معیشت کی ترقی میں نمایاں حصہ ڈال رہی ہے اور کمپنی کی ترقی کے ساتھ ساتھ اس حصہ داری میں بھی اضافہ ہو رہا ہے۔ زیر جائزہ سال کے دوران آپ کی کمپنی نے قومی خزانے میں فیڈرل ایکسائز ڈیویڈنڈ، سلیکٹڈ ٹیکس، کسٹم ڈیویڈنڈ، آگ ٹیکس وغیرہ کی مدین حصہ ڈالا۔

## ادارہ جاتی سماجی ذمہ داری (CSR):

کمپنی سماجی انسان دوست سرگرمیوں، ماحولیاتی تحفظ کے اقدامات، طبقاتی سرمایہ کاری اور فلاحی سکیموں، صارف کے تحفظ کیلئے اقدامات، پس ماندہ طبقات کی بھلائی پر اخراجات، صنعتی تعلقات، پیشگی افرادی ملازمت کی حوصلہ افزائی، پیشہ وارانہ تحفظ و صحت، کاروباری اصولوں و کرپشن کے خاتمے کیلئے اقدامات، قومی مفاد کیلئے عطیات، قومی خزانے میں حصہ داری اور دیہی ڈویلپمنٹ پروگرامز کے ذریعے بطور ادارہ سماجی ذمہ داریاں احسن طریقے سے سرانجام دیتی ہے۔

آپ کی کمپنی سوسائٹی کی بہتری کیلئے رضا کارانہ طور پر حصہ ڈالنے اور ایک ذمہ دار ادارہ ہونے کا ثبوت پیش کرنے کیلئے ایس آر کو ایک بنیادی پائیدار کاروباری مشق کے طور پر دیکھتی ہے۔ ہم نے صحت عامہ اور تعلیم کے فروغ کیلئے ہمیشہ پختہ عزم اور تعاون کا مظاہرہ کیا ہے۔ کمپنی اچھی ساکھ کے حامل مختلف خیراتی اداروں کی



## ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024 کو اختتام پذیر ہونے والے سال کیلئے کمپنی کی ڈائریکٹرز رپورٹ مع سالانہ آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے فخر محسوس کر رہے ہیں۔ کمپنی کی ڈائریکٹرز رپورٹ کیلئے ایکٹ، 2017 (دی "ایکٹ") کے تحت تیار کی گئی ہے، جو 28 اکتوبر 2024 کو منعقد ہونے والے سالانہ اجلاس عام میں ممبران کو پیش کی جائے گی۔

### مالی نتائج:

مزید برآں توقع ہے کہ دسمبر 2024 کے آئٹم KIBOR کی شرح میں مزید 5 فیصد کمی آئے گی۔  
یہ دونوں عوامل کمپنی کی ترقی اور اخراجات و توانائی کی لاگت میں کمی کیلئے مدد و معاون ثابت ہوں گے۔

### معاشی اعشاریے:

پاکستانی معیشت کم غیر ملکی ذخائر، کرنسی کی قدر میں کمی جیسے چیلنجز سے دوچار رہی۔ درآمدات 0.84 فیصد کمی کے ساتھ 55 بلین ڈالر تک جا پہنچیں جبکہ برآمدات 10.54 فیصد اضافہ کے ساتھ 30.65 بلین امریکی ڈالر تک جا پہنچیں۔ ملک میں مہنگائی کی شرح 24.7 فیصد رہی جبکہ 2023 میں یہ 29.18 فیصد تھی، جس کی وجہ سے سٹیٹ بینک آف پاکستان کو پالیسی ریٹ میں 20.5 فیصد تک کمی کرنا پڑی۔

پاکستان نے آئی ایم ایف کے ساتھ 7 بلین ڈالر قرضہ کا معاہدہ کر لیا ہے، یہ پہلی آؤٹ ہیکنج معاشی استحکام میں مددگار ثابت ہوگا۔

چند مراعاتی اقدامات کے باوجود مجموعی معاشی منظر نامہ غیر یقینی صورتحال کا شکار ہے۔

موجودہ مالی سال کا آغاز نمایاں معاشی غیر یقینیت کے ماحول میں ہوا جس میں روس کے یوکرین پر حملے سمیت مختلف سنگین واقعات رونما ہوئے۔ اہم شعبوں میں خلل کے باعث ان واقعات کے عالمی معیشت پر گہرے اور شدید اثرات مرتب ہوئے۔ ان واقعات کے مشترکہ اثرات نے عالمی تجارتی منظر نامہ پر سپلائی چین میں خلل، توانائی کی قیمتوں میں اضافہ، کموڈٹیز کے فقدان اور مہنگائی کی بلند لہر کے ساتھ تباہی مچا دی۔

پاکستان میں شدید اقتصادی چیلنجز اور سیاسی غیر یقینی صورتحال کے باوجود کمپنی نے 41.46 بلین روپے کی تاریخ ساز آمدن حاصل کی جو کہ گزشتہ سال کی نسبت 26.86 فیصد زائد رہی۔ آمدن میں یہ اضافہ قیمت فروخت میں بہتری اور روپے کی قدر میں گراؤ کی وجہ سے تھا۔ آمدن میں اس اضافہ کے باوجود کمپنی کو خام مال اور تبادلوں کے اخراجات بالخصوص ٹیلیٹی قیمتوں پر اثر انداز ہونے والے افراط زر کے دباؤ کی وجہ سے چیلنجز کا سامنا کرنا پڑا۔ اس کے باوجود، کمپنی کا مجموعی منافع 33.91 فیصد کے اضافہ سے 4.84 بلین روپے تک پہنچ گیا۔ مزید برآں مالیاتی اخراجات 58.95 فیصد اضافے کے ساتھ 3.89 بلین روپے تک پہنچ گئے۔ نتیجتاً کمپنی نے 120 بلین روپے بعد از ٹیکس منافع درج کیا۔

اہم مالی اعشاریے درج ذیل ہیں:

تفصیل	2024	2023
روپے ہزاروں میں		
سیلز	41,461	32,682
سیلز کی لاگت	36,619	29,066
گراس منافع	4,842	3,616
مالی لاگت	3,893	2,449
منافع بعد از ٹیکس	120	203

### مستقبل کا لائحہ عمل:

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کوڈ آف کارپوریٹ گورننس کے کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک کی بابت اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ درج ذیل بیان اس کے کوڈ آف کارپوریٹ گورننس پر عملدرآمد کے عزم پر روشنی ڈالتا ہے:

- کمپنی انتظامیہ کی طرف سے تیار کردہ مالی گوشوارے کمپنی کے معاملات، کاروباری سرگرمیوں کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلی کی منصفانہ عکاسی کرتے ہیں۔
- کمپنی نے باضابطہ طور پر اکاؤنٹس کے کھاتے مرتب کر رکھے ہیں۔

ان مالیاتی گوشواروں کی تیاری میں ضروری اکاؤنٹنگ پالیسیوں کی پیروی کی گئی ہے اور اکاؤنٹنگ کے تخمینے انتہائی منطقی اور محتاط اندازے پر مبنی ہیں۔

ان مالیاتی گوشواروں کی تیاری میں بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈز کی (جہاں تک وہ پاکستان میں قابل اطلاق ہیں) کی پیروی کی گئی ہے اور ان سے کسی بھی قسم کی روگردانی واضح کی گئی ہے۔

اندرونی کنٹرول کا نظام اپنے ذی اہل کے اعتبار سے مستحکم ہے اور اس کا منوٹر اطلاق اور نگرانی کی جاتی ہے۔

کمپنی کے مستقبل میں کام جاری رکھنے کی اہلیت پر کوئی شکوک و شبہات نہیں ہیں۔

متعین شدہ اصول و ضوابط میں درج کارپوریٹ گورننس کے رہنما اصولوں سے انحراف نہیں کیا گیا۔

درج بالا حالات کے مطابق پاکستان میں ٹیکسٹائل کے شعبہ کو متعدد چیلنجز درپیش رہے، جن میں عالمی سطح پر طلب میں کمی، زیادہ کاروباری اخراجات، کپاس کی کم پیداوار، مہنگی درآمدات، خام مال کی ناکافی دستیابی، کرنسی کی قدر میں اتار چڑھاؤ، زیادہ سرکاری ٹیکسز اور توانائی کی بلند قیمتیں شامل ہیں۔ ان عوامل نے ٹیکسٹائل صنعت کو علاقائی اور عالمی سطح پر کم مسابقت بنا دیا۔ جس کی وجہ سے درمیانے درجے کے کئی ادارے کاروبار کی بندش پر مجبور ہو گئے۔ تاہم، بڑے پیمانے پر مربوط پیداواری سہولیات کی حامل کمپنیز مزاحمت کر رہی ہیں۔

کمپنی انتظامیہ کا سٹرانٹارٹیشن اور حکومت کو شعبہ ہذا کیلئے معاون پالیسیوں کے نفاذ کی جانب راغب کرنے پر زور دے کر پائیدار منافع کیلئے پرامید ہے۔ ان چیلنجز کے باوجود کمپنی نے موجودہ سال میں 9 میگا واٹ سولار جی پراجیکٹ کی تنصیب کیلئے ایل سی کھول دی ہیں۔ اس پراجیکٹ سے لاگت میں کمی کے ساتھ گزشتہ سال کی پیداوار عمل شروع ہوگا۔

# CSR ACTIVITIES

## Fatima Group Considers Corporate Social Responsibilities as a Fundamental Sustainable Business to Contribute Voluntary Towards Better Society.

The Company has always shown strong commitment and support for public health and promotion of education and is a permanent donor to reputable charity organizations, especially Mukhtar A. Sheikh Trust, which contributes towards the well-being of deprived people by not only setting up but also full operational functioning of Hospitals, dispensaries, educational and vocational schools.

For us Social responsibility is a duty the management has to perform to maintain a balance between the economy and the ecosystems. With our talented team, we aim to help drive, creation of shared economic and social values across Pakistan. CSR is one of core values and an integral part of the Company's overall mission. The Company has taken up its CSR activities both directly as well as through Mukhtar A. Sheikh Trust and Fatima Group CSR plans.

Reliance Weaving Mills Limited has donated around Rs. 29 million this year for charitable purposes.







## HEALTH CARE CSR ACTIVITIES SPONSERED THROUGH FATIMA GROUP

Two major health care projects under the umbrella of Mukhtar A. Sheikh Welfare Trust were launched few years back and now they are successfully providing state of the art health facilities to the people of Multan and surrounding areas.

Reliance Weaving Mills Limited is one of the donors' of these projects to full its commitment to pay back to society.

1. SPRING CLINIC AND INSTITUTE OF PSYCHIATRY
2. MUKHTAR A. SHEIKH HOSPITAL
3. FARRUKH MUKHTAR SCHOOL OF NURSING



## SPRING CLINIC AND INSTITUTE OF PSYCHIATRY

The Spring Clinic aims to bring some much needed mental health management and awareness to this region and beyond. Supported by highly quailed staff of psychiatrists and psychologists, this Clinic provides essential treatment and therapy to people affected by a variety of psychiatric illnesses.

The state-of-the-art treatment completely free for the underprivileged and are also helping train and prepare the next generation of psychiatrists - these thought leaders will pave the way for real policy making at a national level while helping erase the associated stigma among the masses.





- MASH has been designed as a purpose built 500-bedded tertiary care facility with state of the art medical technology and futuristic diagnostic centers in the heart of Southern Punjab.
- With a covered area of 420,000 sft., MASH intends to introduce the latest of technologies in healthcare industry under one roof.
- MASH has been accredited by Joint Commission International (JCI) and ISO (the International Organization for Standardization) Certifications.
- Compliance with top of the line HMIS system and HTM standards will enable MASH to achieve unparalleled efficiency on healthcare industry.
- MASH as a teaching hospital by inducting a medical college, research facility as well as paramedical training institute.

## SPECIALIZED SERVICES AT MASH

In addition to the general healthcare, diagnostic & surgical services, MASH is successfully providing:

- **Cochlear Implant Surgeries**

MASH conducted successful Cochlear Implant

Surgeries of children, who were unable to hear or speak since birth.

- **Neurosurgery Services**

Neurosurgery department is providing a range of neurosurgical services of international standards under the supervision of a US trained neurosurgeon, in a safe & healthy environment through infection prevention & control, implementation of international safety protocols and following best possible preventive & precautionary measures.







The Farrukh Mukhtar School of Nursing is a state-of-the-art institution where an inter-professional and multidisciplinary team will join hands to establish an integrative and innovative (academic, clinical practice, and service) approach to educate nursing professionals.

Equipped with a high-tech skills laboratory, the Farrukh Mukhtar School of Nursing focuses on the development

of nursing professionals, who will be able to provide competent and compassionate care at primary, secondary, and tertiary care levels in the national and international context. The undergraduate program will not only help their graduates to become proficient professionals but, will also make them utilize independent nurse-led approaches to serve the population.





## DIRECTLY SPONSORED CSR ACTIVITIES

Donations to different charity organizations:

- Rising Sun Institute
- SOS Children Village
- Major Jahanzaib Shaheed Dispensary
- Fatima Vocational College
- Al Noor Foundation
- RWML have been providing free ration during the holy month of Ramadan to large number of people of vicinity "Ramadan Package".

## MUKHTAR A. SHEIKH TRUST

Under the umbrella of Fatima Group and Reliance Weaving Mills Limited, Mukhtar A. Sheikh Trust, a welfare organization, aims to "Enrich Lives" by playing its part in giving back to the society.

Mrs Farrukh Mukhtar, W/O Late Mian Mukhtar Ahmad established the Mukhtar A. Sheikh Trust in 2000 with the objective to develop and maintain hospitals, nursing homes, schools, industrial homes, research centers, libraries, colleges, hostels and other charitable institutions of similar kind with a view to promote education consistent with the Islamic principles, literature arts and technical/ vocational professions, generally to encourage study of medicine, advancement and diffusion of knowledge and to help other needy persons / institutions.







Key Focus Areas of the Trust are:

### I) Education

Mukhtar A. Sheikh Trust built schools & technical education campuses' in different areas in order to promote quality education at the grass-root level specially girls education so that the people can become useful part of the society by contributing towards the economic development of the Country.

#### A- Formal Education Center

Farrukh Mukhtar Girls High School Samorana established with the aim to provide free and quality education to needy girls of the area.

#### B- Vocational Education Centers

- Farrukh Mukhtar Vocational Education Center Madni Chowk Multan
- Farrukh Mukhtar Vocational Education Center Gulshan Colony Multan

These institutions are established and registered with Technical Education Vocational Training Authority (TEVTA) and affiliated with Punjab Board of Technical Education (PBTE).

### II) Healthcare

Mukhtar A- Sheikh Trust also undertakes public health and promotion activities for the low income, remote and urban communities.

The free medical camps are set up in far flung areas of the Country where healthcare is very hard to access. Patients avail free medical check-up along with medicines.

Free dispensaries have been established under the TRUST since year 2000 with the team of experienced doctors, LHVs and medical staff.

1. Farrukh Mukhtar Dispensary (Madni)
2. Farrukh Mukhtar Dispensary (Gulshan)
3. Farrukh Mukhtar Dispensary (Samorana)
4. Farrukh Mukhtar Dispensary (Shakkar Garh)

Facilities provided to patients include:

1. Free check up by Doctor / LHV.
2. Free medicines.
3. In door admission, if required.



# VERTICAL ANALYSIS

## Statement of Financial Position

PKR in 000"	2024		2023		2022		2021		2020		2019	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
<b>Non current assets</b>												
Property, plant and equipment	16,514,096	47.37%	16,710,351	45.74%	10,687,018	38.50%	7,994,970	41.40%	6,393,392	40.41%	6,227,003	37.04%
Intangible assets	-	0.00%	-	0.00%	-	0.00%	835	0.00%	1,781	0.01%	2,728	0.02%
Long term investments	1,373,670	3.94%	1,437,282	3.93%	1,849,425	6.66%	-	0.00%	35,635	0.23%	763,601	4.54%
Long term deposits	29,719	0.09%	29,719	0.08%	29,046	0.10%	28,776	0.15%	28,776	0.18%	20,216	0.12%
Deferred tax assets	849,455	2.44%	307,170	0.84%	143,178	0.52%	133,229	0.69%	135,874	0.86%	71,221	0.42%
<b>Total non current assets</b>	<b>18,766,940</b>	<b>53.83%</b>	<b>18,484,522</b>	<b>50.60%</b>	<b>12,708,667</b>	<b>45.79%</b>	<b>8,157,810</b>	<b>42.24%</b>	<b>6,595,458</b>	<b>41.69%</b>	<b>7,084,769</b>	<b>42.15%</b>
<b>Current assets</b>												
Stores, spares and loose tools	492,614	1.41%	457,726	1.25%	365,569	1.32%	391,392	2.03%	268,499	1.70%	204,856	1.22%
Stock in trade	7,652,563	21.95%	10,162,917	27.82%	7,788,806	28.06%	5,050,742	26.15%	4,669,118	29.51%	5,944,942	35.37%
Trade debts	5,693,899	16.33%	4,689,630	12.84%	4,485,550	16.16%	2,850,837	14.76%	1,827,071	11.55%	2,281,363	13.57%
Loans and advances	673,259	1.93%	567,203	1.55%	607,867	2.19%	1,151,545	5.96%	974,612	6.16%	401,679	2.39%
Prepayments and other receivables	23,886	0.07%	202,151	0.55%	195,192	0.70%	125,191	0.65%	75,941	0.48%	35,474	0.21%
Short term investments	403,863	1.16%	341,625	0.94%	393,031	1.42%	696,751	3.61%	782,192	4.94%	137,331	0.82%
Tax refunds and export rebate due from the government	533,154	1.53%	1,070,765	2.93%	1,077,988	3.88%	792,116	4.10%	585,410	3.70%	606,596	3.61%
Cash and bank balances	624,010	1.79%	557,669	1.53%	134,208	0.48%	96,013	0.50%	42,972	0.27%	113,073	0.67%
<b>Total current assets</b>	<b>16,097,249</b>	<b>46.17%</b>	<b>18,049,685</b>	<b>49.40%</b>	<b>15,048,210</b>	<b>54.21%</b>	<b>11,154,587</b>	<b>57.76%</b>	<b>9,225,814</b>	<b>58.31%</b>	<b>9,725,316</b>	<b>57.85%</b>
<b>Total assets</b>	<b>34,864,189</b>	<b>100%</b>	<b>36,534,207</b>	<b>100%</b>	<b>27,756,877</b>	<b>100%</b>	<b>19,312,396</b>	<b>100%</b>	<b>15,821,272</b>	<b>100%</b>	<b>16,810,085</b>	<b>100%</b>
<b>Share capital and reserves</b>												
Issued, subscribed and paid up capital	308,109	0.88%	308,109	0.84%	308,109	1.11%	308,109	1.60%	308,109	1.95%	308,109	1.83%
Reserves	115,253	0.33%	115,253	0.32%	115,253	0.42%	115,253	0.60%	161,050	1.02%	165,798	0.99%
Fair value (loss) / gain on short term investments	(201,507)	-0.58%	(29,136)	-0.08%	434,413	1.57%	(127,452)	-0.66%	-	0.00%	-	0.00%
Unrealised loss on forward foreign exchange contracts	-	0.00%	-	0.00%	(10,981)	-0.04%	-	0.00%	-	0.00%	-	0.00%
Revaluation surplus on freehold land	2,984,467	8.56%	2,984,467	8.17%	1,708,083	6.15%	1,708,083	8.84%	949,486	6.00%	949,486	5.65%
Unappropriated profit	6,878,490	19.73%	6,733,891	18.43%	6,605,654	23.80%	4,065,588	21.05%	2,458,268	15.54%	2,467,192	14.68%
<b>Total capital and reserve</b>	<b>10,084,813</b>	<b>28.93%</b>	<b>10,112,585</b>	<b>27.68%</b>	<b>9,160,531</b>	<b>33.00%</b>	<b>6,069,581</b>	<b>31.43%</b>	<b>3,876,913</b>	<b>24.50%</b>	<b>3,890,584</b>	<b>23.14%</b>
<b>Non-current liabilities</b>												
Long term finances	4,677,685	13.42%	5,694,162	15.59%	3,401,153	12.25%	2,766,492	14.32%	2,663,635	16.84%	1,826,835	10.87%
Lease liabilities	61,811	0.18%	109,976	0.30%	69,265	0.25%	66,081	0.34%	58,229	0.37%	8,829	0.05%
Staff retirement benefits- gratuity	441,708	1.27%	393,733	1.08%	370,195	1.33%	281,948	1.46%	258,432	1.63%	241,279	1.44%
Deferred liabilities	-	0.00%	4,623	0.01%	57,842	0.21%	109,429	0.57%	5,662	0.04%	-	0.00%
<b>Total Non-current liabilities</b>	<b>5,181,203</b>	<b>14.86%</b>	<b>6,202,495</b>	<b>16.98%</b>	<b>3,898,455</b>	<b>14.05%</b>	<b>3,223,950</b>	<b>16.69%</b>	<b>2,985,957</b>	<b>18.87%</b>	<b>2,076,942</b>	<b>12.36%</b>
<b>Current liabilities</b>												
Trade and other payables	4,306,979	12.35%	6,292,810	17.22%	4,156,100	14.97%	1,648,605	8.54%	1,684,521	10.65%	2,012,704	11.97%
Unclaimed dividend	13,200	0.04%	13,218	0.04%	11,502	0.04%	10,559	0.05%	8,523	0.05%	17,336	0.10%
Accrued mark-up	870,063	2.50%	924,828	2.53%	368,528	1.33%	260,439	1.35%	266,274	1.68%	309,363	1.84%
Short term borrowings	12,210,681	35.02%	11,372,091	31.13%	8,707,411	31.37%	6,894,241	35.70%	6,658,070	42.08%	7,816,016	46.50%
Current portion of non-current liabilities	1,470,821	4.22%	1,070,248	2.93%	977,981	3.52%	913,806	4.73%	143,401	0.91%	529,479	3.15%
Taxation	726,429	2.08%	545,933	1.49%	476,369	1.72%	291,213	1.51%	197,612	1.25%	157,660	0.94%
<b>Total Current liabilities</b>	<b>19,598,173</b>	<b>56.21%</b>	<b>20,219,128</b>	<b>55.34%</b>	<b>14,697,891</b>	<b>52.95%</b>	<b>10,018,865</b>	<b>51.88%</b>	<b>8,958,402</b>	<b>56.62%</b>	<b>10,842,558</b>	<b>64.50%</b>
<b>Total equity and liabilities</b>	<b>34,864,189</b>	<b>100%</b>	<b>36,534,207</b>	<b>100%</b>	<b>27,756,877</b>	<b>100%</b>	<b>19,312,396</b>	<b>100%</b>	<b>15,821,272</b>	<b>100%</b>	<b>16,810,085</b>	<b>100%</b>



