



NAGINA GROUP

Annual
Report
2024



ELLCOT SPINNING MILLS LIMITED

An ISO 9001:2015 Certified Company

CONTENTS

Company Information	02
Notice of Annual General Meeting	03
Vision and Mission Statement	10
Chairman Review Report	11
Directors' Report to the Members	13
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	23
Shareholders' Information	25
Pattern of Shareholding	28
Key Financial Information	30
Independent Auditor's Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019	31
Independent Auditor's Report	32
Statement of Financial Position	36
Statement of Profit or Loss	38
Statement of Comprehensive Income	39
Statement of Changes in Equity	40
Statement of Cash Flows	41
Notes to the Financial Statements	42
Form of Proxy	93

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Shahzada Ellahi Shaikh Mr. Mohammad Babar Monnoo Mr. Imran Motiwala Mrs. Faaria Rehman Salahuddin Mr. Jamal Nasim (NIT) Mr. Shaukat Ellahi Shaikh Mr. Raza Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh	Non-Executive Director / Chairman Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Executive Director Executive Director
MANAGING DIRECTOR (Chief Executive)	Mr. Haroon Shahzada Ellahi Shaikh	
AUDIT COMMITTEE	Mr. Mohammad Babar Monnoo Mr. Shaukat Ellahi Shaikh Mr. Raza Ellahi Shaikh Mr. Syed Mohsin Gilani	Chairman Member Member Secretary
HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE	Mr. Mohammad Babar Monnoo Mr. Raza Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh Mr. Muhammad Azam	Chairman Member Member Secretary
EXECUTIVE COMMITTEE	Mr. Haroon Shahzada Ellahi Shaikh Mr. Shafqat Ellahi Shaikh Mr. Raza Ellahi Shaikh Mr. Amin Ellahi Shaikh Mr. Muhammad Azam	Chairman Member Member Member Secretary
CORPORATE SECRETARY	Mr. Syed Mohsin Gilani	
CHIEF FINANCIAL OFFICER (CFO)	Mr. Muhammad Ahmad	
HEAD OF INTERNAL AUDIT	Mr. Farjad Ashfaq	
AUDITORS	Messrs Rahman Sarfraz Rahim Iqbal Rafiq Chartered Accountants	
LEGAL ADVISOR	Bandial & Associates	
LEAD BANKERS	Allied Bank Ltd. Askari Bank Ltd. Bank Alfalah Ltd. Faysal Bank Ltd. Habib Bank Ltd. Meezan Bank Ltd. MCB Bank Ltd. National Bank of Pakistan United Bank Ltd.	
REGISTERED OFFICE	Nagina House 91-B-1, M.M. Alam Road Gulberg-III, Lahore-54660	
REGIONAL OFFICE	2nd Floor, Sheikh Sultan Trust Bldg. No. 2, 26 - Civil Lines, Beaumont Road, Karachi-75530	
WEB REFERENCE	www.nagina.com	
SHARE REGISTRAR	M/s Hameed Majeed Associates (Pvt.) Ltd. 1 st Floor, H.M. House 7-Bank Square, Lahore Phone # 042-37235081-2 Fax # 042-37358817	
MILLS	6.3 K.M, Manga Mandi, Raiwind Road Mouza Rossa, Tehsil & District Kasur	


NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting (AGM) of members of ELLCOT SPINNING MILLS LTD. will be held at the Registered Office of the Company situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 on **Monday, October 28, 2024** at 11:30 a.m and virtually through video conference facility to transact the following business:-

ORDINARY BUSINESS

- 1) To confirm minutes of the Annual General Meeting held on October 27, 2023.
- 2) To receive, consider and adopt the Audited Financial statement of the Company together with the Chairman's Review Report, Directors' and Auditors' reports thereon for the year ended June 30, 2024.

In accordance with Section 223 of the Companies Act, 2017 (the Act) and pursuant to the S.R.O.389(I)/2023 dated March 21, 2023, issued by the Securities and Exchange Commission of Pakistan (the SECP), the financial statements of the Company can be accessed through the following weblink and QR enabled code:

LINK	QR CODE
https://nagina.com/wp-content/uploads/2024/10/ESMLANNUAL-2024.pdf	

- 3) To approve and declare final cash dividend at Rs.5/- per share i.e.50% for the year ended June 30, 2024, as recommended