# HORIZONTAL ANALYSIS

## Statement of Financial Position

	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18
PKR in 000"	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change
<b>Non current assets</b>												
Property, plant and equipment	16,514,096	-1.17%	16,710,351	56.36%	10,687,018	33.67%	7,994,970	25.05%	6,393,392	2.67%	6,227,003	10.54%
Intangible asstes	-	0.00%	-	0.00%	-	-100.00%	835	-53.12%	1,781	-34.69%	2,728	-25.76%
Long term investments	1,373,670	-4.43%	1,437,282	-22.28%	1,849,425	100.00%	-	-100.00%	35,635	-95.33%	763,601	-8.85%
Long term deposits	29,719	0.00%	29,719	2.32%	29,046	0.94%	28,776	0.00%	28,776	42.34%	20,216	-3.82%
Deffered tax assets	849,455	176.54%	307,170	114.54%	143,178	7.47%	133,229	-1.95%	135,874	90.78%	71,221	7.68%
Total non current assets	18,766,940	1.53%	18,484,522	45.45%	12,708,667	55.79%	8,157,810	23.69%	6,595,458	-6.91%	7,084,769	7.97%
<b>Current assets</b>												
Stores, spares and loose tools	492,614	7.62%	457,726	25.21%	365,569	-6.60%	391,392	45.77%	268,499	31.07%	204,856	-7.19%
Stock in trade	7,652,563	-24.70%	10,162,917	30.48%	7,788,806	54.21%	5,050,742	8.17%	4,669,118	-21.46%	5,944,942	84.50%
Trade debts	5,693,899	21.41%	4,689,630	4.55%	4,485,550	57.34%	2,850,837	56.03%	1,827,071	-19.91%	2,281,363	13.73%
Loans and advances	673,259	18.70%	567,203	-6.69%	607,867	-47.21%	1,151,545	18.15%	974,612	142.63%	401,679	52.39%
Prepayments and other receivables	23,886	-88.18%	202,151	3.57%	195,192	55.92%	125,191	64.85%	75,941	114.07%	35,474	30.35%
Short term investments	403,863	18.22%	341,625	-13.08%	393,031	-43.59%	696,751	-10.92%	782,192	469.56%	137,331	28.91%
Tax refunds and export rebate due from the government	533,154	-50.21%	1,070,765	-0.67%	1,077,988	36.09%	792,116	35.31%	585,410	-3.49%	606,596	-22.20%
Cash and bank balances	624,010	11.90%	557,669	315.53%	134,208	39.78%	96,013	123.43%	42,972	-62.00%	113,073	42.97%
Total current assets	16,097,249	-10.82%	18,049,686	19.95%	15,048,211	34.91%	11,154,587	20.91%	9,225,814	-5.14%	9,725,316	45.05%
Total assets	34,864,189	-4.57%	36,534,207	31.62%	27,756,877	43.73%	19,312,396	22.07%	15,821,272	-5.88%	16,810,085	26.71%
<b>Share capital and reserves</b>												
Issued, subscribed and paid up capital	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%	308,109	0.00%
Reserves	115,253	0.00%	115,253	0.00%	115,253	0.00%	115,253	-28.44%	161,050	-2.86%	165,798	-5.76%
Fair value (loss) / gain on short term investments	(201,507)	591.61%	(29,136)	-106.71%	434,413	440.84%	(127,452)	0.00%	-	0.00%	-	0.00%
Unrealised loss on forward foreign exchange contracts	-	0.00%	-	-100.00%	(10,981)	-100.00%	-	0.00%	-	0.00%	-	0.00%
Revaluation surplus on freehold land	2,984,467	0.00%	2,984,467	74.73%	1,708,083	0.00%	1,708,083	79.90%	949,486	0.00%	949,486	0.00%
Unappropriated profit	6,878,490	2.15%	6,733,891	1.94%	6,605,654	62.48%	4,065,588	65.38%	2,458,268	-0.36%	2,467,192	25.35%
Total capital and reserve	10,084,813	-0.27%	10,112,585	10.39%	9,160,531	50.93%	6,069,581	56.56%	3,876,913	-0.35%	3,890,584	14.37%
<b>Non-current liabilities</b>												
Long term finances and other payables	4,677,685	-17.85%	5,694,162	67.42%	3,401,153	22.94%	2,766,492	3.86%	2,663,635	45.81%	1,826,835	52.31%
Lease liabilities	61,811	-43.80%	109,976	58.78%	69,265	4.82%	66,081	13.48%	58,229	559.53%	8,829	-38.71%
Staff retirement benefits- gratuity	441,708	12.18%	393,733	6.36%	370,195	31.30%	281,948	9.10%	258,432	7.11%	241,279	-9.87%
Deferred liabilities	-	-100.00%	4,623	-92.01%	57,842	-47.14%	109,429	1832.72%	5,662	100.00%	-	0.00%
Total Non-current liabilities	5,181,203	-16.47%	6,202,495	59.10%	3,898,455	20.92%	3,223,950	8.18%	2,980,295	43.49%	2,076,942	40.19%
<b>Current liabilities</b>												
Trade and other payables	4,306,979	-31.56%	6,292,810	51.41%	4,156,100	152.10%	1,648,605	-2.13%	1,684,521	-16.31%	2,012,704	52.18%
Unclaimed dividend	13,200	-0.14%	13,218	14.92%	11,502	8.93%	10,559	23.89%	8,523	-50.84%	17,336	6.91%
Accrued mark-up	870,063	-5.92%	924,828	150.95%	368,528	41.50%	260,439	-2.19%	266,274	-13.93%	309,363	93.74%
Short term borrowings	12,210,681	7.37%	11,372,091	30.60%	8,707,411	26.30%	6,894,241	3.55%	6,658,070	-14.82%	7,816,016	28.55%
Current portion of non-current liabilities	1,470,821	37.43%	1,070,248	9.43%	977,981	7.02%	913,806	537.24%	143,401	-72.92%	529,479	-20.91%
Taxation	726,429	33.06%	545,933	14.60%	476,369	63.58%	291,213	47.37%	197,612	25.34%	157,660	16.41%
Total Current liabilities	19,598,173	-3.07%	20,219,128	37.56%	14,697,891	46.70%	10,018,865	11.84%	8,958,402	-17.38%	10,842,558	29.33%
Total equity and liabilities	34,864,189	-4.57%	36,534,207	31.62%	27,756,877	43.73%	19,312,396	22.11%	15,815,610	-5.92%	16,810,085	26.71%

# VERTICAL ANALYSIS

## Statement of Profit or Loss

PKR in 000"	2024		2023		2022		2021		2020		2019	
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%
Sales - net	41,461,459	100.00%	32,682,288	100.00%	30,703,659	100.00%	24,030,100	100.00%	17,275,166	100.00%	16,605,159	100.00%
Cost of sales	(36,619,453)	-88.32%	(29,066,406)	-88.94%	(25,262,980)	-82.28%	(20,520,175)	-85.39%	(15,214,366)	-88.07%	(14,822,654)	-89.27%
Gross profit	4,842,007	11.68%	3,615,882	11.06%	5,440,679	17.72%	3,509,925	14.61%	2,060,800	11.93%	1,782,505	10.73%
Distribution and marketing expenses	(385,164)	-0.93%	(403,783)	-1.24%	(495,954)	-1.62%	(298,163)	-1.24%	(233,553)	-1.35%	(155,954)	-0.94%
Administrative expenses	(467,230)	-1.13%	(382,384)	-1.17%	(314,229)	-1.02%	(206,171)	-0.86%	(195,566)	-1.13%	(188,640)	-1.14%
Other operating income	72,907	0.18%	153,595	0.47%	173,972	0.57%	102,441	0.43%	129,290	0.75%	323,765	1.95%
Other operating expenses	(51,630)	-0.12%	(69,037)	-0.21%	(388,039)	-1.26%	(135,496)	-0.56%	(355,078)	-2.06%	(68,117)	-0.41%
Profit from operations	4,010,889	9.67%	2,914,273	8.92%	4,416,430	14.38%	2,972,536	12.37%	1,405,893	8.14%	1,693,558	10.20%
Share of loss from associate	-	0.00%	-	0.00%	-	0.00%	(35,635)	-0.15%	(91,663)	-0.53%	(70,781)	-0.43%
Finance cost	(3,892,526)	-9.39%	(2,448,902)	-7.49%	(1,302,995)	-4.24%	(917,653)	-3.82%	(1,166,615)	-6.75%	(991,464)	-5.97%
Profit before tax	118,363	0.29%	465,371	1.42%	3,113,436	10.14%	2,019,248	8.40%	147,615	0.85%	631,313	3.80%
Taxation	1,239	0.00%	(262,259)	-0.80%	(473,956)	-1.54%	(286,441)	-1.19%	(86,345)	-0.50%	(128,508)	-0.77%
Profit after tax	119,602	0.29%	203,112	0.62%	2,639,480	8.60%	1,732,807	7.21%	61,270	0.35%	502,805	3.03%

# HORIZONTAL ANALYSIS

## Statement of Profit or Loss

PKR in 000"	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18
	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change	PKR	Change
Sales - net	41,461,459	26.86%	32,682,288	6.44%	30,703,659	27.77%	24,030,100	39.10%	17,275,166	4.03%	16,605,159	19.34%
Cost of sales	(36,619,453)	25.99%	(29,066,406)	15.06%	(25,262,980)	23.11%	(20,520,175)	34.87%	(15,214,366)	2.64%	(14,822,654)	17.94%
Gross profit	4,842,007	33.91%	3,615,882	-33.54%	5,440,679	55.01%	3,509,925	70.32%	2,060,800	15.61%	1,782,505	32.46%
Distribution and marketing expenses	(385,164)	-4.61%	(403,783)	-18.58%	(495,954)	66.34%	(298,163)	27.66%	(233,553)	49.76%	(155,954)	8.58%
Administrative expenses	(467,230)	22.19%	(382,384)	21.69%	(314,229)	52.41%	(206,171)	-5.42%	(195,566)	3.67%	(188,640)	13.62%
Other operating income	72,907	-52.53%	153,595	-11.71%	173,972	69.83%	102,441	-20.77%	129,290	-60.07%	323,765	225.89%
Other operating expenses	(51,630)	-25.21%	(69,037)	-82.21%	(388,039)	186.38%	(135,496)	-61.84%	(355,078)	421.28%	(68,117)	36.20%
Profit from operations	4,010,889	37.63%	2,914,274	-34.01%	4,416,430	48.57%	2,972,536	111.43%	1,405,893	-16.99%	1,693,558	56.04%
Share of loss from associate	-	0.00%	-	0.00%	-	-100.00%	(35,635)	-61.12%	(91,663)	29.50%	(70,781)	226.63%
Finance cost	(3,892,526)	58.95%	(2,448,902)	87.94%	(1,302,995)	41.99%	(917,653)	-21.34%	(1,166,615)	17.67%	(991,464)	59.35%
Profit before tax	118,363	-74.57%	465,374	-85.05%	3,113,436	54.19%	2,019,248	1267.92%	147,615	-76.62%	631,313	43.01%
Taxation	1,239	-100.47%	(262,259)	-44.67%	(473,956)	65.46%	(286,441)	231.74%	(86,345)	-32.81%	(128,508)	-1.81%
Profit after tax	119,602	-41.12%	203,115	-92.30%	2,639,480	52.32%	1,732,807	2728.15%	61,270	-87.81%	502,805	61.89%



# RATIO ANALYSIS

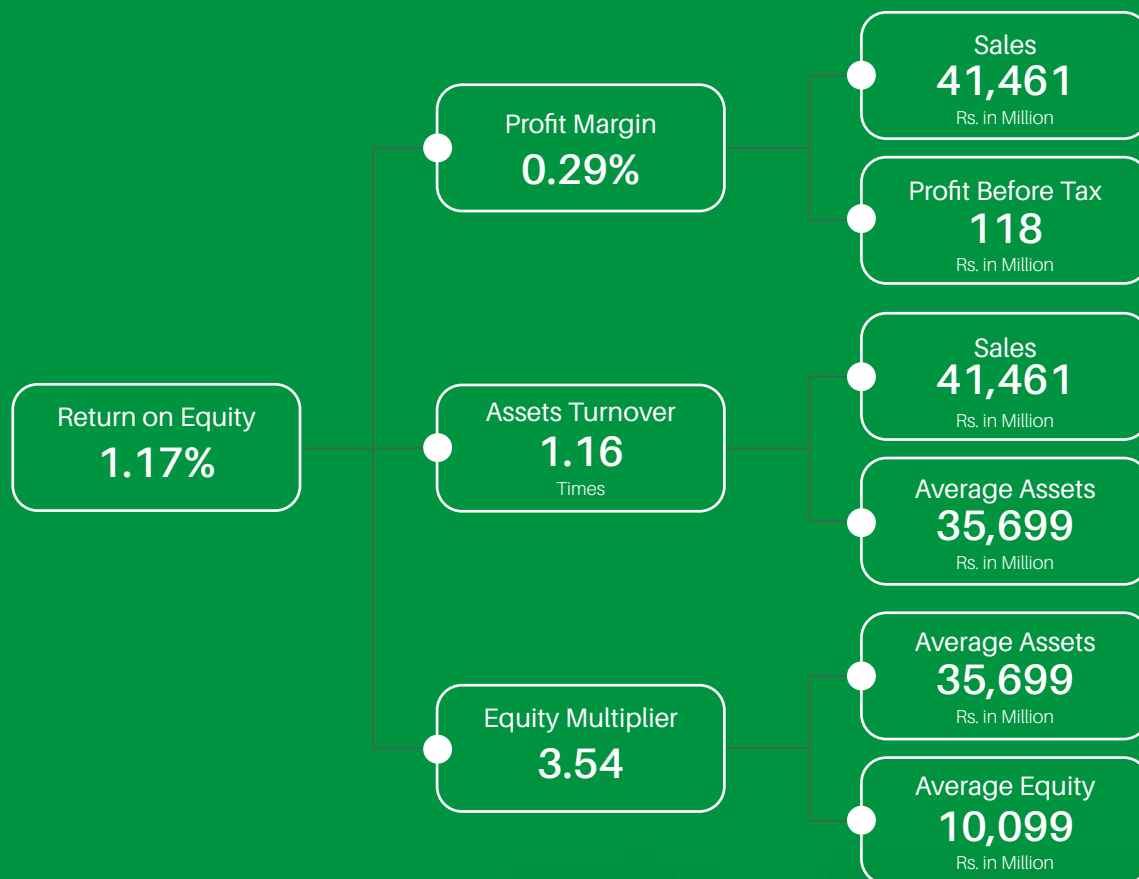
	2024	2023	2022	2021	2020	2019
<b>Profitability Ratios</b>						
Gross Profit Ratio	11.68%	11.06%	17.72%	14.61%	11.93%	10.73%
Net Profit Ratio	0.29%	0.62%	8.60%	7.21%	0.35%	3.03%
EBITDA margin to sales	11.47%	10.25%	15.53%	13.50%	9.24%	11.31%
Return on Equity	1.19%	2.01%	28.81%	28.55%	1.58%	12.92%
Return on Capital Employed	0.78%	1.24%	20.21%	18.65%	0.89%	8.43%
<b>Liquidity Ratios</b>						
Current Ratio	0.82	0.89	1.02	1.11	1.03	0.90
Quick / Acid Test Ratio	0.41	0.37	0.47	0.57	0.48	0.33
Cash to current liabilities	0.03	0.03	0.01	0.01	0.00	0.01
Cash flow form operations to sales	0.12	0.10	0.08	0.06	0.15	(0.02)
<b>Activity / Turnover Ratios</b>						
Inventory Turnover ratio	3.90	3.10	3.72	3.95	2.74	3.23
No of days in inventory	93.52	117.88	98.22	92.41	133.21	112.87
Receivables turnover ratio	7.99	7.12	8.37	10.27	8.41	7.75
No of days in receivables	45.70	51.23	43.61	35.53	43.40	47.12
Total assets turnover ratio	1.19	0.89	1.11	1.24	1.06	1.10
Fixed assets turnover ratio	2.21	1.77	2.42	2.95	2.74	2.80
<b>Investment / Market Ratios</b>						
Earnings per share	3.88	6.59	85.67	56.24	1.99	16.32
Price earning ratio	20.97	11.73	0.78	1.29	11.56	1.50
Dividend yield	0%	0%	6%	10%	0%	14%
Dividend pay-out ratio	0%	0%	40%	75%	0%	35%
Dividend cover ratio	0	0	21.42	7.5	0	4.7
Cash dividend per share	0	0	4	7.5	0	3.5
Market value per share						
- Closing	81.38	77.35	66.5	72.41	23	24.49
- High	85.40	91.00	83.98	82.3	24.98	25.99
- Low	63.02	40.00	52.13	22.06	22.4	23.61
Break up value per share	327.31	328.21	297.31	196.99	125.83	126.27
<b>Capital structure Ratios</b>						
Long term Debt to Equity	0.61	0.67	0.48	0.61	0.72	0.61
Interest cover ratio	1.03	1.19	3.39	3.20	1.13	1.64

# CASH FLOWS ANALYSIS

Rs. in '000'	2024	2023	2022	2021	2020	2019
<b>Cash (used in) / generated from operations</b>	4,917,443	3,144,211	2,465,472	1,415,896	2,562,617	(271,803)
Finance cost paid	(3,941,845)	(1,866,621)	(1,185,571)	(922,867)	(1,205,442)	(840,120)
Workers' (profit) participation payments	-	(199,654)	(106,897)	(12,032)	(35,073)	(23,608)
Taxes paid - net	(480,476)	(360,881)	(293,173)	(239,745)	(130,127)	(104,923)
Staff retirement benefits (gratuity) paid	(57,255)	(39,449)	(45,430)	(33,283)	(38,914)	(27,267)
	(4,479,575)	(2,466,605)	(1,631,071)	(1,207,927)	(1,409,556)	(995,917)
<b>Net cash generated from / (used in) operating activities</b>	437,868	677,606	834,401	207,969	1,153,061	(1,267,720)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Fixed capital expenditure	(548,112)	(5,185,022)	(3,046,355)	(1,166,761)	(450,395)	(858,037)
Sales proceed from disposals of fixed assets	6,706	15,629	9,566	30,608	4,605	9,459
Long term deposits	-	(673)	(270)	-	(8,560)	803
Investment in shares	-	-	(146,663)	(87,808)	-	-
Deferred liabilities	-	(2,329)	(13,349)	195,146	12,031	-
Net cash used in investing activities	(541,406)	(5,172,396)	(3,197,072)	(1,028,815)	(442,319)	(847,774)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Long term finances - net	(620,764)	2,311,692	655,151	776,812	445,485	483,755
Lease finances - net	(47,930)	63,407	8,629	12,923	48,269	(1,918)
Short term borrowings - net	838,590	2,664,679	1,813,170	236,171	(1,157,946)	1,735,847
Dividend paid	(18)	(121,528)	(76,085)	(152,018)	(116,651)	(68,204)
<b>Net cash generated from financing activities</b>	169,879	4,918,250	2,400,866	873,888	(780,843)	2,149,480
<b>Net increase / (decrease) in cash and cash equivalents</b>	66,342	423,460	38,195	53,042	(70,101)	33,986
<b>Cash and cash equivalents - at beginning of the year</b>	557,668	134,208	96,013	42,972	113,073	79,087
<b>Cash and cash equivalents - at end of the year</b>	624,009	557,668	134,208	96,013	42,972	113,073



# DUPONT ANALYSIS



	Return on Equity - (Equity multiplier x Return on Assets) A = B * C	Equity Multiplier (Avg Assets / Avg Equity) B	Return on Assets C = D * E	Total Assets Turnover (Sales / Avg Assets) D	Profit margin (Pre-tax profit / Sales) E
<b>2024</b>	1.17%	3.54	0.33%	1.16	0.29%
2023	4.83%	3.34	1.45%	1.02	1.42%
2022	40.89%	3.09	13.23%	1.30	10.14%
2021	40.60%	3.53	11.49%	1.37	8.40%
2020	3.80%	4.20	0.90%	1.06	0.85%
2019	17.31%	4.12	4.20%	1.10	3.80%

# VALUE ADDITION STATEMENT

Rs. in '000'

2024

2023

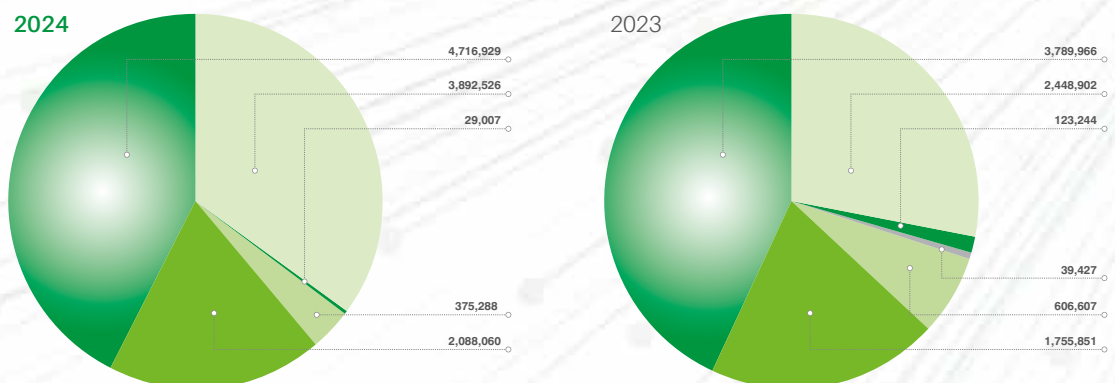
## WEALTH CREATION

SALES - Gross	45,807,626	36,106,541
Less: Cost of Material and services	34,778,723	27,496,139
Add: Other Income	72,907	153,595
	11,101,810	8,763,997

## WEALTH DISTRIBUTION

Remuneration and benefits paid to employees	2,088,060	1,755,851
Contribution to National Exchequer (Income tax & Sales Tax)	4,716,929	3,789,966
To providers of finance (Finance Cost)	3,892,526	2,448,902
Dividend to ordinary shareholders	-	123,244
Donations towards health, education & welfare activities	29,007	39,427
Retained within business	375,288	606,607
	11,101,810	8,763,997

# GRAPHICAL PRESENTATION





# SWOT ANALYSIS



## STRENGTH

- State-of-the-art machinery ensuring top-notch quality.
- Experienced and highly skilled management team.
- Customer-centric approach.
- Streamlined vertical integration for operational efficiency.
- Effective harnessing of solar energy resources and having 5.2 MW Solar energy source.
- Good mix of export and local sales ratio.
- Standard certifications (ISO, OEKO, Inditex etc).



## WEAKNESSES

- Capital-intensive nature results in significant operating leverage.
- Mature market.
- Absence of branding.
- Lack of R&D in textile industry.
- Low end product margins.



## OPPORTUNITIES

- China moving in high end textile segment creating a lot of opportunities to capture the market.
- Turmoil in Bangladesh textile industry creates a huge gap in market.
- Expand product offerings in emerging markets, both domestically and internationally.
- Targeting niche markets is possible due to the wide array of products manufactured.
- High labor cost in neighboring countries.



## THREAT

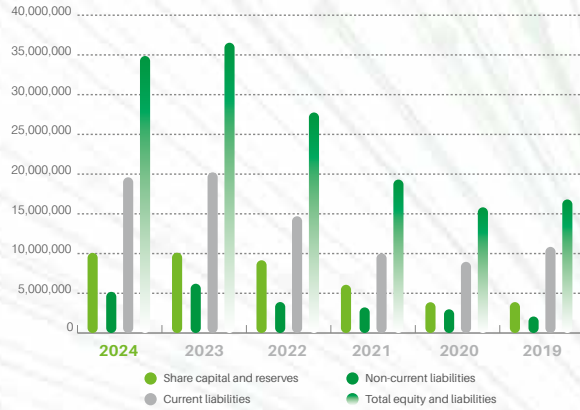
- China's aggressive move to dump textile products in international market, which makes other countries textile non-competitive.
- Low demand from Europe and USA.
- Low expected cotton production in country.
- Higher mark-up rates.
- High utility costs are a significant burden, directly affecting the competitiveness of Pakistani textiles in the global market.
- The challenge posed by economic and political instability.
- The imposition of novel taxes and the uncertainty surrounding government policies.

# GRAPHICAL ANALYSIS

**STATEMENT OF FINANCIAL POSITION ANALYSIS (ASSETS)**  
Rupees in '000'



**STATEMENT OF FINANCIAL POSITION ANALYSIS (EQUITY & LIABILITIES)**  
Rupees in '000'



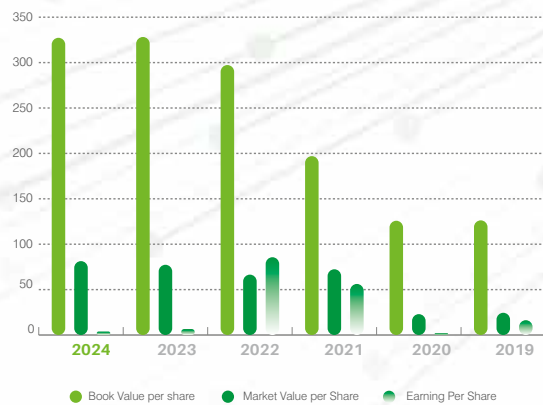
**STATEMENT OF PROFIT OR LOSS ANALYSIS**  
Rupees in '000'



**SALES TREND**  
Rupees in '000'



**INVESTOR INFORMATION**  
Rupees

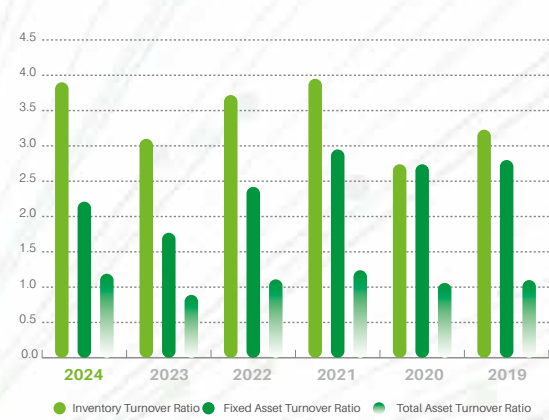


**CASH DIVIDEND**  
Percentage

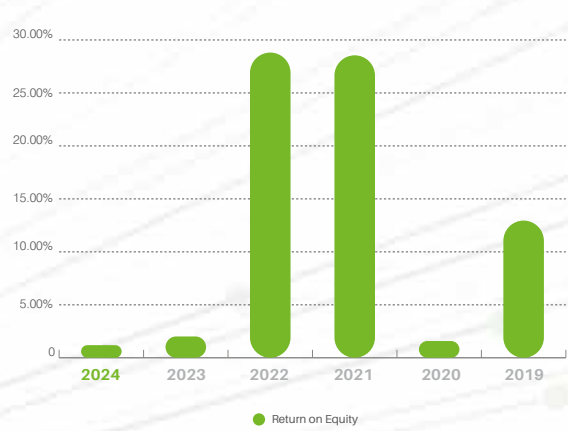




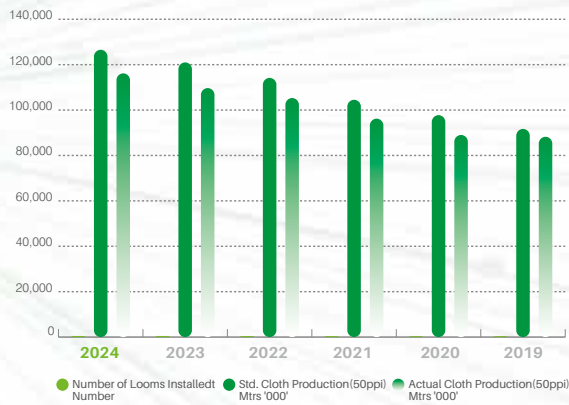
### TURNOVER RATIO



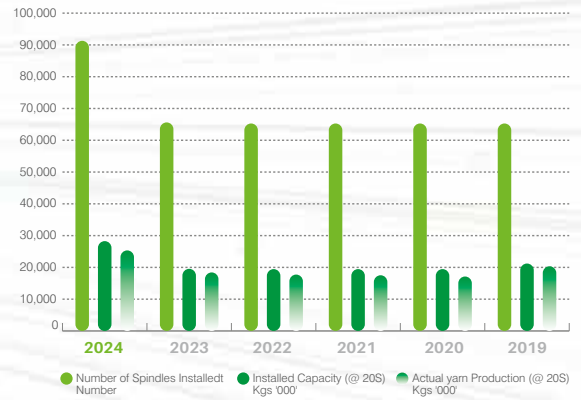
### RETURN ON EQUITY



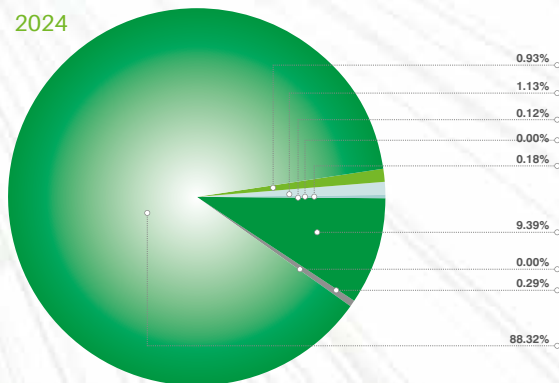
### WEAVING



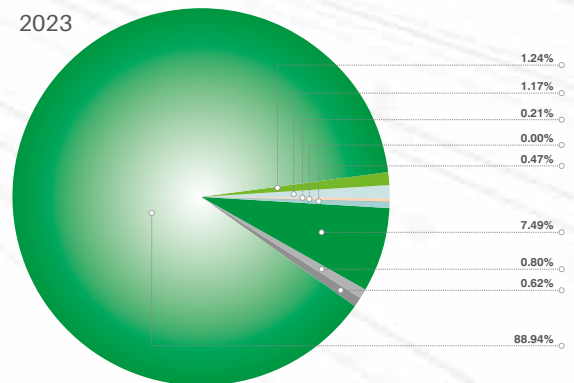
### SPINNING ANALYSIS



### 2024



### 2023



● Cost of sales ● Distribution and marketing exp. ● Administration exp. ● Other operating exp. ● Loss on investment in associate  
● Other income ● Finance cost ● Taxation ● Profit / (loss) after tax

# STATEMENT OF COMPLIANCE

With Listed Companies (Code Of Corporate Governance) Regulations, 2019

Name of the Company: **Reliance Weaving Mills Limited**

Year Ended: **June 30, 2024**

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

1. The total number of Directors are eight (8) as per the following:

- a. Male: Seven (7)  
b. Female: One (1)

2. The composition of the Board is as follows:

<b>Independent Directors *</b>	Mr. Imran Bashir Mr. Shoaib Ahmad Khan
<b>Non-Executive Directors</b>	Mr. Fawad Ahmed Mukhtar Mr. Abbas Mukhtar Mr. Muhammad Mukhtar Sheikh Mr. Muhammad Fazeel Mukhtar
<b>Executive Director</b>	Mr. Faisal Ahmed
<b>Female Director</b>	Mrs. Fatima Fazal

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. Out of eight (8) Directors, three (3) Directors have completed the Directors Training Program (DTP) while the following three (3) Directors meet the exemption criteria; hence are exempted from the DTP.

- Mr. Fawad Ahmed Mukhtar
- Mr. Faisal Ahmed
- Mrs. Fatima Fazal

The Company has planned to arrange the DTP for the remaining two (2) Directors, Mr. Abbas Mukhtar and Mr. Muhammad Fazeel Mukhtar.

During the year, the Board has arranged the DTP for Mr. Kamran Ahmad Awan, the Company Secretary.

10. The Board has approved the appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms & conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed following committees comprising of members given below:

## Audit Committee:

Mr. Imran Bashir	Chairman
Mr. Shoaib Ahmad Khan	Member
Mr. Muhammad Mukhtar Sheikh	Member

## Human Resource & Remuneration Committee:

Mr. Shoaib Ahmad Khan	Chairman
Mr. Imran Bashir	Member
Mr. Muhammad Fazeel Mukhtar	Member

## Risk Management Committee:

Mr. Faisal Ahmed	Chairman
Mr. Imran Bashir	Member
Mr. Shoaib Ahmad Khan	Member

## Nomination Committee:

Mr. Fawad Ahmed Mukhtar	Chairman
Mr. Faisal Ahmed	Member
Mr. Muhammad Fazeel Mukhtar	Member

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



14. The frequency of the meetings (quarterly / half yearly / yearly) of the committee were as per following:

Committee	Frequency	Meetings Held During The Year
Audit Committee	Quarterly	04
HR and Remuneration Committee	On required basis	01
Risk Management Committee	On required basis	01

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations 2019 have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Number of directors are eight (8) and one-third is 2.67 and the fraction of 0.67 is not rounded off to one (1). The company has two independent directors who have sufficient knowledge and expertise to guide the company and have the capabilities to take independent decisions.

Currently, six (6) out of eight (8) Directors have obtained Directors' Training Certifications or meet exemption requirements of DTP as detailed in Clause 9 above. Mr. Abbas Mukhtar and Mr. Muhammad Fazeel Mukhtar, joined as Directors, and are allowed as per Regulation No. 19(2) to acquire the said training, within a period of one year from the date of appointment as a Director. The Company will arrange the training to comply with the requirements along with at least one (1) female executive as per Clause 19(ii).

### Regulation No. 35 (1):

Non-Mandatory Requirement	Explanation
The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace, as advised by SECP vide its SRO 920(1)/2024 dated June 12, 2024.	As per the regulations, the Company intends to add the gist of its policy on DE&I & protection against harassment at workplace.

### Regulation No. 10 (A):

Non-Mandatory Requirement	Explanation
The Board is responsible for governance and oversight of sustainability risks and opportunities oversights, setting the Company's sustainability strategies, priorities and targets to create long term corporate value, as advised by SECP vide its SRO 920(1)/2024 dated June 12, 2024.	The Board will ensure that the company has addressed risks and opportunities related to sustainability and that the policies are reviewed periodically.



**Fawad Ahmed Mukhtar**  
Chairman



**Faisal Ahmed**  
Chief Executive Officer





The image features a green-tinted background with a blurred bar chart and a stack of coins in the foreground. The text is centered and reads:

# FINANCIAL STATEMENT

year ended June 30, 2024





# INDEPENDENT AUDITORS' REVIEW REPORT

To The Members of Reliance Weaving Mills Limited  
Review Report on the Statement of Compliance contained in 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 **RELIANCE WEAVING 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.

**DATED:** OCTOBER 4, 2024  
**UDIN:** CR202410162oE1AfaXw7

*Shinewing Hameed Chaudhri & Co.*

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS  
MULTAN

# INDEPENDENT AUDITORS' REPORT

To The Members of Reliance Weaving Mills Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Reliance Weaving Mills Limited** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of 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, the statement of 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 profit, 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:

Sr No	Key Audit Matters	How the matter was addressed in our audit
1	<b>Revenue</b>	
	As described in note 4.19 and note 30, the Company generates revenue from the sale of goods to domestic as well as export customers. During the year ended 30 June 2024, the Company generated net revenue of Rs. 41.461 billion as compared to Rs. 32.682 billion during the previous year, which represents an increase of approximately 27% as compared to the preceding year.	Our audit procedures to assess recognition of revenue, amongst others, included the following: <ul style="list-style-type: none"><li>- obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof;</li><li>- reviewed, on a sample basis, sales transactions near the reporting date to assess whether transactions were recorded in relevant accounting year;</li><li>- performed substantive analytical procedures including developing an expectation of the current year revenue based on trend analysis information taking into account historical sales and market patterns;</li><li>- correlated the revenue transactions with movement in receivables and monetary balances and compared with the results from our balance confirmation procedures;</li><li>- reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents; and</li></ul>



Sr No	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <li>- reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the applicable financial reporting standards and the Companies Act, 2017.</li> </ul>
<b>2</b>	<b>Valuation of stock-in-trade</b>	
	<p>The value of stock-in-trade at the reporting date aggregated Rs. 7.653 billion representing approximately 47.5% of the Company's total current assets. Stock-in-trade at the reporting date mainly included raw materials, work-in-process 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 realizable value of finished goods.</p> <p>We identified this matter as key in our audit due to the judgment and assumptions applied by the Company's management in determining the cost and net realizable value of stock-in-trade at the reporting date.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Assessed the appropriateness of management assumptions applied in calculating the value of stock-in-trade and validated the valuation by taking the following steps:</li> <li>- assessed whether the Company's accounting policy for inventory valuation was 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; and</li> <li>- performed net realizable value test to assess whether cost of inventories exceeded its net realizable value by detailed review of subsequent sale invoices.</li> </ul>
<b>3</b>	<b>Financing obligations and compliance with related covenant requirements</b>	
	<p>At the reporting date, the Company has outstanding long term financing facilities aggregating Rs. 5.912 billion which constitutes approximately 24% of total liabilities of the Company.</p> <p>The Company's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, the financing arrangements entail additional financial and non-financial covenants for the Company to comply with.</p> <p>The significance of financing obtained along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- reviewed terms and conditions of financing agreements entered into by the Company with various banks and financial institutions;</li> <li>- circularized direct balance confirmations to banks and financial institutions and verified receipts and payments from relevant statements;</li> <li>- reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities;</li> <li>- assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants;</li> <li>- assessed the adequacy of disclosures made in respect of the long term financing obligations in the financial statements; and</li> <li>- checked on test basis the calculations of finance cost recognized in the statement of profit or loss.</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.

The Board of Directors are 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 up to 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, the statement of 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 Talat Javed.

*Shinewing Hameed Chaudhri & Co*

SHINEWING HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS  
MULTAN

**DATED:** OCTOBER 4, 2024

**UDIN:** AR202410162B3w4IGyu0

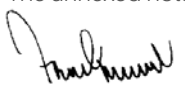


# STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Note	2024 (Rupees)	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	16,514,096,378	16,710,351,380
Intangible assets	6	-	-
Long term investments	7	1,373,669,659	1,437,281,839
Long term deposits		29,719,180	29,719,180
Deferred tax asset	8	849,455,181	307,169,807
		<b>18,766,940,398</b>	<b>18,484,522,206</b>
<b>Current assets</b>			
Stores, spares and loose tools	9	492,614,262	457,726,329
Stock-in-trade	10	7,652,562,761	10,162,916,840
Trade debts	11	5,693,898,689	4,689,629,910
Loans and advances	12	673,259,035	567,202,843
Prepayments and other receivables	13	23,886,450	202,151,108
Short term investments	14	403,863,486	341,624,729
Tax refunds due from the Government	15	533,154,246	1,070,765,024
Cash and bank balances	16	624,009,956	557,668,336
		<b>16,097,248,885</b>	<b>18,049,685,119</b>
<b>TOTAL ASSETS</b>		<b>34,864,189,283</b>	<b>36,534,207,325</b>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital	17	700,000,000	700,000,000
Issued, subscribed and paid-up share capital	18	308,109,370	308,109,370
Reserves	19	6,792,236,539	6,820,008,261
Revaluation surplus on freehold land - Capital reserve		2,984,466,937	2,984,466,937
		<b>10,084,812,846</b>	<b>10,112,584,568</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term finances	20	4,677,684,680	5,694,162,385
Lease liabilities	21	61,810,568	109,976,312
Staff retirement benefits - gratuity	22	441,707,855	393,732,969
Deferred liabilities	23	-	4,623,445
		<b>5,181,203,103</b>	<b>6,202,495,111</b>
<b>Current liabilities</b>			
Trade and other payables	24	4,306,978,684	6,292,809,586
Unclaimed dividends		13,200,300	13,218,233
Accrued mark-up	25	870,063,447	924,828,170
Short term borrowings	26	12,210,680,858	11,372,090,618
Current portion of non-current liabilities	27	1,470,821,080	1,070,247,565
Taxation and levies	28	726,428,965	545,933,474
		<b>19,598,173,334</b>	<b>20,219,127,646</b>
<b>Total liabilities</b>		<b>24,779,376,437</b>	<b>26,421,622,757</b>
Contingencies and commitments	29		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>34,864,189,283</b>	<b>36,534,207,325</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2024

	Note	2024 (Rupees)	2023
Sales - net	30	41,461,459,104	32,682,288,169
Cost of sales	31	(36,619,452,579)	(29,066,405,753)
<b>Gross profit</b>		<b>4,842,006,525</b>	<b>3,615,882,416</b>
Distribution and marketing expenses	32	(385,164,460)	(403,782,935)
Administrative expenses	33	(467,230,189)	(382,383,808)
Other income	34	72,906,531	157,582,466
Other expenses	35	(51,629,643)	(73,025,303)
Profit from operations		<b>4,010,888,764</b>	<b>2,914,272,836</b>
Finance cost	36	(3,892,525,629)	(2,448,901,604)
		<b>118,363,135</b>	<b>465,371,232</b>
Share of loss of associates	7	-	-
<b>Profit before taxation and levies</b>		<b>118,363,135</b>	<b>465,371,232</b>
Minimum and final tax levies	37	(551,256,778)	(435,278,200)
(Loss) / profit before tax		<b>(432,893,643)</b>	<b>30,093,032</b>
Taxation	38	552,495,450	173,019,438
<b>Profit after taxation and levies</b>		<b>119,601,807</b>	<b>203,112,470</b>
<b>Earnings per share</b>	39	<b>3.88</b>	<b>6.59</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2024

	Note	2024 (Rupees)	2023
<b>Profit after taxation and levies</b>		119,601,807	203,112,470
<b>Other comprehensive Income / (loss):</b>			
<b>Item to be reclassified to profit or loss in subsequent years:</b>			
Unrealised gain on remeasurement of forward foreign exchange contracts		-	10,980,562
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Unrealised loss on remeasurement of investments at fair value through other comprehensive income - net	7 & 14	(172,370,613)	(463,549,420)
Surplus arisen upon revaluation of freehold land	5.2	-	1,276,383,940
Gain on remeasurement of staff retirement benefits - gratuity	22	35,207,160	57,396,279
Impact of tax		(10,210,076)	(9,027,463)
		24,997,084	48,368,816
		(147,373,529)	861,203,336
<b>Total comprehensive (loss) / income for the year</b>		(27,771,722)	1,075,296,367

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

  
Chief Executive

  
Director

  
Chief Financial Officer



# STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024

	Share capital	Capital Reserves			Revenue		Total profit	
		Share premium	Revaluation surplus on freehold land	Unrealised loss on forward foreign exchange contracts	Fair value (loss) / gain on investments at FVTOCI	General reserve		unappropriated profit
(Rupees)								
<b>Balance as at June 30, 2022</b>	308,109,370	41,081,250	1,708,082,997	(10,980,562)	434,413,401	74,171,959	6,605,653,533	9,160,531,948
Transaction with owners:								
Cash dividend at the rate of Rs. 4 per ordinary share for the year ended June 30, 2022	-	-	-	-	-	-	(123,243,748)	(123,243,748)
Total comprehensive income for the year ended June 30, 2023:								
- profit for the year	-	-	-	-	-	-	203,112,470	203,112,470
- other comprehensive income / (loss)	-	-	1,276,383,940	10,980,562	(463,549,420)	-	48,368,816	872,183,898
	-	-	1,276,383,940	10,980,562	(463,549,420)	-	251,481,286	1,075,296,368
<b>Balance as at June 30, 2023</b>	308,109,370	41,081,250	2,984,466,937	-	(29,136,019)	74,171,959	6,733,891,071	10,112,584,568
Transaction with owners:								
Total comprehensive income for the year ended June 30, 2024:								
- profit for the year	-	-	-	-	-	-	119,601,807	119,601,807
- other comprehensive (loss) / income	-	-	-	-	(172,370,613)	-	24,997,084	(147,373,529)
	-	-	-	-	(172,370,613)	-	144,598,891	(27,771,722)
<b>Balance as at June 30, 2024</b>	308,109,370	41,081,250	2,984,466,937	-	(201,506,632)	74,171,959	6,878,489,962	10,084,812,846

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Note	2024 (Rupees)	2023
<b>CASH GENERATED FROM OPERATIONS</b>	41	4,917,443,278	3,144,211,219
Finance cost paid		(3,941,844,861)	(1,866,621,419)
Workers' profit participation fund paid to workers and deposited in Government treasury		-	(199,654,195)
Taxes and levies paid - net		(480,475,506)	(360,881,173)
Staff retirement benefits paid		(57,254,504)	(39,448,542)
<b>Net cash generated from operating activities</b>		<b>437,868,407</b>	<b>677,605,890</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(548,112,139)	(5,185,022,417)
Sale proceeds of fixed assets		6,706,424	15,629,149
Long term deposits		-	(673,293)
Deferred liabilities		-	(2,329,346)
<b>Net cash used in investing activities</b>		<b>(541,405,715)</b>	<b>(5,172,395,907)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances - net		(620,763,677)	2,311,691,719
Lease finances - net		(47,929,702)	63,407,025
Dividend paid		(17,933)	(121,527,672)
Short term borrowings - net		838,590,240	2,664,679,275
<b>Net cash generated from financing activities</b>		<b>169,878,928</b>	<b>4,918,250,348</b>
<b>Net increase in cash and cash equivalents</b>		<b>66,341,620</b>	<b>423,460,331</b>
<b>Cash and cash equivalents - at beginning of the year</b>		<b>557,668,336</b>	<b>134,208,005</b>
<b>Cash and cash equivalents - at end of the year</b>		<b>624,009,956</b>	<b>557,668,336</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 1. LEGAL STATUS AND OPERATIONS

Reliance Weaving Mills Limited (the Company) was incorporated in Pakistan as a public limited company on April 07, 1990 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. The Company commenced its operations on May 14, 1990 and is principally engaged in manufacturing and sale of yarn and fabric.

### Locations:

The registered office of the Company is situated at second Floor, Trust Plaza, L.M.Q. Road, Multan and its mills are located at Fazalpur Khanewal Road, Multan and Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi.

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

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

### 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 Rupee 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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 & 5.1.
- Useful lives, residual values and amortisation method of intangible assets – notes 4.2 & 6.
- Provision for impairment of inventories – notes 4.4, 4.5, 9 & 10.
- Provision for impairment of trade debts and other receivables – note 4.6 & 11.1.
- Impairment loss of non-financial assets other than inventories – note 4.8.
- Obligation of staff retirement benefits (gratuity) – notes 4.10 & 22.
- Estimation of provisions – note 4.12.
- Estimation of contingent liabilities – notes 4.13 & 29.
- Current income tax expense and levies, provision for current tax, levies and recognition of deferred tax asset (for carried forward tax losses) – notes 4.15 & 28.

**2.5** No critical judgment has been used in applying the accounting policies.

### **3. INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS**

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

#### **3.1 Standards, amendments to published standards and interpretations that are effective in the current year**

The following amendments are effective for the year ended June 30, 2024. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 – Disclosure of accounting policies.
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of accounting estimates
- Amendments to IAS 12 'Income Taxes' – deferred tax related to assets and liabilities arising from a single transaction. Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' – Onerous Contracts — cost of fulfilling a contract.
- Amendments to IAS 12 'Income taxes' – International Tax Reform — Pillar Two Model Rules.

#### **3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

There are standards and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 01, 2023. The standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

<u>Description</u>	<u>Annual periods beginning on or after</u>
- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants.	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements.	January 01, 2024
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability.	January 01, 2025
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments.	January 01, 2026
- Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	January 01, 2024
- Amendments - Clarification on how seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024

The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024:

- IFRS 1 – First-time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

During the year, the Company has adopted "Disclosure of Accounting Policies (Amendment to IAS 1)". This amendment requires the disclosure of "Material" rather than "Significant" accounting policies. This amendment did not result in any changes to accounting policies themselves.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

The material accounting policy information has been presented as follows:

## 4.1 Property, plant and equipment

### (a) Owned

#### Measurement

Items of property, plant and equipment other than freehold land 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 capital work-in-progress is stated at cost including, where relevant, related finance costs 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 asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. Normal repairs and maintenance are charged to statement of profit or loss as and when incurred.

#### Revaluation

Increases in the carrying amounts arising on revaluation of freehold land are recognised in statement of 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 statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in statement of other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

#### Depreciation

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

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is disposed-off.

#### 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 or other operating expenses in the statement of profit or loss. In case of the sale of revalued freehold land, the attributable revaluation surplus remaining in the revaluation surplus on freehold land is transferred directly to unappropriated profit.

#### Judgment and estimates

The useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each year-end. The effect of any change in estimates is accounted for on a prospective basis.

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

The Company leases head office building and vehicles for management use. 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. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities have been discounted using the Company's incremental borrowing rates ranging from 8.50% to 25.68%. 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. At transition, the Company recognised right to use assets equal to the present value of lease payments.

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**

### **Measurement**

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rate specified in note 6.1 to the financial statements.

Amortisation on additions is charged from the month the assets are put to use while no amortisation is charged in the month in which the assets are disposed-off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

### **Judgment and estimates**

The useful lives, residual values and amortisation method are reviewed and adjusted, if appropriate, at each year-end. The effect of any change in estimate is accounted for on a prospective basis.

## **4.3 Investments in equity instruments of Associated Companies**

Associated Companies, where the Company holds 20% or more of the voting power of the investee company and where the Company has significant influence, but not control, over the financial and operating policies, are accounted for using the equity method.

Under equity method, the investments in Associated Companies 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 Companies after the date of acquisition. The Company's share of profit or loss of

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

the Associated Companies is recognised in the Company's statement of profit or loss. Distributions received from Associated Companies 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 Companies arising from changes in the Associated Companies' equity that have not been recognised in the Associated Companies' 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 statement of profit or loss.

#### 4.4 Stores, spares and loose tools

Usable stores, spares and loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

#### 4.5 Stock-in-trade

These are stated at the lower of cost and net realisable value except for waste stock, which is valued at net realisable value.

Cost has been determined as follows:

- Raw materials	Weighted average cost
- Work in process and finished goods	Cost of direct materials, labour and appropriate manufacturing overheads.

Materials in transit comprise of invoice value plus other charges paid thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

#### Judgment 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 and other receivables

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. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

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**

Interest bearing borrowings are recognised initially at fair value less attributable transaction cost. Subsequent to initial recognition, these are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalised up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss.

#### **4.10 Staff retirement benefits**

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

#### **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 obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 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 Derivative financial instruments and hedging activities

These are initially recorded at fair value on the date on which a derivative contract is entered into and subsequently measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as cash flow hedges.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an on going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items. Derivatives are carried as asset when the fair value is positive and liabilities when the fair value is negative.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in statement of other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit or loss.

Amounts accumulated in statement of other comprehensive income are recognised in statement of profit or loss in the periods when the hedged item will effect statement of profit or loss. However, when the forecast hedged transaction results in the recognition of a non-financial asset or a liability, the gains and losses previously deferred in statement of other comprehensive income are transferred from statement of other comprehensive income and included in the initial measurement of the cost of the asset or liability.

Any gains or losses arising from change in fair value derivatives that do not qualify for hedge accounting are taken directly to the statement of profit or loss.

## 4.15 Taxation

### (a) Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any.

### (b) Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

**(c) 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 statement of profit or loss.

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.

**4.16 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.

**4.17 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). For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 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 right 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.

## Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**i) Amortised cost**

Assets that are held for collection of contractual cash flows, where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

**ii) Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

**iii) Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented in finance income / cost in the period in which it arises.

## Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payment is established.



### **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).

### **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.

The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

### **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, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income.

### **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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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.

## Financial Liabilities

### b) 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 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.

### 4.18 Foreign currency transactions

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

### 4.19 Revenue recognition

Revenue represents fair value of the consideration received or receivable for goods sold net of discounts and sales tax. Revenue is recognised when the control of goods is transferred to customers, i.e. on dispatch in case of local sales and on preparation of bill of lading in case of exports, and when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably.

### **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 accrued on a time proportion basis by reference to the principal outstanding and applicable rate of return.

Mark-up income is accrued on time proportion basis by reference to the principal outstanding and at the agreed mark-up rate applicable.

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

Export duty drawback is recognised on accrual basis.

#### **4.20 Deferred income - government grant**

Government grant is initially measured at fair value; after initial recognition, it is measured at amortised cost using the effective interest rate method.

#### **4.21 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Segment assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant & equipment, stores, spares & loose tools and stock-in-trade. Segment liabilities comprise of long term finances, lease liabilities, short term borrowings and trade & other payables.

#### **4.22 Related party transactions**

The Company enters into transactions with related parties on commercial terms and conditions.

#### **4.23 Adoption of new accounting policy**

##### **Accounting for minimum taxes and final taxes**

The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

The guide issued by ICAP provides two (2) approaches to account for minimum and final regime taxes, which is a choice of accounting policy of which the Company has chosen the following:

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. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Therefore, the effective rate of income tax is equal to the enacted rate of income tax.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax as per provisions of Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy'. If super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37.

The above changes have been accounted for in these financial statements as per the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy did not result in re-statement of financial statements since deferred tax liability recognised in the year ended June 30, 2023 was already at enacted rate and the application of this guide did not result in any material differences except for reclassifications which are presented as below:

	As earlier	Difference (Rupees)	Current
<b>Effect on statement of profit or loss:</b>			
Minimum and final tax levies	-	(435,278,200)	(435,278,200)
Profit before tax	465,371,232	(435,278,200)	30,093,032
Taxation	262,258,762	(89,239,324)	173,019,438
Profit after taxation and levies	203,112,470	-	203,112,470
<b>Effect on statement of financial position</b>			
<b>Tax refunds due from the Government:</b>			
Prepaid final tax levy	-	317,067,567	317,067,567
Advance income tax	321,754,582	(317,067,567)	4,687,015

	Note	2024 (Rupees)	2023
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	16,338,166,803	10,292,878,949
Capital work-in-progress	5.4	32,237,973	6,268,690,643
Right of use assets	5.6	143,691,602	148,781,788
		16,514,096,378	16,710,351,380

## 5.1 Operating fixed assets

	Owned										Leased / right of use assets			
	Freehold land	Buildings on freehold land	Plant & machinery	Electric installations	Factory equipment	Office equipment	Electric appliances	Furniture and fixtures	Vehicles	Sub-total	Office building	Vehicles	Sub-total	Grand total
	(Rupees)													
<b>As at June 30, 2022</b>														
Cost / revaluation	1,891,841,060	1,118,350,420	8,504,665,382	480,724,595	56,757,903	59,055,803	37,241,915	25,612,657	232,570,411	12,406,820,147	56,901,824	57,752,639	114,654,463	12,521,474,610
Accumulated depreciation	-	395,416,588	2,889,240,430	182,864,430	19,859,682	25,563,335	17,819,984	13,766,619	102,761,901	3,657,098,869	14,030,586	22,203,370	36,233,956	3,693,332,825
Book value	1,891,841,060	722,933,832	5,605,424,952	298,060,165	36,898,321	33,486,468	19,421,931	11,846,038	129,808,510	8,749,721,278	42,871,238	35,549,269	78,420,507	8,828,141,785
Year ended June 30, 2023														
Transfer from leased to owned	-	-	-	-	-	-	-	-	15,142,580	15,142,580	-	(15,142,580)	-	-
Cost	-	-	-	-	-	-	-	-	(7,955,061)	(7,955,061)	-	7,955,061	-	-
Depreciation	-	-	-	-	-	-	-	-	20,065,314	20,065,314	-	107,507,539	-	775,208,000
Additions	-	-	627,186,428	7,449	8,526,496	6,148,359	2,880,709	2,885,736	-	-	-	-	-	1,276,383,940
Revaluation surplus (Note 5.2)	1,276,383,940	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	(32,478,216)	(32,478,216)	-	(4,180,110)	-	(37,047,826)
Cost	-	-	-	-	-	(389,500)	-	-	315,15,781	31,704,966	-	2,177,932	-	33,882,929
Depreciation	-	-	-	-	-	189,215	-	-	45,440,708	406,951,559	-	23,279,699	-	434,908,120
Depreciation for the year	-	36,148,810	301,267,078	14,903,255	2,050,626	3,658,802	2,113,926	1,368,363	110,658,201	10,292,878,949	467,862	110,587,412	148,781,788	10,441,660,737
Book value	3,188,225,000	686,785,022	5,931,344,302	283,164,359	43,374,191	35,775,739	20,188,714	13,363,421	110,658,201	10,292,878,949	38,194,376	110,587,412	148,781,788	10,441,660,737
<b>Year ended June 30, 2024</b>														
Additions	71,812,400	1,480,666,365	4,935,377,433	75,248,566	150,421,825	20,075,563	9,847,477	1,098,271	8,689,530	6,753,237,430	-	31,327,380	31,327,380	6,784,564,810
Disposal	-	-	-	-	-	(257,500)	-	-	(9,125,579)	(9,383,079)	-	(2,379,380)	(2,379,380)	(11,762,459)
Cost	-	-	-	-	-	123,109	-	-	8,616,512	8,739,621	-	1,863,848	1,863,848	10,603,469
Depreciation	-	-	-	-	-	4,682,723	2,531,157	1,405,962	33,421,095	707,306,118	1,909,719	33,992,316	35,902,034	743,208,153
Depreciation for the year	-	107,200,244	531,556,758	17,896,203	8,611,976	4,682,723	2,531,157	1,405,962	110,658,201	10,292,878,949	38,194,376	110,587,412	148,781,788	10,441,660,737
Book value	3,240,037,400	2,060,251,143	10,335,164,977	340,518,722	185,184,040	51,034,188	27,505,034	13,055,730	85,417,569	16,338,166,803	36,284,657	107,406,944	143,691,602	16,481,858,405
<b>As at June 30, 2023</b>														
Cost / revaluation	3,188,225,000	1,118,350,420	9,131,851,810	480,732,044	65,284,399	64,814,662	40,122,824	28,498,393	235,300,090	14,333,179,442	56,901,824	145,937,488	202,839,312	14,536,018,754
Accumulated depreciation	-	431,565,398	3,200,507,508	197,567,695	21,910,208	29,038,923	19,933,910	15,134,972	124,641,889	4,040,300,493	18,707,448	35,350,076	54,067,524	4,094,358,016
Book value	3,188,225,000	686,785,022	5,931,344,302	283,164,359	43,374,191	35,775,739	20,188,714	13,363,421	110,658,201	10,292,878,949	38,194,376	110,587,412	148,781,788	10,441,660,737
<b>As at June 30, 2024</b>														
Cost / revaluation	3,240,037,400	2,599,016,795	14,067,229,243	555,980,610	215,706,224	84,632,725	49,970,101	29,596,664	234,894,041	21,077,033,793	56,901,824	174,885,488	231,787,312	21,308,821,105
Accumulated depreciation	-	538,765,642	3,732,064,266	215,463,888	30,522,184	33,598,537	22,465,067	16,540,934	149,446,471	4,738,868,990	20,617,167	67,478,544	88,095,710	4,826,962,700
Book value	3,240,037,400	2,060,251,143	10,335,164,977	340,518,722	185,184,040	51,034,188	27,505,034	13,055,730	85,417,569	16,338,166,803	36,284,657	107,406,944	143,691,602	16,481,858,405
Depreciation rate (%)	-	5	5	5	5	10	10	10	20	20	5	5	20	20

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

- 5.2** The Company on June 30, 2023 had carried-out revaluations of its freehold land situated at Mouza Karpaal Pur, Khanewal Road, Multan and Mukhtarabad, Rawat, Rawalpindi. The revaluation exercises was conducted by an independent valuer K.G Traders (Private) Limited. Freehold land was revalued on the basis of fair market values and resulted in revaluation surplus aggregating Rs.1,276.384 million as worked-out below:

	(Rupees)
Cost / revalued amount before revaluation	1,891,841,060
Revalued amount	3,168,225,000
Revaluation surplus arisen upon latest revaluation	1,276,383,940

- 5.2.1** Had there been no revaluations, book value of freehold land would have been Rs. 255.570 million as at June 30, 2024 (2023: Rs.183.758 million).

- 5.2.2** Based on the revaluation reports dated June 30, 2023, the forced sale values of the revalued freehold land were assessed at Rs. 2,534.580 million.

	Note	2024 (Rupees)	2023
<b>5.3</b>	<b>Depreciation for the year has been apportioned as under:</b>		
	Cost of sales	667,796,338	356,483,695
	Administrative expenses	39,509,780	50,467,863
		<b>707,306,118</b>	<b>406,951,559</b>
<b>5.4</b>	<b>Capital work-in-progress</b>		
	- Advance against freehold land	-	70,987,400
	- Factory buildings	12,723,918	1,566,193,397
	- Plant and machinery	4,633,549	4,529,390,267
	- Furniture and fittings	-	160,083
	- vehicles	14,880,506	28,257,790
	- electric installations	-	73,701,706
		<b>32,237,973</b>	<b>6,268,690,643</b>



	2024	2023
	(Rupees)	
<b>5.4.1 Movement of capital work-in-progress</b>		
Opening balance	6,268,690,643	1,858,876,256
Additions during the year	430,295,813	5,011,912,696
Capitalised during the year	(6,666,748,483)	(602,098,309)
Closing balance	32,237,973	6,268,690,643

**5.4.2** Capital work-in-progress includes borrowing cost amounting to Rs. nil (2023: 357.103 million) at the rates ranging from nil (2023: 6.00% to 25.54%) per annum. During the year borrowing cost amounting to Rs. 189.618 million has been included in capital work-in-progress at the rates ranging from 6.00% to 25.54% and accumulated balance has been capitalized during the year.

#### 5.5 Particulars of immovable property

Location	Usage of immovable property	Total area (square feet)	Covered area (in square feet) Approx
Mouza Karpaal Pur, Khanewal Road, Multan.	Industrial	4,707,129	1,149,915
Mukhtarabad, Rawat, Rawalpindi.	Industrial	1,424,250	231,242

	Note	2024	2023
		(Rupees)	
<b>5.6 Right of use assets</b>			
Book-value at beginning of the year		148,781,788	78,420,507
Additions during the year		31,327,380	107,507,539
Transfer to owned assets:			
- cost		-	(15,142,580)
- accumulated depreciation		-	7,955,061
Assets disposed-off:			
- cost		(2,379,380)	(4,180,110)
- accumulated depreciation		1,863,848	2,177,932
Depreciation charged during the year	5.6.1	(35,902,034)	(27,956,561)
Book value at end of the year		143,691,602	148,781,788

**5.6.1** Depreciation expense has been grouped under administrative expenses (note 33).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 5.7 Disposal of operating fixed assets

The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	(Loss) gain	Mode of disposal	Sold to
(Rupees)							
<b>Year ended June 30, 2024:</b>							
Office equipment and electric appliances having book value of less than Rs.500,000 each	257,500	123,109	134,391	25,750	(108,641)	Negotiation	Various employees
<b>Vehicles - owned</b>							
Vehicles having book value of less than Rs.500,000 each	9,125,579	8,616,512	509,067	5,474,974	4,965,907	Company policy	Various employees
	9,125,579	8,616,512	509,067	5,474,974	4,965,907		
<b>Vehicle - leased</b>							
Honda Car	2,379,380	1,863,848	515,532	1,205,700	690,168	----do----	Anwar ul Haq
	11,762,459	10,603,469	1,158,990	6,706,424	5,547,434		
<b>Year ended June 30, 2023:</b>	<b>37,047,826</b>	<b>33,882,929</b>	<b>3,164,898</b>	<b>15,629,149</b>	<b>12,464,252</b>		

	2024	2023
	(Rupees)	
<b>6. INTANGIBLE ASSETS (Computer software)</b>		
Cost	9,462,295	9,462,295
Less: Accumulated amortization	9,462,295	9,462,295
Book value as at June 30,	-	-

**6.1** Amortisation is charged to income applying the straight-line method at the rate of 10% per annum.

	Note	2024 (Rupees)	2023
<b>7. LONG TERM INVESTMENTS</b>			
<b>Fatima Energy Limited</b>			
(At fair value through other comprehensive income)			
<b>Investment in ordinary shares</b>			
90,195,083 (2023: 90,195,083) ordinary shares of Rs. 10 each		746,815,287	958,773,732
Shareholding held - 15.82% (2023: 15.82%)			
Fair value adjustment	7.2	(100,116,542)	(211,958,445)
Fair value at the end of the year		646,698,745	746,815,287
<b>Investment in preference shares</b>			
76,377,897 (2023: 76,377,897) preference shares of Rs. 10 each	7.1	632,408,987	811,895,993
17,099,719 (2023: nil) preference shares of Rs. 10 each issued	13.1	170,997,190	-
Shareholding held - 7.88% (2023: 7.18%)			
Fair value adjustment		(133,171,670)	(179,487,006)
Fair value at the end of the year		670,234,507	632,408,987
		1,316,933,252	1,379,224,274
<b>Associated Company</b>			
<b>Fatima Transmission Company Limited</b>			
<b>Investment in ordinary shares</b>			
(under equity method)			
7,187,500 (2023: 7,187,500) ordinary shares of Rs. 10 each - cost	7.3	71,875,000	71,875,000
Shareholding held: 31.25% (2023: 31.25%)			
Share of post acquisition loss and other comprehensive income		(71,875,000)	(71,875,000)
Share of profit for the year		10,314,456	9,502,732
Adjustment based on preceding year's audited financial statements		(10,314,456)	(9,502,732)
		-	-
<b>Investment in preference shares</b>			
(At fair value through other comprehensive income)			
7,339,768 (2023: 7,339,768) preference shares of Rs. 10 each	7.4	58,057,565	78,755,711
Shareholding held: 17.61% (2023: 17.61%)			
Fair value adjustment		(1,321,158)	(20,698,146)
Fair value at the end of the year		56,736,407	58,057,565
		56,736,407	58,057,565
		1,373,669,659	1,437,281,839



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

- 7.1** The Company's shareholders, vide a special resolution dated March 10, 2022 have resolved to invest in Fatima Energy Limited (a related party) as long term loan / advance aggregating to an amount upto Rs. 5,000 million (approved limit) out of which an aggregate amount of Rs. 934.776 million has already been invested. This amount has been converted into 93,477,616 unlisted, non-voting, non-cumulative, participatory, convertible and redeemable preference shares at par value of Rs. 10 each. These preference shares have been allotted to the Company on March 31, 2022 and April 27, 2024.

These preference shares are subject to section 83 of the Companies Act, 2017 and are redeemable at par value solely at the option of Fatima Energy Limited after 21.5 years.

For the purpose of continuing project support to Fatima Energy Limited, the Company's shareholders vide their aforementioned resolution, have authorised the Company to continue as one of the sponsors of Fatima Energy Limited to invest the balance amount upto Rs. 4,236.221 million from the approved limit by way of a sub-ordinated loan in lump sum or in parts at the rate the higher of KIBOR + 2.5% or a rate not less than the borrowing cost of the Company.

- 7.2** The fair values of ordinary and preference shares of Fatima Energy Limited have been determined by an independent valuer M/s. Zahid Jamil & Co., Chartered Accountants using financial forecasts and projections developed by Fatima Energy Limited. The fair value of Fatima Energy Limited's ordinary and preference shares as at June 30, 2024 have been determined at Rs. 7.17 (2023: Rs. 8.28) using discounted cash flows techniques.

- 7.3** Fatima Transmission Company Limited was incorporated in Pakistan on December 26, 2014 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of Fatima Transmission Company Limited includes operation and maintenance of transmission lines, electric transmission facilities, electric circuits, transformers and sub-stations and the movement and delivery of electric power. The geographical location and address of Fatima Transmission Company Limited's business unit is as under:

The registered office of Fatima Transmission Company Limited is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt, Punjab, Pakistan.

Fatima Transmission Company Limited has installed transmission line for Fatima Energy Limited plant to Muzafargarh grid station located at Sanawan, Kot Addu, Punjab, to transmit the electricity generated by Fatima Energy Limited

Summarised financial information of Fatima Transmission Company Limited, based on its unaudited / audited financial statements for the year ended June 30, 2024 and June 30, 2023 is as follows:

	<b>2024</b>	<b>2023</b>
	<b>Un-audited</b>	<b>Audited</b>
	<b>(Rupees)</b>	
<b>Summarised statement of financial position</b>		
Non-current assets	598,980	623,020
Current assets	60,718	57,255
	<b>659,698</b>	<b>680,275</b>
Non-current liabilities	78,947	131,579
Current liabilities	243,319	244,281
	<b>322,266</b>	<b>375,860</b>
<b>Net assets</b>	<b>337,432</b>	<b>304,415</b>
<b>Reconciliation to carrying amount</b>		
Opening net assets	304,415	274,017
Preference shares issued	-	-
Profit for the year	33,017	30,409
Prior year adjustment due to audited financial statements	-	(11)
Closing net assets	<b>337,432</b>	<b>304,415</b>
Company's share percentage 31.25% (2023: 31.25%)		
Company's share	-	-
<b>Summarised statement of profit or loss</b>		
Profit for the year	33,017	30,399

- 7.4** The Company's shareholders, vide a special resolution dated June 23, 2022 have approved the conversion of outstanding loans and advances of Fatima Transmission Company Limited amounting Rs. 73,397,680 into unlisted, non-voting, non-cumulative, participatory, convertible and redeemable preference shares at par value of Rs. 10 each.

These preference shares totaling 7,339,768 have been allotted to the Company on June 30, 2022.

These preference shares are redeemable at par value solely at the option of Fatima Transmission Company Limited after five years and are subject to section 83 of the Companies Act, 2017.

- 7.5** The fair value of preference shares of Fatima Transmission Company Limited has been determined by an independent valuer Zahid Jamil & Co., Chartered Accountants using financial forecasts and projections developed by Fatima Transmission Company Limited. The fair value of Fatima Transmission Company Limited shares as at June 30, 2024 has been determined at Rs. 7.91 per share using discounted cash flows techniques.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees)	2023
<b>8. DEFERRED TAX ASSET</b>			
This is composed of the following:			
Deductible temporary differences arising in respect of:			
- unabsorbed tax losses and minimum tax recoverable against normal tax charge in future years			
	8.1	666,890,657	652,818,460
- staff retirement benefits - gratuity			
		128,095,278	33,361,231
- investments in Associated Companies			
		10,781,250	7,129,280
- provision for impairment of trade debts			
		3,046,291	458,559
- provision for doubtful tax refunds			
		54,313,927	18,577,234
- lease finances - net of ROU			
		-	564,780
		863,127,403	712,909,544
Taxable temporary differences arising in respect of:			
- accelerated tax depreciation allowances			
		(2,899,999)	(405,739,737)
- Right of use assets - net of lease			
		(10,772,223)	-
		849,455,181	307,169,807

- 8.1** As at June 30, 2024, deferred tax asset amounting Rs. 404.378 million (2023: 115.088 million) on minimum tax recoverable against normal tax charge in future years has not been recognised in the financial statements on the ground of prudence. The management intends to re-assess the recognition of deferred tax asset as at June 30, 2025.

	2024 (Rupees)	2023
<b>9. STORES, SPARES AND LOOSE TOOLS</b>		
Stores including in-transit inventory valuing Rs. 56.175 million (2023: Rs. 15.578 million)		
	209,479,697	202,404,908
Spares		
	282,955,958	255,012,796
Loose tools		
	408,629	538,647
	492,844,284	457,956,351
Less: provision for obsolete items		
	(230,022)	(230,022)
	492,614,262	457,726,329

<b>10. STOCK-IN-TRADE</b>		
Raw materials including in-transit inventory valuing Rs. 734.364 million (2023: Rs. 1,415.246 million)		
	2,457,439,301	4,396,998,889
Work-in-process		
	723,917,803	577,372,169
Finished goods		
	4,347,221,718	5,074,175,126
Waste		
	123,983,939	114,370,656
	4,471,205,657	5,188,545,782
	7,652,562,761	10,162,916,840



**10.1** Stocks valuing Rs. 116.242 million (2023: Rs. 418.772 million) was in the possession of various parties for processing and finishing.

**10.2** Raw materials and finished goods inventories are pledged with various banks as security for short term finance facilities (note 26).

	Note	2024 (Rupees)	2023
<b>11. TRADE DEBTS</b>			
Export - secured		1,864,982,922	2,186,566,809
Local - unsecured and considered good		3,828,915,767	2,503,063,101
Considered doubtful		10,504,450	4,623,036
		3,839,420,217	2,507,686,137
		5,704,403,139	4,694,252,946
Less: provision for impairment	11.1	(10,504,450)	(4,623,036)
		5,693,898,689	4,689,629,910
<b>11.1 Provision for impairment</b>			
Balance at beginning of the year		4,623,036	3,912,754
Allowance for the year		10,504,450	4,623,036
Reversal during the year		(4,623,036)	(3,912,754)
		5,881,414	710,282
Balance at end of the year		10,504,450	4,623,036
<b>12. LOANS AND ADVANCES</b>			
Advances to:			
- Fatima Energy Limited	12.1	-	12,507,760
- employees		378,944,855	330,203,942
- suppliers		227,652,030	156,293,902
Due from related parties	12.2	28,227,382	24,060,079
Letters of credit		1,114,843	281,668
Margin deposits		37,319,926	43,855,492
		673,259,035	567,202,843

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

**12.1** The movement of advances made to Fatima Energy Limited is as follow:

	Note	2024 (Rupees)	2023
Opening balance		12,507,760	12,500,030
Advances made during the year		-	7,730
Expenses charged to		27,087,271	-
Less: Adjusted during the year		(39,595,031)	-
Closing balance		-	12,507,760

## 12.2 Due from related parties

Fatima Sugar Mills Limited	12.2.1	-	142,291
Reliance Commodities (Private) Limited	12.2.2	28,227,382	23,917,788
Multan Cloth Finishing Factory	12.2.3	4,406,280	4,406,280
		32,633,662	28,466,359
Provision for impairment against due from Multan Cloth Finishing Factory		(4,406,280)	(4,406,280)
		28,227,382	24,060,079

**12.2.1** The balances had arisen due to sharing of common expenses during the year .

**12.2.2** This include advance of Rs. 1.730 million (2023: 1.730 million) which carries markup at the rate of 1 month KIBOR plus 2.5% per annum. The remaining balance is against shared expenses.

**12.2.3** The balance has arisen due to sharing of expenses and on account of trading transactions.

**12.3** Maximum aggregate amounts due from related parties at any month-end during the year aggregated Rs. 82.685 million (2023: Rs. 36.454 million).

	Note	2024 (Rupees)	2023
<b>13. PREPAYMENTS AND OTHER RECEIVABLES</b>			
Accrued mark-up	13.1	23,861,446	194,429,292
Prepaid insurance		-	6,238,326
Others		25,004	1,483,490
		23,886,450	202,151,108

**13.1** This represents mark-up accrued on short term advances to Fatima Energy Limited, Reliance Commodities (Private) Limited and Fatima Transmission Company Limited. During the year, Fatima Energy Limited (FEL) offered right issue of preference shares. The Company accepted the offer and 17,099,719 preference shares have been issued to the Company on April 27, 2024 against outstanding markup receivable of Rs. 170.997 million.

	Note	2024 (Rupees)	2023
<b>14. SHORT TERM INVESTMENTS</b>			
(At fair value through other comprehensive income)			
<b>Quoted</b>			
<b>Fatima Fertilizer Company Limited</b>			
2,625,167 (2023: 2,625,167) fully paid ordinary shares of Rs.10 each at fair value	14.1	78,256,228	99,231,313
Fair value adjustment		57,254,892	(20,975,085)
Fair value at end of the year		135,511,120	78,256,228
<b>Others - Un-quoted</b>			
<b>Multan Real Estate Company (Private) Limited</b>			
428,904 (2023: 428,904) ordinary shares of Rs.100 each		263,368,501	293,799,240
Fair value adjustment	14.2	4,983,865	(30,430,739)
Fair value at end of the year		268,352,366	263,368,501
		403,863,486	341,624,729

**14.1** Fatima Fertilizer Company Limited was incorporated in Pakistan on December 24, 2003 as a public company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). FFCL is listed on Pakistan Stock Exchange.

The principal activity of Fatima Fertilizer Company Limited is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals.

Registered office of Fatima Fertilizer Company Limited is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities are located at Mukhtargarh, Sadiqabad, Khanewal Road, Chichoki Mallian, Sheikhpura Road, Pakistan.

Fatima Fertilizer Company Limited is a related party of the Company; however, considering shareholding percentage in Fatima Fertilizer Company Limited i.e. 0.13%, the Company does not have significant influence to participate in the financial and operating decisions. Accordingly, investments in Fatima Fertilizer Company Limited have not been accounted for using the equity method.

**14.2** This represents fair value gain / (loss) on shares held by the Company as at year end.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees)	
<b>15. TAX REFUNDS DUE FROM THE GOVERNMENT</b>			
Advance income tax		114,401,232	4,687,015
Prepaid final tax levy		249,147,057	317,067,567
Special excise duty		8,507,169	8,061,051
Sales tax refundable		348,388,193	928,238,796
Less: Provision made against doubtful sales tax refunds		187,289,405	187,289,405
		161,098,788	740,949,391
		533,154,246	1,070,765,024

<b>16. CASH AND BANK BALANCES</b>			
Cash-in-hand		10,135,738	9,933,146
Cash at banks on:			
Conventional:			
- current accounts	16.1	456,535,910	433,527,571
- saving accounts	16.2	1,076,690	488,579
Islamic:			
- current accounts	16.1	156,216,998	113,674,420
- saving accounts	16.2	44,620	44,620
		624,009,956	557,668,336

**16.1** Current accounts include foreign currency balance of U.S.\$ 651,807 and Euro € 57,851 (2023: U.S.\$ 1,142,392 and Euro € 54,586), which has been translated in Pak Rupees at the exchange rate ruling on the reporting date.

**16.2** Saving accounts carry profit at the rates ranging from 18.00% to 19.00% (2023: 12.25% to 19.50%) per annum.

## 17. AUTHORISED SHARE CAPITAL

2024	2023		2024	2023
(No. of share)			(Rupees)	
40,000,000	40,000,000	Ordinary shares of Rs.10 each	400,000,000	400,000,000
30,000,000	30,000,000	Preference shares of Rs.10 each	300,000,000	300,000,000
70,000,000	70,000,000		700,000,000	700,000,000

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

2024	2023		2024	2023
(No. of share)			(Rupees)	
17,801,875	17,801,875	Ordinary shares of Rs.10 each fully paid in cash	178,018,750	178,018,750
13,009,062	13,009,062	Ordinary shares of Rs.10 each issued as fully paid bonus shares	130,090,620	130,090,620
30,810,937	30,810,937		308,109,370	308,109,370

	2024	2023
	(Number)	
<b>18.1 Ordinary shares held by the related parties at the reporting date are as follows:</b>		
Reliance Commodities (Private) Limited	3	3
Fatima Trading Company (Private) Limited	281,901	281,901
Fatima Management Company Limited	281,902	281,902
Farrukh Trading Company Limited	281,902	281,902
	845,708	845,708

	Note	2024	2023
		(Rupees)	

**19. RESERVES**

Capital reserves	19.1	(160,425,382)	11,945,231
Revenue reserves	19.2	6,952,661,921	6,808,063,030
		6,792,236,539	6,820,008,261

**19.1 Composition of capital reserves:**

- Share premium	19.1.1	41,081,250	41,081,250
- Fair value loss on investments at fair value through OCI		(201,506,632)	(29,136,019)
		(160,425,382)	11,945,231

**19.1.1** This reserve can be utilised by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

	2024	2023
	(Rupees)	

**19.2 Composition of revenue reserves is as follows:**

General reserves	74,171,959	74,171,959
Unappropriated profit	6,878,489,962	6,733,891,071
	6,952,661,921	6,808,063,030

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees)	2023
<b>20. LONG TERM FINANCES - Secured</b>			
<b>Conventional banking</b>			
Pak Brunei Investment Company Limited - PBIC (SBP-REPP)	20.2	200,000,000	200,000,000
Saudi Pak Investment Company Limited - Saudi Pak (SBP - LTFF)	20.3	354,974,981	430,612,491
Saudi Pak Investment Company Limited - Saudi Pak (SBP - LTFF)	20.4	143,212,877	175,037,969
Allied Bank Limited - ABL (TF)	20.5	37,500,000	112,500,000
Allied Bank Limited - ABL (TL)	20.6	198,917,173	125,758,149
Pak Libya Holding Company (Pvt.) Limited - PLHC (TF)	20.7	10,387,618	28,571,425
Pak Libya Holding Company (Pvt.) Limited - PLHC (LTF)	20.8	100,000,000	140,000,000
Pak Libya Holding Company (Pvt.) Limited - PLHC (LTFF)	20.9	136,766,422	147,119,283
United Bank Limited - UBL (NIDF-II under LTFF scheme)	20.10	294,625,992	357,668,335
Pakistan Kuwait Investment Company (Pvt.) Limited - PKIC (LTFF-I)	20.11	449,788,867	524,748,867
Bank Al Habib Limited - BAH (TF)	20.12	2,083,164	10,415,831
The Bank of Khyber - BoK (LTFF)	20.13	464,198,747	500,000,000
Samba Bank Limited - SBL (LTFF)	20.14	235,157,325	289,424,398
Pak China Investment Company Limited - PCIC (SBP - LTFF)	20.15	244,560,295	326,080,391
Bank Al Habib Limited - BAH (LTFF)	20.16	383,909,000	383,909,000
Pakistan Kuwait Investment Company (Pvt.) Limited - PKIC (LTFF)	20.17	600,000,000	600,000,000
		<b>3,856,082,463</b>	<b>4,351,846,139</b>
<b>Islamic banking</b>			
Askari Bank Limited - Askari (DM-I)	20.18	-	25,000,000
Askari Bank Limited - Askari (DM-II)	20.19	56,250,000	93,750,000
Bank Islami Pakistan Limited (DM)	20.20	109,375,000	171,875,000
Bank of Punjab - BOP (DM)	20.21	499,996,586	499,996,587
Askari Islamic (DM)	20.22	855,747,300	855,747,300
Askari Islamic (LTFF)	20.22	534,820,000	534,820,000
		<b>2,056,188,886</b>	<b>2,181,188,887</b>
		<b>5,912,271,349</b>	<b>6,533,035,026</b>
Less: current portion	20.1	1,234,586,669	838,872,641
		<b>4,677,684,680</b>	<b>5,694,162,385</b>



	2024	2023
	(Rupees)	
<b>20.1 Current portion:</b>		
<b>From conventional banking companies / financial institutions</b>		
- Saudi Pak (SBP-LTFF)	39,781,365	31,825,092
- Saudi Pak (SBP-LTFF)	75,000,001	75,000,004
- ABL (TF)	37,500,000	75,000,000
- ABL (TL)	166,666,663	125,758,149
- PLHC (TF)	10,387,623	28,571,425
- PLHC (LTF)	40,000,000	40,000,000
- PLHC (SBP - LTFF)	20,875,550	7,916,731
- UBL (NIDF-II)	76,984,928	71,406,324
- PKIC (LTFF-I)	74,960,000	74,960,000
- PKIC (LTFF-II)	71,472,683	-
- BAHL (TF)	2,083,166	8,332,667
- SBL (SBP - LTFF)	90,445,120	54,267,075
- BoK (LTFF)	99,999,956	35,801,260
- PCIC (LTFF)	101,900,120	66,283,914
- BAHL (LTFF)	18,374,437	-
- PKIC (LTFF-II)	39,994,600	-
	966,426,213	695,122,641
<b>From islamic banking companies / financial institutions</b>		
- Askari (DM-I)	-	25,000,000
- Askari (DM-II)	56,250,000	56,250,000
- Bank Islami (DM)	62,500,000	62,500,000
- BOP (DM)	62,500,000	-
- Askari islamic (LTFF)	86,910,456	-
	268,160,456	143,750,000
	1,234,586,669	838,872,641

**20.2** These finances have been obtained against two finance facilities under SBP scheme for renewable energy (SBP - REPP) during the current financial year to finance the procurement of solar energy equipment for generation of electricity. These carry mark-up at the rate of 1-month KIBOR + 3% and 3-months KIBOR + 2.5% per annum; the effective mark-up rates during the year ranged from 23.96% to 25.43% (2023: 17.06% to 25.54%) per annum. These finances are repayable in 20 equal quarterly instalments commencing September, 2024 and are secured against existing first pari passu charge over all present and future immovable fixed assets of the Company upto Rs. 400 million and personal guarantees of all the directors of the Company.

**20.3** These finances have been obtained during the financial year ended June 30, 2019 for BMR in spinning and weaving units and are repayable in 32 quarterly instalments commenced from April, 2021. These carry mark-up at the rate of 3.50% (2023: 3.50%) per annum and are secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin.

During the financial year 2021, an amount of Rs. 580.612 million out of total finances of Rs. 600 million from Saudi Pak has been approved and refinanced by SBP under LTFF scheme against BMR in spinning

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

and weaving units eligible under the said scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP's LTFF scheme is chargeable at the rate of 3.5% per annum. These finances are secured against the securities as stated in the preceding paragraph.

Saudi Pak, vide its letter Ref. # CAD-1096/20 dated May 13, 2020, has deferred the repayments of principal instalments for one year under SBP IH & SMEFD Circular No.5 dated April 03, 2020 to dampen the effect of COVID-19. As per the revised arrangements, Saudi Pak has approved the Company's request for deferment of Saudi Pak's outstanding principal of long term finance facility of Rs. 600 million under SBP-LTFF Scheme. The Company has been allowed additional grace period in repayment of principal commenced with effect from March, 2020 till February, 2021.

- 20.4** These finances have been obtained during the financial year ended June 30, 2020 against approved limit of Rs. 225 million for BMR and expansion in spinning and weaving units and are repayable in 28 equal quarterly instalments commenced from March, 2022. These carry mark-up at the rate of 3.50% (2023: 3.50%) per annum and are secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin.

During the year 2021, the total balance of this finance facility of Rs. 222.776 million from Saudi Pak has been approved and refinanced by SBP under LTFF scheme against BMR in spinning and weaving units eligible under the said scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP's LTFF scheme is chargeable at the rate of 3.5% per annum. These finances are secured against the securities as stated in the preceding paragraph.

- 20.5** These finances have been obtained during the financial year ended June 30, 2019 for statement of financial position re-profiling and carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 22.74% to 24.22% (2023: 16.60% to 18.29%) per annum. These finances are repayable in 8 equal half-yearly instalments commenced from February, 2020 and are secured against first pari passu charge over present and future fixed assets of the Company for Rs. 400 million with 25% margin and personal guarantees of sponsoring directors of the Company.

ABL, during the financial year ended June 30, 2020 in line with SBP's BPRD Circular No. 13 of 2020, has allowed grace period of one year. Accordingly, the outstanding balance as at June 30, 2020 is repayable in 7 equal instalments commenced from August, 2021.

- 20.6** These finances have been obtained during the financial year ended 2022 to finance working capital requirement of the Company. These carry mark-up at the rate of 3-months KIBOR + 1.5% per annum; the effective mark-up rates during the year ranged from 22.99% to 24.41% (2023: 16.66% to 23.48%) per annum. These finances are repayable in 6 equal quarterly instalments commenced from December, 2021 and are secured against the securities detailed in notes 20.4 and secured against first pari passu charge over present and future fixed assets of the company for Rs. 400 million with 25% margin and personal guarantees of sponsoring directors of the Company.

- 20.7** These finances have been obtained during the financial year ended June 30, 2016 to reduce the funding gap from usage of short term debt for financing long term assets and to create cushion in existing short term working capital lines. These carry mark-up at the rate of 6-months KIBOR + 2%; the effective mark-up rates during the year ranged from 23.49% to 24.97% (2023: 17.33% to 24.97%) per annum. These finances are repayable in 10 equal half-yearly instalments commenced from December, 2017 and are secured against pari passu charge on fixed assets of the Company with 25% margin over the facility amount and personal guarantees of all sponsoring directors of the Company.

PLHC, vide its letter Ref. # PLHC-CIBD/SBP Reg.Relief-01/005-2020 dated May 11, 2020, had agreed with the Company's request and deferred the outstanding principal repayment for a period of two years. As per the revised terms, the outstanding principal balance as at June 30, 2020 is repayable in 7 equal half-yearly instalments commenced from June, 2021.

**20.8** These finances have been obtained during the financial year ended June 30, 2020 to reduce the funding gap from usage of short term debt for repayment of long term liabilities and to free-up existing usage of short term working capital lines. These carry mark-up at the rate of 6-months KIBOR + 2%; the effective mark-up rates during the year ranged from 23.21% to 24.96 (2023: 14.49% to 23.21%) per annum. These finances are repayable in 10 equal half-yearly instalments commenced from September, 2021 and are secured against first pari passu charge over present and future fixed assets of the Company with 25% margin amounting to Rs. 267 million and personal guarantees of sponsoring directors of the Company.

**20.9** These finances have been obtained during the financial year ended 2022 under SBP - LTFF scheme to finance BMR of spinning segment of the Company. These carry mark-up at the rate of 6-months KIBOR + 2.5% per annum; the effective mark-up rates during the year ranged from 5.00% to 25.59% (2023: 5.00% to 23.66%) per annum. The different tranches of these finances are repayable in 10-12 instalments commencing April, 2023 and are secured against ranking charge of Rs. 200 million over all present and future fixed assets of the Company inclusive of 25% margin and personal guarantees of sponsoring directors of the Company.

During the year 2023, balance of Rs 42.880 million has been converted into SBP-LTFF scheme. Mark-up under SBP-LTFF scheme is chargeable at the rate of 10% per annum.

**20.10** These finances have been obtained during the financial year ended June 30, 2017 to finance BMR / retirement of letters of credit established for import of air jet looms, fired generator and compressor along with allied parts. These finances carry mark-up at the rate of 6-months KIBOR + 1.50%; the effective mark-up rates during the year ranged from 5.00% to 24.47% (2023: 5.00% to 18.58%) per annum. These finances are repayable in 16 equal half-yearly instalments commenced from October, 2019 and are secured against first pari passu charge of Rs. 734 million on fixed assets of the Company with 25% margin and personal guarantees of three directors of the Company.

During the financial year ended 2021, an amount of Rs. 453.063 million out of total finances of Rs. 500.404 million from UBL has been approved and refinanced by SBP under LTFF scheme against imported textile machinery eligible under the said scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP's LTFF scheme is chargeable at the rate of 5% per annum. These finances are secured against the securities as stated in the preceding paragraph.

UBL, during the financial year ended June 30, 2020, in line with SBP's BPRD Circular No. 13 of 2020, has allowed deferment of one year for instalments aggregating Rs.16.582 million.

**20.11** These finances have been obtained for CAPEX against a finance facility of Rs. 600 million and carry mark-up at the rate of 3-months KIBOR + 1.50% per annum; these finances during the year carried mark-up at the rate of 3.5% (2023: 3.5%) per annum. These finances are repayable in 32 equal quarterly instalments commencing September, 2022 and are secured against first pari passu charge over present and future fixed assets of the Company with 25% margin and personal guarantees of three sponsoring directors of the Company.

**20.12** These finances have been obtained during the financial year ended 2021 for the retirement of import documents drawn under letter of credit sight (one off). These carry mark-up, at the rate of 6-months KIBOR + 1.25% per annum payable on quarterly basis; the effective mark-up rates during the year ranged

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

from 22.73% to 24.22% (2023: 16.73% to 18.32%) per annum. These finances are repayable in 12 equal quarterly instalments commenced from November, 2021 and are secured against pari passu charge of Rs.1,501.800 million over fixed assets of the Company.

- 20.13** These finances have been obtained during the financial year ended 2022 for retirement of letters of credit documents for import of textile machinery for BMR. These carry mark-up at the rate of 6 months KIBOR + 2% per annum; the effective mark-up rates during the year ranged from 4.00% to 17.00% (2023: 4.00% to 19.07%) per annum. The different tranches of these finances are repayable in 8-10 instalments commencing June, 2024 and are secured against first pari passu charge over all present and future fixed assets of the Company with 25% margin.

During the last financial year, total finances of Rs. 500 million has been converted into SBP-LTFF scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP-LTFF scheme is payable at SBP rate + 2% per annum. These finances are secured against the securities as stated in the preceding paragraph.

- 20.14** These finances have been obtained during the financial year ended 2022 for retirement of CAPEX related letters of credits. These carry mark-up at the rate of 1-month KIBOR + 1.50% per annum; the effective market-up rate during the year ranges from 23.20% to 24.11% (2023: 15.66% to 23.14%) per annum. These finances are repayable in 16 equal quarterly instalments commencing September, 2023 and are secured against ranking charge on plant and machinery with 25% margin, which is to be upgraded to first pari passu charge.

- 20.15** These finances have been obtained during the financial year ended 2022 to finance CAPEX requirement in the weaving segment of the Company. These carry mark-up, at the rate of 3-months KIBOR + 1.75%; the effective mark-up rate during the year ranged from 6.50% to 24.38% (2023: 6.50% to 23.87%) per annum. These finances are repayable in 16 equal quarterly instalments commencing September, 2023 and are secured against first pari passu charge over all present and future fixed assets of the Company with 25% margin and personal guarantees of sponsoring directors of the Company.

During the financial year 2022, the balance of Rs. 194.426 million of this finance facility has been converted into SBP - LTFF scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up is payable at SBP rate + 2% per annum. These finances are secured against the securities as stated in the preceding paragraph.

- 20.16** These finances have been obtained during the current financial year for retirement of import documents under sight LC for BMR / Expansion. These carry mark-up, at the rate of 6-months KIBOR + 2% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 9.00% to 25.13% (2023: 9.00% to 20.88%) per annum. These finances are repayable in 16 equal half yearly instalments commencing from December, 2024 and are secured against pari passu charge of Rs.1,501.800 million over fixed assets of the Company & duly signed and stamped promissory note(s).

During the last financial year, the balance of Rs. 41.438 million out of Rs. 383.909 million has been converted into SBP - LTFF scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up is payable at SBP rate + 2% per annum. These finances are secured against the securities as stated in the preceding paragraph.

- 20.17** These finances have been obtained during last financial year to finance the additional cost of retirement of LC for import of plant and machinery for spinning unit. These carry mark-up, at the rate of 3-months KIBOR + 1.5% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 22.41% to 25.43% (2023 17.20% to 23.64%) per annum. These finances are repayable in 20 equal



quarterly instalments commencing from May, 2024 and are secured against first pari passu charge on all present and future fixed assets of the Company with 25% margin.

**20.18** These finances have been obtained during the financial year ended June 30, 2017 to facilitate the Company with Diminishing Musharaka (sale and buy back) of machinery (warping machines, sizing machines, air jet weaving looms and power house). These carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 23.29% to 23.29% (2023: 16.32% to 23.28% ) per annum. These finances are repayable in 8 equal half-yearly instalments commenced from November, 2018 and are secured against first pari passu hypothecation charge of Rs. 267 million over all present and future fixed assets duly registered with SECP.

Askari, during the financial year ended June 30, 2020 in line with SBP's BPRD Circular No. 13 of 2020, has allowed deferment; accordingly, the outstanding balance as at June 30, 2020 is repayable in 5 equal half-yearly instalments commenced from November, 2021.

**20.19** These finances have been obtained during the financial year ended June 30, 2019 to facilitate the Company with Diminishing Musharaka (sale and buy back) of machinery (warping machines, sizing machines, air jet weaving looms and power house). These carry mark-up at the rate of 6-months KIBOR + 1.25%; the effective mark-up rates during the year ranged from 21.39% to 23.40% (2023: 16.60% to 18.32%) per annum. These finances are repayable in 8 equal half-yearly instalments and are secured against first pari passu hypothecation charge of Rs. 200 million over all present and future fixed assets duly registered with SECP with 25% margin.

Askari, during the financial year ended June 30, 2020 in line with SBP's BPRD Circular No. 13 of 2020, has allowed deferment; accordingly, the outstanding balance as at June 30, 2020 is repayable in 8 equal half-yearly instalments commenced from December, 2021.

**20.20** These finances have been obtained during the financial year ended June 30, 2020 to facilitate the Company to pay off long term conventional bank loans; the DM assets are 40 sets Japan air jet looms along with 2 gas fired generators. These carry mark-up at the rate of 3-months KIBOR + 2% per annum payable on quarterly basis; the effective mark-up rates during the year ranged from 23.99% to 24.91% (2023: 17.32% to 24.08%) per annum. These finances are repayable in 16 equal quarterly instalments commenced from April, 2022 and are secured against ranking charge created over fixed assets (land, buildings and plant & machinery) of the Company for Rs. 334 million.

**20.21** These finances have been obtained during the financial year ended 2022 against a Diminishing Musharakah finance facility of Rs. 500 million for retirement of letters of credit established for import of equipment for new spinning unit of the Company. These carry profit at the rate of 6 month KIBOR + 1.25% per annum; the effective profit rates during the year ranged from 19.20% to 24.42% (2023: 11.98% to 23.35%) per annum. These finances are repayable in 16 half-yearly instalments commencing June, 2025 and are secured against first pari passu charge of Rs. 667 million over all present and future plant and machinery of the Company with 25% margin.

**20.22** Last year the company has obtained the long term finance facility / Diminishing Musharika amounting Rs. 1,390.560 million to finance the spinning unit . It is repayable in sixteen semi-annual instalments commencing from June, 2025 . These carry profit at the rate of matching 6 month KIBOR +2.5% per annum; the effective profit rates during the year ranged from 17.50% to 25.45% (2023 17.20% to 23.64%) per annum. These finances are secured against first pari passu charge of Rs. 276 million over all present and future fixed assets of the company duly registered with SECP.

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During the year, an amount of Rs. nil (2023: Rs. 534.820 million) out of total finances of Rs. 1,390.560 million has been converted into SBP-LTFF scheme. This LTFF is repayable within the same period as stated in the preceding paragraph. Mark-up under SBP-LTFF scheme is payable at SBP rate + 2.50% per annum. These finances are secured against the securities as stated in the preceding paragraph.

	Note	2024 (Rupees)	2023
<b>21. LEASE LIABILITIES</b>			
Lease liabilities		106,546,006	154,475,708
Current portion of lease liabilities	27	(44,735,438)	(44,499,396)
		61,810,568	109,976,312

21.1 Particulars	2024				2023			
	Upto one year	From one to five year	Over five year	Total	Upto one year	From one to five year	Over five year	Total
	(Rupees)							
Minimum lease payments	61,051,622	87,665,860	11,452,858	160,170,340	66,003,821	135,263,349	19,083,814	220,350,984
Less: finance cost allocated to future periods	13,456,034	17,097,051	985,979	31,539,064	19,002,025	22,569,740	1,300,495	42,872,260
	47,595,588	70,568,809	10,466,879	128,631,276	47,001,796	112,693,609	17,783,319	177,478,724
Less: security deposits adjustable on expiry of lease terms	2,860,150	19,225,120	-	22,085,270	2,502,400	20,500,616	-	23,003,016
Present value of minimum lease payments	44,735,438	51,343,689	10,466,879	106,546,006	44,499,396	92,192,993	17,783,319	154,475,708

**21.2** The Company has entered into lease agreements with Bank Al-Habib Limited and First Habib Modaraba for lease of vehicles. The minimum lease payments have been discounted at implicit interest rates ranging from 3-months KIBOR + 1.25% to 6-months KIBOR + 1.50% (2023: 3-months KIBOR + 1.25% to 6-months KIBOR + 1.50%) to arrive at their present value; the effective interest rates during the year ranged from 8.50% to 25.68% (2023: 8.64% to 23.11%) per annum. The Company intends to exercise its option to purchase the leased vehicles upon completion of the respective lease terms. These lease finance facilities are secured against title of the leased vehicles in the name of lessors and demand promissory notes.

**21.3** Lease liabilities include lease contract of head office building having lease term of twelve years. These have been discounted using incremental borrowing rate of 9.42% per annum.

	Note	2024 (Rupees)	2023
Balance at beginning of the year		48,686,652	50,688,623
Interest expense for the year		4,586,284	4,774,868
Paid during the year		(6,776,839)	(6,776,839)
	21.4	46,496,097	48,686,652
Current portion grouped under current liabilities		(2,396,907)	(2,362,515)
Balance at end of the year		44,099,190	46,324,137

**21.4** The future minimum lease payments in respect of head office building to which the Company is committed under the lease agreement will be due as follows:

Particulars	2024				2023			
	Upto one year	From one to five year	Over five year	Total	Upto one year	From one to five year	Over five year	Total
	(Rupees)							
Minimum lease payments	6,776,839	49,335,389	11,452,858	67,565,086	6,776,839	44,659,370	19,083,814	70,520,023
Finance cost allocated to future periods	(4,379,932)	(15,703,078)	(985,979)	(21,068,989)	(4,414,324)	(16,118,552)	(1,300,495)	(21,833,371)
Present value of minimum lease payments	2,396,907	33,632,311	10,466,879	46,496,097	2,362,515	28,540,818	17,783,319	48,686,652

## 22. 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:

	2024	2023
Significant actuarial assumptions		
- discount rate	14.75%	16.25%
- expected rate of growth per annum in future salaries	13.75%	15.25%
- mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Setback 1 year	
- withdrawal rates	Age-based	Age-based
- retirement assumption	Age 60	Age 60

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2024	2023			
	(Rupees)				
<b>The movement in the present value of defined benefit obligation is as follows:</b>					
Opening balance	393,732,969	370,194,659			
Current service cost	81,106,871	73,945,805			
Interest cost	59,329,679	46,437,326			
Benefits paid	(57,254,504)	(39,448,542)			
Remeasurements - experience adjustments and actuarial valuation gain from changes in financial assumptions	(35,207,160)	(57,396,279)			
Closing balance	441,707,855	393,732,969			
<b>Expense recognised in statement of profit or loss</b>					
Current service cost	81,106,871	73,945,805			
Interest cost	59,329,679	46,437,326			
	140,436,550	120,383,131			
<b>Charge for the year has been allocated to:</b>					
- cost of sales	135,284,624	115,058,187			
- administrative expenses	5,151,926	5,324,944			
	140,436,550	120,383,131			
<b>Remeasurement recognised in other comprehensive income</b>					
Remeasurements - experience adjustments and actuarial valuation gain from changes in financial assumptions	(35,207,160)	(57,396,279)			
Comparison of present value of defined benefit obligation and experience adjustments on obligation for five years is as follows:					
	2024	2023	2022	2021	2020
	(Rupees)				
Present value of defined benefit obligation	441,707,855	393,732,969	370,194,659	281,947,690	258,431,528
Experience adjustments on obligation	(35,207,160)	(57,396,279)	29,922,866	(32,768,995)	(43,659,145)



Year-end sensitivity analysis:	Impact on defined benefit obligation		
	Change in assumption	Increase	Decrease
		(Rupees)	
Discount rate	1%	408,490,344	479,925,398
Salary growth rate	1%	480,069,886	407,817,384

**22.1** The average duration of the defined benefit obligation as at June 30, 2024 is 8 years.

**22.2** The expected contribution to defined benefit obligation for the year ending June 30, 2025 is Rs. 56.941 million.

	Note	2024	2023
		(Rupees)	
<b>23. DEFERRED LIABILITIES</b>			
Provision against Gas Infrastructure Development cess	23.1	-	4,623,445

**23.1** The Supreme Court of Pakistan (SCP), had decided the appeal against consumers upholding the vires of Gas Infrastructure Development Cess (GIDC) Act, 2015 through its judgment dated August 13, 2020. The review petition was filed against the judgment, wherein the SCP had provided some relief by increasing the time period for recovery of GIDC from 24 instalments to 48 instalments. The review application, however, was dismissed.

The Company has recorded the provision at its present value by discounting the future cash flows using four years risk free average rate of 8.04% per annum and has booked income of Rs. 31.861 million which has been adjusted against cost of sales. The current portion of GIDC has been grouped under note. 27.

	Note	2024	2023
		(Rupees)	
<b>24. TRADE AND OTHER PAYABLES</b>			
Trade creditors	24.1	2,780,984,398	4,309,521,715
Bills payable	24.2	653,084,476	914,412,230
Due to Associated Companies	24.3	95,135,835	122,630,185
Accrued expenses		533,950,386	640,254,496
Tax deducted at source		207,655,237	281,497,737
Workers' (profit) participation fund	24.4	36,168,352	24,493,223
		4,306,978,684	6,292,809,586

**24.1** This includes payable to Fatima Energy Limited amounting Rs. 204.173 million (2023: 141.529 million) against purchase of Electricity.

**24.2** These are secured against the securities as detailed in note 26.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees)	2023
<b>24.3</b>	<b>This represents amounts due to the following Associated Companies:</b>		
	- Fatima Fertilizer Company Limited	34,367,251	32,240,415
	- Fazal Cloth Mills Limited	60,768,584	90,389,770
		<b>95,135,835</b>	<b>122,630,185</b>
<b>24.4</b>	<b>Workers' (profit) participation fund</b>		
	Opening balance	24,493,223	173,674,407
	Add: interest on funds utilised in the Company's business	36 5,445,490	25,979,788
		<b>29,938,713</b>	<b>199,654,195</b>
	Less: paid to workers	-	199,654,195
		<b>29,938,713</b>	<b>-</b>
	Add: allocation for the year	6,229,639	24,493,223
	Closing balance	<b>36,168,352</b>	<b>24,493,223</b>
<b>25.</b>	<b>ACCRUED MARK-UP</b>		
	<b>Mark-up accrued on conventional finances:</b>		
	- long term finances	104,866,371	115,403,070
	- lease liabilities	4,142,064	4,884,631
	- short term borrowings	344,785,250	392,936,652
	<b>Profit accrued on islamic finances:</b>		
	- long term finances	206,981,133	176,046,875
	- short term borrowings	162,721,528	167,258,497
	<b>Others</b>		
	- advance received from Fatima Sugar Mills Limited (an Associated Company)	17,357,346	39,088,690
	- provision against Gas Infrastructure Development Cess	29,209,755	29,209,755
		<b>870,063,447</b>	<b>924,828,170</b>

	Note	2024	2023
		(Rupees)	
<b>26. SHORT TERM BORROWINGS</b>			
<b>From conventional banking companies / financial institutions</b>			
Short term finance – secured	26.1	5,264,527,502	7,159,299,570
Export finances – secured	26.2	3,176,913,086	56,875,251
<b>From islamic banking companies / financial institutions</b>			
Short term finance – secured	26.1	3,676,216,833	4,030,476,000
		12,117,657,421	11,246,650,821
Temporary bank overdrafts–unsecured	26.4	93,023,437	125,439,797
		12,210,680,858	11,372,090,618

**26.1** Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs. 26,523.000 million (2023: Rs. 20,725.132 million) and carry mark-up at the rates ranging from 16.00% to 26.64% (2023: 10.00% to 23.98%) on the outstanding balances. These facilities are expiring on various dates by February 28, 2026.

**26.2** Export finance facilities available from commercial banks aggregate Rs. 3,177.000 million (2023: Rs. 5,175.000 million), which are the sub-limits of finance facilities mentioned in note 26.1. Out of total facilities, the amount utilised aggregate Rs. 3,177.000 million (2023: Rs.56.875 million). The rates of mark-up range from 4.00% to 7.00% (2023: 2.05% to 10.00%) on the outstanding balances. These facilities are expiring on various dates by February 28, 2026.

**26.3** Out of the aggregate facilities of Rs. 2,995.620 million (2023: Rs. 3,175.000 million) for opening letters of credit and Rs. 858.750 million (2023: Rs. 795.000 million) for guarantees, which are the sub-limits of finance facilities mentioned in note 26.1, the amounts utilised as at June 30, 2024 were Rs. 1,855.189 million (2023: Rs.1,410.903 million) and Rs. 590.079 million (2023: Rs. 631.706 million) respectively. These facilities are expiring on various dates by February 28, 2026.

**26.4** These temporary bank overdrafts have arisen due to issuance of cheques for amounts in excess of balances in bank accounts.

**26.5** The aggregate facilities are secured against lien on export documents, pledge of stocks (cotton bales, yarn, polyester, viscose and fabric), charge on all present and future current assets of the Company, lien on import documents and personal guarantees of directors of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees)	
<b>27. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Long term finances	20	1,234,586,669	838,872,641
Lease liabilities	21	44,735,438	44,499,396
Provision against Gas Infrastructure Development Cess	23	191,498,973	186,875,528
		1,470,821,080	1,070,247,565

<b>28. TAXATION AND LEVIES - Net</b>			
Opening balance		545,933,474	476,368,588
Add: provision made during the year:			
Current tax		-	-
Levies	28.2	551,256,778	435,278,200
		1,097,190,252	911,646,788
Less: payments / adjustments made during the year against completed assessments		370,761,287	365,713,314
Closing balance		726,428,965	545,933,474

**28.1** Returns filed by the Company up to the tax year 2023 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

**28.2** No numeric tax rate reconciliation is presented in these financial statements as the Company is mainly liable to pay tax due under sections 4C (Super tax on high earning persons), 113 (Minimum tax on the income of certain persons) and 154 (Tax on export proceeds) of the Ordinance.

**28.3** Reconciliation of current tax charge as per tax laws for the year with current tax recognised in the statement of profit and loss is as follows:

	2024	2023
	(Rupees)	
Current tax charge as per applicable tax laws	551,256,778	435,278,200
Current tax charge under IAS - 12	-	-
Current tax charge / levy under IFRIC - 21	(551,256,778)	(435,278,200)
Difference	-	-



## 29. CONTINGENCIES AND COMMITMENTS

- 29.1** Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs. 408.850 million as at June 30, 2024 (2023: Rs. 436.177 million) and are secured against the securities mentioned in note 26.5
- 29.2** The Company is contingently liable for Rs. 1.400 million Iqra surcharge on account of non-compliance of the provisions of SRO.1140(I) 97 in respect of 1,320 bales of raw cotton imported during the year 2001. However, all the contingencies previously attached to the particular case have already been decided in favour of the Company. Since Alternate Dispute Resolution Committee's recommendations and subsequent decisions by Federal Board of Revenue were in favour of the Company, the management is confident that the liability of Iqra surcharge on account of exportation of goods so manufactured from imported cotton will positively be waived-off.
- 29.3** The Company has filed a case before the Sindh High Court (SHC) against imposition of infrastructure cess levied by the Excise and Taxation Department, Karachi (the Department) under section 9 of the Sindh Finance Act, 1994 on imports made. As per the judgment of SHC, 50% of the demand would be paid by the Company while for the remaining 50%, guarantees would be issued in favour of the Department. As per the aforesaid judgment, the Company is paying the said 50% of demand on every import made and has arranged bank guarantees from Meezan Bank Limited, Habib Bank Limited, National Bank of Pakistan, Bank Alfalah Limited and Bank Al Habib Limited favouring the Department for Rs. 17.486 million (2023: Rs.17.486 million), Rs. 20.00 million (2023: Rs. 20.00 million), Rs. 3.743 million (2023: Rs. 3.743 million), Rs. 40.00 million (2023: Rs. 40.00 million) and Rs. 100.00 million (2023: Rs. 100.00 million) respectively. The Company has challenged the said judgment before the Supreme Court of Pakistan and the legal advisors are confident that ultimately the judgment will be in favour of the Company and accordingly no provision needs to be made in the financial statements for the year ended June 30, 2024.
- 29.4** Foreign bills discounted outstanding as at June 30, 2024 aggregated 227.443 million (2023: Rs. 239.684 million).
- 29.5** Local bills discounted outstanding as at June 30, 2024 aggregated Rs. 629.463 million (2023: nil).

	2024	2023
	(Rupees)	
<b>29.6</b>		
<b>Commitments for irrevocable letters of credit:</b>		
- capital expenditure	145,572,207	50,380,018
- others	958,543,047	446,202,657
	<b>1,104,115,254</b>	<b>496,582,675</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees)	
<b>30. SALES - Net</b>			
Export	30.1	23,385,889,396	20,538,200,592
Local	30.2	21,847,873,189	15,417,405,768
Waste		985,934,381	575,198,424
		46,219,696,966	36,530,804,784
Less: Commission		418,185,346	433,620,808
		45,801,511,620	36,097,183,976
Add: Weaving, doubling and sizing income		6,114,760	9,357,055
Less: Sales tax		4,346,167,276	3,424,252,862
		41,461,459,104	32,682,288,169

**30.1** Export sales include indirect export of fabric and yarn aggregating Rs. 10.442 billion (2023: Rs. 8.862 billion).

**30.2** Local sales for the year include polyester / viscose sales aggregating Rs. 164.496 million (2023: Rs. 916.485 million).

	Note	2024	2023
		(Rupees)	
<b>31. COST OF SALES</b>			
Raw materials consumed	31.1	28,568,720,645	25,094,776,682
Stores and spares consumed		658,596,308	651,423,266
Packing materials consumed		243,829,534	172,960,215
Salaries, wages and benefits	31.2	1,840,729,646	1,570,266,826
Power and fuel		3,759,500,342	2,622,274,053
Repairs and maintenance		77,909,992	65,558,498
Depreciation	5.3	667,796,338	356,483,695
Insurance		120,854,402	57,252,979
Utilities		330,559	367,783
Others		110,390,322	101,274,344
		36,048,658,088	30,692,638,341
Adjustment of work-in-process			
Opening		577,372,169	534,761,847
Closing	10	(723,917,803)	(577,372,169)
		(146,545,634)	(42,610,322)
<b>Cost of goods manufactured</b>		35,902,112,454	30,650,028,019
Adjustment of finished goods			
Opening stock		5,188,545,782	3,604,923,516
Closing stock	10	(4,471,205,657)	(5,188,545,782)
		717,340,125	(1,583,622,266)
		36,619,452,579	29,066,405,753

		2024	2023
	Note	(Rupees)	
<b>31.1</b>	<b>Raw materials consumed</b>		
	Opening stock	4,396,998,889	3,649,120,576
	Purchases and purchase expenses	26,619,391,614	25,837,358,354
		31,016,390,503	29,486,478,930
	Less: closing stock	10 (2,457,439,301)	(4,396,998,889)
		28,558,951,202	25,089,480,041
	Cotton cess	9,769,443	5,296,641
		31.1.1 28,568,720,645	25,094,776,682

**31.1.1** Raw materials consumed include Rs. 178.137 million (2023: Rs. 777.598 million) relating to the cost of yarn, polyester and viscose sold during the year.

**31.2** Salaries, wages and benefits include Rs. 135.285 million (2023: Rs. 115.058 million) in respect of staff retirement benefits – gratuity.

		2024	2023
		(Rupees)	
<b>32.</b>	<b>DISTRIBUTION AND MARKETING EXPENSES</b>		
	Ocean freight and shipping	134,586,336	199,666,698
	Local freight	121,930,117	95,001,628
	Export development surcharge	34,552,282	29,555,593
	Forwarding and clearing expenses	70,529,529	61,892,855
	Marketing expenses	19,338,120	16,360,122
	Other expenses	4,228,076	1,306,039
		385,164,460	403,782,935

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024	2023
		(Rupees)	
<b>33. ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	33.1	247,330,649	185,583,921
Travelling and conveyance		27,376,361	22,105,170
Rent, rates and taxes		2,333,769	1,821,810
Entertainment		4,072,942	3,204,637
Utilities		6,571,088	4,610,328
Communication		7,228,132	5,818,023
Printing and stationery		5,461,439	5,138,945
Insurance		4,963,949	2,515,386
Repairs and maintenance		6,201,668	12,374,659
Vehicles' running and maintenance		43,959,431	33,841,569
Fees, subscription and periodicals		21,989,497	15,128,063
Advertisement		967,206	545,980
Auditors' remuneration:			
- statutory audit fee		2,400,000	1,850,000
- half yearly review		400,000	375,000
- certification charges		100,000	166,760
		2,900,000	2,391,760
Legal and professional charges		2,270,040	3,378,347
Depreciation on operating fixed assets	5.3	39,509,780	50,467,863
Depreciation on right of use assets	5.6	35,902,032	27,956,561
Amortisation	6	-	-
General		8,192,206	5,500,786
		467,230,189	382,383,808

**33.1** Expense for the year includes staff retirement benefits gratuity amounting Rs. 5.152 million (2023: Rs. 5.324 million).

	Note	2024	2023
		(Rupees)	
<b>34. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Dividend	34.1	11,813,247	9,188,081
Mark-up on advances to Associated Companies	34.2	429,344	347,752
Exchange fluctuation gain others - net		54,585,300	135,244,613
<b>Income from non-financial assets</b>			
Gain on disposal of operating fixed assets - net	5.7	5,547,434	12,464,252
Others		531,206	337,768
		72,906,531	157,582,466

**34.1** This represents dividend received on short term investments made in Fatima Fertilizer Company Limited



**34.2** This represents mark-up amounting Rs. 0.429 million (2023: Rs. 0.348 million) on short term loan given to Reliance Commodities (Private) Limited.

	Note	2024 (Rupees)	2023
<b>35. OTHER EXPENSES</b>			
Donations	35.1	29,007,006	39,427,531
Workers' (profit) participation fund	24.4	6,229,639	24,493,223
Provision made for impairment of Multan Cloth Finishing factory		-	4,406,280
Exchange fluctuation loss on foreign currency		10,511,584	3,987,987
Provision made for impairment of trade debts	11.1	5,881,414	710,282
		<b>51,629,643</b>	<b>73,025,303</b>

**35.1** Mian Mukhtar A. Sheikh Trust, Multan (a Charitable Institution) is administered by the following directors of the Company:

- Mr. Fawad Ahmed Mukhtar
- Mr. Faisal Ahmed Mukhtar

The Company, during the year, has donated Rs. 26.100 million (2023: Rs. 34.400 million) to this Trust.

	Note	2024 (Rupees)	2023
<b>36. FINANCE COST</b>			
<b>Mark-up on Conventional Finances</b>			
- long term finances		468,148,603	233,253,629
- lease liabilities		24,603,178	19,474,139
- short term borrowings		1,682,465,087	1,288,006,472
<b>Profit on Islamic Finances</b>			
- long term finances		370,763,729	111,201,174
- short term borrowings		1,016,184,600	612,837,942
<b>Others</b>			
Short term loans from Associated Companies		60,954,427	7,915,939
Interest on provision against Gas Infrastructure Development Cess		-	6,581,873
Interest on workers' (profit) participation fund	24.4	5,445,490	25,979,788
Bank charges and commission		263,960,515	143,650,648
		<b>3,892,525,629</b>	<b>2,448,901,604</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Note	2024 (Rupees)	2023
<b>37. MINIMUM AND FINAL TAX LEVIES</b>			
Minimum tax levy	28	231,171,938	157,221,355
Final tax levy	28	320,084,840	278,056,845
		551,256,778	435,278,200
<b>38. TAXATION</b>			
Current	28	-	-
Deferred	8	(552,495,450)	(173,019,438)
		(552,495,450)	(173,019,438)
<b>39. EARNINGS PER SHARE</b>			
There is no dilutive effect on earnings per share of the Company, which is based on:			
Profit after taxation attributable to ordinary shareholders		119,601,807	203,112,470
		<b>(No. of shares)</b>	
Weighted average number of ordinary shares in issue during the year		30,810,937	30,810,937
		<b>(Rupee)</b>	
Earnings per share - basic (Rupees)		3.88	6.59

## 40. SEGMENT INFORMATION

### 40.1 Reportable segments

The management has determined the operating segments of the Company on the basis of products being produced.

The Company's reportable segments are as follows:

- Spinning segment - production of different qualities of yarn using natural and artificial fibres.
- Weaving segment - production of different qualities of grey fabrics using yarn.

Information regarding the Company's reportable segments is presented below. Performance is measured based on segment profit before tax, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other companies that operate within these industries.

## 40.2 Information about reportable segments

	Spinning		Weaving		Total	
	2024	2023	2024	2023	2024	2023
	(Rupees)					
External revenue	15,816,478,607	8,284,236,870	25,644,980,497	24,398,051,299	41,461,459,104	32,682,288,169
Inter-segment revenue	10,502,871,379	8,641,999,187	-	-	10,502,871,379	8,641,999,187
Cost of sales	26,319,349,986 (23,481,927,515)	16,926,236,057 (15,547,101,139)	25,644,980,497 (13,137,525,064)	24,398,051,299 (13,519,304,615)	51,964,330,483 (36,619,452,579)	41,324,287,356 (29,066,405,753)
Inter-segment cost of sales	-	-	(10,502,871,379)	(8,641,999,187)	(10,502,871,379)	(8,641,999,187)
Distribution and marketing expenses	(115,560,641)	(35,865,370)	(269,603,819)	(367,917,565)	(385,164,460)	(403,782,935)
Administrative expenses	(238,522,750)	(86,048,909)	(228,707,439)	(296,334,899)	(467,230,189)	(382,383,808)
Other income	27,390,994	11,984,855	45,515,537	141,609,624	72,906,531	153,594,479
Other expenses	(34,028,395)	(39,481,782)	(17,601,248)	(29,555,534)	(51,629,643)	(69,037,316)
Finance cost	(2,464,530,991)	(1,146,085,952)	(1,427,994,638)	(1,302,815,652)	(3,892,525,628)	(2,448,901,604)
Profit before taxation, levies and share of loss of associates	12,170,688	83,637,761	106,192,446	381,733,471	118,363,135	465,371,232

**40.3** The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 4 to the financial statements. Distribution & marketing expenses, administrative expenses, other income and other expenses are allocated on the basis of actual amounts incurred / earned for the segments. Finance cost relating to long term finances is also allocated on the basis of purpose of finances for which these are obtained and finance cost relating to short term borrowings is allocated on the basis of working capital requirements of the segments. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

	2024	2023
	(Rupees)	
<b>40.4 Reconciliation of reportable segment revenues and profit</b>		
Total revenue from reportable segments	51,964,330,483	41,324,287,356
Elimination of inter-segment revenue	(10,502,871,379)	(8,641,999,187)
Sales - net	41,461,459,104	32,682,288,169
Total profit of reportable segments	118,363,136	465,371,232
Tax for the year	552,495,450	173,019,438
Levies for the year	(551,256,778)	(435,278,200)
Consolidated profit	119,601,809	203,112,470

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 40.5 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Spinning	Weaving (Rupees)	Total
<b>For the year ended June 30, 2024:</b>			
Segment assets for reportable segment			
- Operating fixed assets	9,316,473,740	5,977,812,597	15,294,286,337
- Stores, spares and loose tools	363,254,276	129,359,986	492,614,262
- Stock-in-trade	3,083,141,549	4,569,421,212	7,652,562,761
	12,762,869,565	10,676,593,795	23,439,463,360
Unallocated corporate assets			11,424,725,923
Total assets as per statement of financial position			34,864,189,283
Segment liabilities for reportable segment	8,809,023,752	7,196,491,918	16,005,515,670
Unallocated corporate liabilities			8,773,860,768
Total liabilities as per statement of financial position			24,779,376,437
<b>For the year ended June 30, 2023:</b>			
Segment assets for reportable segment			
- Operating fixed assets	4,761,944,894	5,679,715,843	10,441,660,737
- Stores, spares and loose tools	261,943,793	195,782,536	457,726,329
- Stock-in-trade	5,237,860,301	4,925,056,539	10,162,916,840
	10,261,748,988	10,800,554,918	21,062,303,906
Unallocated corporate assets			15,471,903,419
Total assets as per statement of financial position			36,534,207,325
Segment liabilities for reportable segment	10,795,386,581	7,215,542,066	18,010,928,647
Unallocated corporate liabilities			8,410,694,110
Total liabilities as per statement of financial position			26,421,622,757

## 40.6 For the purposes of monitoring segment performance and allocating resources between segments:

- operating property, plant & equipment, stock-in-trade and stores, spares & loose tools are allocated to reportable segment while all other assets are held under unallocated corporate assets; and
- long term finances, short term borrowings and lease liabilities are allocated to reportable segment and all other liabilities, i.e. staff retirement benefit - gratuity, trade & other payables, taxation and accrued mark-up are held under unallocated corporate liabilities.



	2024	2023
	(Rupees)	
<b>40.7 Gross revenue from major products and services</b>		
Fabric export sales	16,795,583,149	16,228,672,960
Yarn export sales	6,526,249,095	4,309,527,632
Waste export sales	64,057,151	-
Fabric local sales	14,628,479,263	10,426,251,173
Yarn local sales	7,047,669,688	4,084,026,417
Viscose and polyester local sales	164,496,049	916,485,233
Waste local sales	999,277,330	575,198,424
	<b>46,225,811,725</b>	<b>36,540,161,839</b>

<b>40.8 Gross revenue from major customers of segment</b>		
Spinning	8,384,802,589	7,420,113,430
Weaving	3,077,821,629	3,964,059,060
	<b>11,462,624,218</b>	<b>11,384,172,490</b>

#### 40.9 Geographical information

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

	2024	2023
	(Rupees)	
Pakistan	33,282,837,284	23,634,375,086
Asia	7,700,593,835	6,566,777,629
Europe	4,530,141,134	5,564,100,933
Africa	289,879,927	50,455,072
USA	399,805,029	724,453,119
Middle East	22,554,516	-
	<b>46,225,811,725</b>	<b>36,540,161,839</b>

**40.10** All non-current assets of the Company as at June 30, 2024 are located and operating in Pakistan.

	Spinning	Weaving (Rupees)	Total
<b>40.11 Other segment information</b>			
<b>For the year ended June 30, 2024:</b>			
Capital expenditure	5,675,484,821	1,109,079,989	6,784,564,810
Depreciation			
Cost of sales	403,829,683	263,966,655	667,796,338
Administrative expenses	40,543,442	34,868,372	75,411,814
	<b>444,373,125</b>	<b>298,835,027</b>	<b>743,208,152</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Spinning	Weaving (Rupees)	Total
<b>For the year ended June 30, 2023:</b>			
Capital expenditure	94,179,275	643,973,616	738,152,891
Depreciation			
Cost of sales	143,399,207	213,084,488	356,483,695
Administrative expenses	36,369,230	42,055,194	78,424,424
	179,768,437	255,139,682	434,908,119

	2024	2023
	(Rupees)	

## 41. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation and levies	118,363,135	465,371,232
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	707,306,119	406,951,559
Depreciation on right of use assets	35,902,032	27,956,561
Gain on disposal of fixed assets - net	(5,547,434)	(12,464,252)
Provision for impairment of trade debts	5,881,414	710,282
Staff retirement benefits - gratuity	140,436,550	120,383,131
Interest on workers' (profit) participation fund	5,445,490	25,979,788
Provision for workers' (profit) participation fund	6,229,639	24,493,223
Finance cost	3,887,080,139	2,422,921,816
	4,901,097,084	3,482,303,340
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(34,887,933)	(92,157,803)
Stock-in-trade	2,510,354,079	(2,374,110,901)
Trade debts	(1,010,150,193)	(204,790,459)
Loans and advances	(106,056,192)	40,664,222
Prepayments and other receivables	7,267,468	(6,959,326)
Tax refunds due from the Government (excluding income tax and prepaid levies)	647,324,996	2,390,898
(Decrease) / increase in trade and other payables	(1,997,506,031)	2,296,871,248
	16,346,194	(338,092,121)
<b>Cash generated from operations</b>	<b>4,917,443,278</b>	<b>3,144,211,219</b>

	2024	2023
	(Rupees)	
<b>42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES</b>		
<b>Financial assets</b>		
<b>At fair value through other comprehensive income</b>		
Short term investments	403,863,486	341,624,729
<b>At amortised cost</b>		
Long term deposits	29,719,180	29,719,180
Trade debts	5,693,898,689	4,689,629,910
Loans and advances	672,144,192	566,921,175
Other receivables	23,886,450	202,151,108
Bank balances	613,874,218	547,735,190
	<b>7,033,522,729</b>	<b>6,036,156,562</b>
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Long term finances	5,912,271,349	6,533,035,026
Deferred liabilities	191,498,973	191,498,973
Lease liabilities	106,546,006	154,475,708
Trade and other payables	4,063,155,095	5,986,818,626
Unclaimed dividends	13,200,300	13,218,233
Accrued mark-up	870,063,447	924,828,170
Short term borrowings	12,117,657,421	11,246,650,821
	<b>23,274,392,591</b>	<b>25,050,525,557</b>

#### 42.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate 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.

#### 42.2 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## (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 import of plant & machinery, raw materials and stores & spares denominated in U.S. Dollar, JPY, Euro, CHF and AED. The Company's exposure to foreign currency risk for U.S. Dollar, JPY, Euro, CHF and AED is as follows:

	Rupess	U.S. \$	Euro	JPY	CHF
<b>2024</b>					
Trade debts	1,864,982,922	6,302,784	1,689,429	-	-
Bank balances	198,506,092	651,807	57,851	-	-
Short term export borrowings	(3,176,913,086)	11,403,678	-	-	-
Bills payable	(653,084,476)	(6,095,207)	(189,239)	(4,299,880)	(406,030)
Gross statement of financial position exposure	(1,766,508,548)	12,263,062	1,558,041	(4,299,880)	(406,030)
Outstanding letters of credit	(1,104,115,254)	(3,600,992)	(167,084)	(3,350,400)	(255,733)
Net exposure	(2,870,623,802)	8,662,070	1,390,957	(7,650,280)	(661,763)
<b>2023</b>					
Trade debts	2,186,566,809	7,430,003	1,417,641	-	-
Bank balances	344,009,850	1,142,392	54,586	-	-
Short term export borrowings	(56,875,251)	198,449	-	-	-
Bills payable	(914,412,230)	(3,170,049)	-	-	-
Gross statement of financial position exposure	1,559,289,178	5,600,795	1,472,227	-	-
Outstanding letters of credit	(496,582,675)	(1,554,172)	-	(10,405,800)	(92,100)
Net exposure	1,062,706,503	4,046,623	1,472,227	(10,405,800)	(92,100)

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2024	2023	2024	2023
U.S. \$ to Rupee	283.24	286.60	278.80 / 278.30	287.10 / 286.60
Euro to Rupee	306.38	313.30	298.41 / 297.88	314.27 / 313.72
JPY to Rupee	1.90	2.00	1.7305 / 1.7274	2.0013 / 1.9978
CHF to Rupee	319.41	320.39	309.71 / 309.16	320.90 / 320.34

## Sensitivity analysis

At June 30, 2024, if Rupee had strengthened by 10% against U.S. Dollar, Euro, CHF and JPY with all other variables held constant, profit for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of financial assets and liabilities.



**Effect on profit for the year:**

	2024	2023
	(Rupees)	
U.S.\$ to Rupee	241,065,408	116,178,551
Euro to Rupee	46,410,932	46,267,678
CHF to Rupee	(20,495,462)	(18,400)
JPY to Rupee	(1,323,881)	(81,779,182)

**(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 mark-up rate profile of the Company's mark-up bearing financial instruments is as follows:

	2024	2023	2024	2023
	Effective mark-up rate		Carrying amount	
	%	%	(Rupees)	
<b>Financial liabilities</b>				
<b>Fixed rate instruments</b>				
<b>Long term finances</b>	3.50% to 17.00%	2.00% to 17.00%	1,826,334,399	2,986,807,179
<b>Variable rate instruments</b>				
<b>Long term finances</b>	6.50% to 25.59%	2.00% to 25.54%	4,085,936,950	3,546,227,847
<b>Lease liabilities</b>	8.50% to 25.68%	8.64% to 17.39%	106,546,006	154,475,708
<b>Short term borrowings</b>	13.14% to 25.69%	10.00% to 23.98%	9,033,767,772	11,189,775,570
<b>Short term export finances</b>	4.00% to 10.00%	2.05% to 10.00%	3,176,913,086	56,875,251

**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 mark-up rate at the reporting date would not affect profit or loss of the Company.

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

At June 30, 2024, if mark-up rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation and levies for the year would have been Rs. 164.032 million (2023: Rs. 149.817 million) lower / higher, mainly as a result of higher / lower mark-up expense on variable rate financial liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

The sensitivity analysis prepared is not necessarily indicative of the effects on profit before taxation for the year and liabilities of the Company.

(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. Price risk arises from the Company's investments in ordinary shares of listed companies. To manage the price risk arising from the aforesaid investments, the Company actively monitors the key factors that affect stock price movement.

**Sensitivity analysis**

A 10% increase / decrease in share prices at the year-end would have increased / decreased the unrealised gain on remeasurement of short term investments at fair value through other comprehensive income as follows:

	2024	2023
	(Rupees)	
Effect on equity	6,223,876	75,213,154

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / equity and assets of the Company.

**42.3 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, short term investments 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. Sales tenders and credit terms are approved by the tender approval committee. Where considered necessary, advance payments are obtained from certain parties. Export sales made to major customers are secured through letters of credit and contracts. The management has set a maximum credit period of 30 days in respect of yarn and fabric parties to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

All investing transactions are settled / paid for upon delivery as per the advice of investment committee. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits.

### Exposure to credit risk

The maximum exposure to credit risk as at June 30, 2024 along with comparative is tabulated below:

	2024	2023
	(Rupees)	
Long term deposits	29,719,180	29,719,180
Trade debts	5,693,898,689	4,689,629,910
Loans and advances	264,971,955	200,149,394
Other receivables	23,886,450	202,151,108
Short term investments	135,511,120	78,256,228
Bank balances	613,874,218	547,735,189
	<b>6,761,861,612</b>	<b>5,747,641,009</b>

Trade debts exposure by geographic region is as follows:

Domestic	3,828,915,767	2,503,063,101
Export	1,864,982,922	2,186,566,809
	<b>5,693,898,689</b>	<b>4,689,629,910</b>

The maximum exposure to credit risk before any credit enhancements for trade debts at the reporting date by type of counterparty was:

	2024	2023
	(Rupees)	
Fabric customers against:		
- export sales	1,823,202,181	2,186,566,809
- local sales	1,654,747,821	1,074,019,434
Yarn customers against:		
- export sales	41,780,741	-
- local sales	2,174,167,946	1,429,043,667
	<b>5,693,898,689</b>	<b>4,689,629,910</b>

The majority of export debts of the Company are situated in Asia, Europe and USA.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

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

	2024	2023
	(Rupees)	
Neither past due nor impaired	4,219,419,565	3,800,685,514
Past due 0-30 days	-	486,530,608
Past due 31-150 days	1,426,133,007	228,814,415
Past due 151-360 days	34,182,954	173,599,373
Past due 360 days	14,163,163	-
	<b>5,693,898,689</b>	<b>4,689,629,910</b>

Export debtors are secured against letters of credit and contracts whereas local debtors are unsecured and considered good. Management assesses the credit quality of local customers taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

The Company always measures the provision for impairment of trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised loss allowance amounting Rs. 10.504 million as at June 30, 2024 (2023: Rs. 4.623 million).

Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade debts as majority of trade debts have been realized subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

Out of total trade debts, 32.75% (2023: 47.00%) comprise of foreign debtors that are secured against letters of credit and contracts. Local trade debts include customers with very good credit history and are regular in their payments. The management continuously monitors the repayment capacity and intention of their debtors and extends the credit periods to their customers according to their credit history.

## Bank balances

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



	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees)	
Bank Alfalah Ltd.	A1+	AAA	PACRA	158,065,625	114,065,999
Al-Baraka Bank (Pakistan) Ltd.	A-1	A+	JCR-VIS	13,319,728	30,036,581
Habib Bank Ltd.	A-1+	AAA	JCR-VIS	278,606	87,808,493
JS Bank Ltd.	A1+	AA	PACRA	7,673,246	408,011
Meezan Bank Ltd.	A-1+	AAA	JCR-VIS	53,858,021	25,792,220
Standard Chartered Bank (Pakistan) Ltd.	A1+	AAA	PACRA	-	1,045
Askari Bank Ltd.	A1+	AA+	PACRA	57,664,140	10,588,350
Faysal Bank Ltd.	A1+	AA	PACRA	42,343	42,343
Dubai Islamic Bank Pakistan Ltd.	A-1+	AA	JCR-VIS	1,331,390	19,361,552
Bank Makramah Ltd. (Formerly: Summit Bank Ltd.)		Under review	JCR-VIS	166,125	166,125
Bank Islami Pakistan Ltd.	A1	AA-	PACRA	85,497,684	117,793,792
Bank Al Habib Ltd.	A1+	AAA	PACRA	47,397,757	128,021,918
MCB Bank Ltd.	A1+	AAA	PACRA	272,459	129,007
National Bank of Pakistan	A-1+	AAA	JCR-VIS	7,257,890	131,135
Sindh Bank Ltd.	A-1	AA-	JCR-VIS	59,993	59,993
United Bank Ltd.	A-1+	AAA	JCR-VIS	6,386,582	2,125,818
The Bank of Punjab	A1+	AA+	PACRA	164,456,510	2,096,347
The Bank Of Khyber	A1	A+	PACRA	4,133,263	4,252,672
Allied Bank Limited	A1+	AAA	PACRA	1,159,065	-
CDC Dividend Account				4,853,791	4,853,789
				613,874,218	547,735,190

#### 42.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 Years and above
	(Rupees)				
<b>2024</b>					
Long term finances	5,912,271,349	7,035,172,154	1,496,865,229	4,837,637,087	700,669,838
Deferred liabilities	191,498,973	191,498,973	191,498,973	-	-
Lease liabilities	106,546,006	138,085,070	58,191,472	68,440,740	11,452,858
Trade and other payables	4,063,155,095	4,063,155,095	4,063,155,095	-	-
Unclaimed dividends	13,200a300	13,200,300	13,200,300	-	-
Accrued mark-up	870,063,447	870,063,447	870,063,447	-	-
Short term borrowings	12,117,657,421	9,141,709,799	9,141,709,799	-	-
	23,274,392,591	21,452,884,838	15,834,684,315	4,906,077,827	712,122,696

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years	5 Years and above
(Rupees)					
<b>2023</b>					
Long term finances	6,533,035,026	7,539,677,406	1,187,808,389	5,280,071,656	1,071,797,361
Deferred liabilities	191,498,973	191,498,973	186,875,528	4,623,445	-
Lease liabilities	154,475,708	197,347,968	63,501,421	114,762,733	19,083,814
Trade and other payables	5,986,818,626	5,986,818,626	5,986,818,626	-	-
Unclaimed dividends	13,218,233	13,218,233	13,218,233	-	-
Accrued mark-up	924,828,170	924,828,170	924,828,170	-	-
Short term borrowings	11,246,650,823	9,174,126,159	9,174,126,159	-	-
	25,050,525,559	24,027,515,535	17,537,176,526	5,399,457,834	1,090,881,175

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

## 42.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. At June 30, 2024, the carrying values of all financial assets and liabilities as disclosed in the statement of financial position approximate to their fair values.

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 price) 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).

Fair values of financial assets that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques used by the Company include discounted cash flow model. Assumptions and inputs used in valuation techniques include risk-free rates, equity prices and foreign currency exchange rates. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the statement of financial position date that would have been determined by market participants acting at arm's length.

Valuation models for valuing securities for which there is no active market requires significant unobservable inputs and a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued and selection of appropriate discount rates, etc.

The table below analyses equity and debt instruments measured at fair value through other comprehensive income at the end of reporting period in the fair value hierarchy into which the fair value measurement is categorised:

	2024	2023
	(Rupees)	
Long term investments at fair value through other comprehensive income:		
- equity investment under level 3	1,373,669,659	1,437,281,839
Short term investments at fair value through other comprehensive income:		
- equity investment under level 1	135,511,120	78,256,228
- equity investment under level 3	268,352,366	263,368,501
Revalued amount of Land	3,240,037,400	3,168,225,000

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.

#### 43. CAPITAL MANAGEMENT

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

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders.

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

The debt-to-equity ratios as at June 30, were as follows:

	2024	2023
	(Rupees)	
Total debt	18,420,997,186	18,251,100,325
Total equity and debt	28,505,810,032	28,363,684,893
Debt-to-equity ratio	65%	64%

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

	2024	2023
	(Rupees)	
<b>44. REMUNERATION OF CEO, DIRECTORS AND EXECUTIVES</b>		
Key Executives		
Managerial remuneration	119,523,420	82,396,862
House rent allowance	23,904,660	16,255,370
Medical	11,952,372	8,127,667
Utilities and other allowances	8,131,628	15,535,057
Bonus	186,376,700	-
	<b>349,888,780</b>	<b>122,314,956</b>
Number of persons	59	50

**44.1** The Company provides its CEO, directors and key executives with free use of maintained cars.

**44.2** No remuneration has been paid to CEO or any director during the year except for the meeting fee of Rs. 720 thousand (2023: Rs. 1,120 thousand) paid to two (2023: two) independent directors.

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

	Liabilities				Total
	Long term finances	Lease finances	Short term borrowings	Dividend	
	(Rupees)				
<b>Balance as at June 30, 2022</b>	4,221,343,307	91,068,683	8,707,411,343	11,502,157	13,031,325,490
Changes from financing activities					
Finances obtained	3,184,263,668	-	-	-	3,184,263,668
Finances repaid	(872,571,949)	-	-	-	(872,571,949)
Finances obtained - net of repayments	-	63,407,025	2,664,679,275	-	2,728,086,300
Dividend declared	-	-	-	123,243,748	123,243,748
Dividend paid	-	-	-	(121,527,672)	(121,527,672)
	2,311,691,719	63,407,025	2,664,679,275	1,716,076	5,041,494,095
<b>Balance as at June 30, 2023</b>	6,533,035,026	154,475,708	11,372,090,618	13,218,233	18,072,819,585
Changes from financing activities					
Finances obtained	200,000,000	-	-	-	200,000,000
Finances repaid	(820,763,677)	-	-	-	(820,763,677)
Finances obtained - net of repayments	-	(47,929,702)	838,590,240	-	790,660,538
Dividend declared	-	-	-	-	-
Dividend paid	-	-	-	(17,933)	(17,933)
	(620,763,677)	(47,929,702)	838,590,240	(17,933)	169,878,928
<b>Balance as at June 30, 2024</b>	<b>5,912,271,349</b>	<b>106,546,006</b>	<b>12,210,680,858</b>	<b>13,200,300</b>	<b>18,242,698,513</b>



#### 46. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings and key management personnel. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of the key management personnel is disclosed in note 44. Other significant transactions with related parties are as follows:

Description of transaction	Nature of relationship	2024	2023
		(Rupees)	
<b>Fazal Cloth Mills Ltd.</b>	Associate		
Purchase of goods and services		472,612,876	443,716,411
Sales of good & services		74,958,202	4,789,620
Funds paid		503,596,608	359,144,466
Funds received		76,320,748	4,789,620
<b>Reliance Commodities (Pvt.) Ltd.</b>	Associate		
Mark-up income		429,344	347,751
Expenses charged to		4,309,594	-
<b>Fatima Sugar Mills Ltd.</b>	Associate		
Mark-up expense		60,954,427	7,915,938
Advances received		300,000,000	554,100,000
Advances repaid		300,000,000	560,000,000
Expenses charged by		7,206,952	5,479,009
Expenses charged to		53,650,433	6,208,495
<b>Fatima Energy Ltd.</b>	Related party		
Preference Shares subscribed		170,997,190	-
Expenses charged by		27,087,271	7,730
Funds paid		2,028,355,135	1,745,343,575
Purchases		2,130,594,563	1,886,872,492
<b>Mian Mukhtar A. Sheikh</b>	Associate		
Trust, Multan			
Donations made		26,100,000	34,400,000
Funds paid		-	22,076
Expense charged to		-	22,076
Expense charged by		22,426	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

Description of transaction	Nature of relationship	2024 (Rupees)	2023
<b>Fatima Fertilizer Company Ltd.</b>	Related party *		
Dividend income		11,813,247	9,188,081
Expenses charged to		-	10,285,589
Expense charged by		2,126,836	2,672,758
<b>Pakarab Fertilizers Ltd.</b>	Related party *		
Expense charged by		-	22,296
Funds received		-	22,296

**46.1** All transactions with related parties have been carried-out on commercial terms and conditions.

\* These are related parties due to common directorship.

	2024 (Rupees)	2023
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## 47. CAPACITY AND PRODUCTION

### Unit 1 (Weaving)

Number of looms installed	-	107
Capacity after conversion into 50 picks - Meters	-	6,356,311
Actual production of fabrics after conversion into 50 picks - Meters	-	5,669,288

### Unit 2 (Weaving)

Number of looms installed	180	180
Capacity after conversion into 50 picks - Meters	50,834,219	50,024,767
Actual production of fabrics after conversion into 50 picks - Meters	46,384,299	45,352,509

### Unit 5 (Weaving)

Number of looms installed	302	310
Capacity after conversion into 50 picks - Meters	75,715,146	70,968,768
Actual production of fabrics after conversion into 50 picks - Meters	69,785,440	64,329,442

Unit 1's looms were operational until October 26, 2022. Afterward, all the looms were shifted to units 2 and 5.

	2024	2023
	(Rupees)	
<b>Under utilisation of available weaving capacity was due to:</b>		
- Electricity shut downs		
- Change of articles required		
- Width loss due to specification of the cloth		
- Due to normal maintenance		
<b>Unit 3 (Spinning)</b>		
Number of spindles installed	18,240	18,096
Capacity after conversion into 20 count - Kgs	4,913,156	4,874,367
Actual production of yarn after conversion into 20 count - Kgs	3,400,967	4,511,846
<b>Unit 4 (Spinning)</b>		
Number of spindles installed	47,520	47,520
Capacity after conversion into 20 count - Kgs	14,677,912	14,677,912
Actual production of yarn after conversion into 20 count - Kgs	13,611,151	13,904,556
<b>Unit 6 (Spinning)</b>		
Number of spindles installed	25,536	-
Capacity after conversion into 20 count - Kgs	8,676,277	-
Actual production of yarn after conversion into 20 count - Kgs	8,332,265	-
<b>Under utilisation of available spinning capacity was due to:</b>		
- Electricity shut downs		
- Processing mix of coarser and finer counts		
- Due to normal maintenance		
	2024	2023
	(Number)	
<b>48. NUMBER OF EMPLOYEES</b>		
Number of persons employed as at June 30,		
- permanent	2,542	2,145
- contractual	257	353
	2,799	2,498
Average number of employees during the year		
- permanent	2,465	2,145
- contractual	237	291
	2,702	2,436

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

## 49. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 30, 2024 by the board of directors of the Company.

## 50. FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these financial statements, except as disclosed in note 4.23. Further, certain figures have been re-arranged in note number 16, 20, 25, 26 34, 35 and 36 in relation to ammendments in fourth schedule of Companies Act, 2017. Following major reclassification of 2023 balance has been made during the year:

Decription	Previous	Current	Balance (Rs.)
Exchange fluctuation loss on Foreign Currency	Other income	Other expenses	3,987,987

  
Chief Executive

  
Director

  
Chief Financial Officer



# OTHERS & LEGAL FORMS

# E-VOTING

## E-Voting as per the Companies (E-Voting) Regulations, 2016

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Reliance Weaving Mills Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per Register Folio No. /CDC Account No. \_\_\_\_\_ hereby opt for E-Voting through intermediary and hereby consent the appointment of execution officer \_\_\_\_\_ as proxy and will exercise E-Voting as per the Companies (E-Voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is \_\_\_\_\_. Please send login details, password and other requirements through email.

Signed under my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Signature of Member

Signed in the presence of:

Signature of Witness

Name: \_\_\_\_\_

CNIC/Passport No: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of Witness

Name: \_\_\_\_\_

CNIC/Passport No: \_\_\_\_\_

Address: \_\_\_\_\_

## E-voting برطابق کمپنیز (E-voting) ریگولیشنز، 2016

میں/ہم، \_\_\_\_\_ آف \_\_\_\_\_ بحیثیت ممبر ریلائنس ویونگ ملز لمیٹڈ حامل \_\_\_\_\_ عام شیئرز رجسٹرڈ فولیو نمبر / CDC اکاؤنٹ نمبر \_\_\_\_\_ دوسرے شخص کے ذریعے E-voting کی آپشن اختیار کرتا ہوں اور اس پر عمل کے لئے \_\_\_\_\_ کو بحیثیت پر کسی Execution آفیسر مقرر کرنے پر رضامندی ظاہر کرتا ہوں کہ وہ کمپنی۔ 2016ء کے قواعد کے تحت E-voting میں حصہ لے گا اور میں/ہم قرارداد کیلئے انتخاب کا مطالبہ کرتا ہوں/کرتے ہیں۔

میرا محفوظ کردہ E-mail ایڈریس \_\_\_\_\_ ہے۔

برائے مہربانی مجھے/ہمیں Login تفصیلات، Password اور دیگر مطلوبہ معلومات بذریعہ E-mail ارسال کریں۔

میرے/ہمارے دستخط \_\_\_\_\_ مورخہ \_\_\_\_\_ سال \_\_\_\_\_

ممبر کے دستخط

گواہ کے دستخط

گواہ کے دستخط

نام \_\_\_\_\_

CNIC / پاسپورٹ نمبر \_\_\_\_\_

ایڈریس \_\_\_\_\_

نام \_\_\_\_\_

CNIC / پاسپورٹ نمبر \_\_\_\_\_

ایڈریس \_\_\_\_\_

# PATTERN OF SHAREHOLDING

As at June 30, 2024

No. of Shareholders	From	To	Shares Held
180	1	100	5,688
632	101	500	144,465
464	501	1000	406,667
145	1001	5000	324,629
29	5001	10000	225,214
13	10001	15000	162,558
5	15001	20000	89,703
3	20001	25000	72,750
5	25001	30000	138,410
3	35001	40000	112,625
1	40001	45000	45,000
2	45001	50000	95,000
3	50001	55000	164,182
1	60001	65000	62,000
1	80001	85000	84,935
2	95001	100000	196,983
1	100001	105000	103,891
1	110001	115000	112,500
1	115001	120000	115,625
1	140001	145000	140,625
1	150001	155000	153,393
1	195001	200000	200,000
1	205001	210000	209,142
1	225001	230000	225,949
3	280001	285000	845,705
1	590001	595000	592,645
1	2125001	2130000	2,128,310
1	7850001	7855000	7,854,550
1	7885001	7890000	7,886,071
1	7910001	7915000	7,911,722
<b>1505</b>			<b>30,810,937</b>

# PATTERN OF SHAREHOLDING

As at June 30, 2024

## Category - Wise

Categories of Shareholders	Number of Shares	Percentage
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>		
MR. FAZAL AHMED SHEIKH	7,925,722	25.72
MR. FAISAL AHMED	7,886,071	25.60
MR. FAWAD AHMED MUKHTAR	7,854,550	25.49
MRS. FATIMA FAZAL	140,625	0.46
MRS. AMBREEN FAWAD	115,625	0.38
MRS. FARAH FAISAL	112,500	0.37
MR. MUHAMMAD MUKHTAR SHEIKH	2,503	0.01
MR. MUHAMMAD FAZEEL MUKHTAR	2,500	0.01
MR. IMRAN BASHIR	500	0.00
MR. ABBAS MUKHTAR	1	0.00
MR. SHOAIB AHMAD KHAN	1	0.00
	<b>24,040,598</b>	<b>78.03</b>
<b>Associated companies, undertakings and related parties</b>		
RELIANCE COMMODITIES (PVT) LTD	3	0.00
FATIMA MANAGEMENT COMPANY LIMITED	281,902	0.91
FARRUKH TRADING COMPANY LIMITED	281,902	0.91
FATIMA TRADING COMPANY (PVT.) LIMITED	281,901	0.91
	<b>845,708</b>	<b>2.74</b>
<b>NIT &amp; ICP</b>		
INVESTMENT CORP. OF PAKISTAN	1,460	0.00
	<b>1</b>	<b>0.00</b>
<b>Banks Development Financial Institutions, Non Banking Financial Financial Institutions.</b>		
NATIONAL DEVELOPMENT FINANCE	984	0.00
NATIONAL BANK OF PAKISTAN	276	0.00
NATIONAL BANK OF PAKISTAN	333	0.00
	<b>1,593</b>	<b>0.01</b>
<b>Modarabas and Mutual Funds</b>		
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	592,645	1.92
	<b>592,645</b>	<b>1.92</b>
<b>General Public Local</b>		
	5,027,401	16.31
	<b>5,027,401</b>	<b>16.31</b>



# PATTERN OF SHAREHOLDING

As at June 30, 2024

## Others

M/S PYRAMID INVESTMENT(PVT)LTD	3,900	0.01
KARACHI,LAHORE STOCK EXCHANGES	2	0.00
PRUDENTIAL SECURITIES LIMITED	400	0.00
Y.S. SECURITIES & SERVICES (PVT) LTD.	555	0.00
PREMIER FASHIONS (PVT) LTD	84,935	0.28
SIZA (PRIVATE) LIMITED	27,500	0.09
FAZAL HOLDINGS (PVT.) LIMITED	24,250	0.08
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	54,182	0.18
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1,901	0.01
S.H. BUKHARI SECURITIES (PVT) LIMITED	150	0.00
PYRAMID INVESTMENTS (PVT) LTD.	2,850	0.01
BEGUM AISHA AHMED AND LATIF BAWANY FOUNDATION	23,500	0.08
GHULAMAN-E-ABBAS EDUCATIONAL AND MEDICAL TRUST	900	0.00
MUHAMMAD AHMAD NADEEM SECURITIES (SMC-PVT.) LIMITED	13,000	0.04
TOPLINE SECURITIES LIMITED - MF	62,000	0.20
FIKREES (PRIVATE) LIMITED	1,500	0.00
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	7	0.00
	<b>301,532</b>	<b>0.98</b>
<b>Total</b>	<b>30,810,937</b>	<b>100.00</b>

# PATTERN OF SHAREHOLDING

As at June 30, 2024

Categories of Shareholders	Shares Held	Percentage
<b>Directors and their spouse(s) and minor children</b>		
MR. FAZAL AHMED SHEIKH	7,925,722	25.72
MR. FAISAL AHMED	7,886,071	25.60
MR. FAWAD AHMED MUKHTAR	7,854,550	25.49
MRS. FATIMA FAZAL	140,625	0.46
MRS. AMBREEN FAWAD	115,625	0.38
MRS. FARAH FAISAL	112,500	0.37
MR. MUHAMMAD MUKHTAR SHEIKH	2,503	0.01
MR. MUHAMMAD FAZEEL MUKHTAR	2,500	0.01
MR. IMRAN BASHIR	500	0.00
MR. ABBAS MUKHTAR	1	0.00
MR. SHOAIB AHMAD KHAN	1	0.00
<b>Associated Companies, undertakings and related parties</b>	845,708	2.74
<b>NIT &amp; ICP</b>	1,460	0.00
<b>Banks Development Financial Institutions, Non Banking Financial Financial Institutions.</b>	1,593	0.01
<b>Insurance Companies</b>	-	-
<b>Modarabas and Mutual Funds</b>	592,645	1.92
<b>General Public</b>		
A. LOCAL	5,027,401	16.31
B. FOREIGN	-	-
FOREIGN COMPANIES	-	-
OTHERS	301,532	0.98
<b>Totals</b>	<b>30,810,937</b>	<b>100.00</b>

Shareholders holding 10% or more	Shares Held	Percentage
FAZAL AHMED SHEIKH	7,925,722	25.72
FAISAL AHMED	7,886,071	25.60
FAWAD AHMED MUKHTAR	7,854,550	25.49

# FORM OF PROXY

## 34<sup>th</sup> Annual General Meeting

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Reliance Weaving Mills Limited hold \_\_\_\_\_

Ordinary Shares hereby appoint Mr. / Mrs. / Miss \_\_\_\_\_

of \_\_\_\_\_ or falling him / her \_\_\_\_\_

of \_\_\_\_\_ as my / our proxy in my / our absence to attend and vote for me / us and on my / our

behalf at the 34<sup>th</sup> Annual General Meeting of the Company to be held at Company's Registered Office, 2<sup>nd</sup> Floor, Trust Plaza,

LMQ Road, Multan, on Monday, October 28, 2024 at 3:00 p.m. and / or any adjournment thereof.

As witness my/our hand/seal this \_\_\_\_\_ 2024.

Signed by \_\_\_\_\_

in the presence of \_\_\_\_\_

Signatures \_\_\_\_\_

Signatures \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on  
Fifty Rupees  
Revenue Stamp

The signature should  
agree with the  
specimen registered  
with the Company

### Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office at 2<sup>nd</sup> Floor, Trust Plaza, LMQ Road, Multan, not later than 48 hours before the time for the meeting and must be duly stamped, signed and witnessed.
2. Any individual beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his / her CNIC or Passport, to prove his / her identity, and in case of proxy must enclose an attested copy of his / her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

In addition to the above, the following requirements have to be met:

- (i) Attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (ii) The proxy shall produce his original CNIC or original Passport at the time of the meeting.
- (iii) In case of a corporate entity, the Board of Directors Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form to the Company).

میں / ہم \_\_\_\_\_  
 ساکن \_\_\_\_\_ بطور ممبر (ز) ریلائسنس ویونگ ملز لمیٹڈ  
 حامل \_\_\_\_\_ عام حصص، محترم / محترمہ  
 ساکن \_\_\_\_\_ یا ان کے حاضر نہ ہو سکنے کی صورت میں  
 ساکن \_\_\_\_\_ کو اپنے/ہمارے ایما، پر کمپنی کے مورخہ 28 اکتوبر 2024  
 بروز پیر 03:00 بجے کمپنی کے رجسٹرڈ آفس سیکنڈ فلور ٹرسٹ بلازہ ایل ایم کیور وڈ ملتان میں ہونے والے 34 واں سالانہ عمومی اجلاس میں شرکت کرنے اور حق رائے  
 دہی استعمال کرنے کیلئے اپنا/ہمارا بطور نمائندہ (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ آج \_\_\_\_\_ بتاریخ \_\_\_\_\_ اکتوبر 2024 \_\_\_\_\_ کی موجودگی میں دستخط ہوئے۔

پچاس روپے کے رسیدی  
 ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط  
 کے نمونے سے مشابہت ہونا لازمی ہے

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر
	شرکت دار کی شناخت اکاؤنٹ نمبر

### اہم نکات:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم مینٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر دوسری منزل ٹرسٹ بلازہ ایل ایم کیور وڈ ملتان میں موصول ہو جانا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کرتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراکسی کا عدم قرار دیئے جائیں گے۔
- 3- سی ڈی سی اکاؤنٹ رکھنے والے/کارپوریٹ ادارے مزید برآں درج ذیل شرائط کو پورا کریں گے۔
  - (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
  - (ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ مینٹنگ کے وقت دکھانا ہوگا۔
  - (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔







- 📍 2<sup>nd</sup> Floor, Trust Plaza, LMQ Road, Multan
- 📞 Ph: +92 61 450 9700. 450 9749
- 📠 Fax: +92 61 458 4288, 451 1267
- ✉ Email: [waheed.mushtaq@fatima-group.com](mailto:waheed.mushtaq@fatima-group.com)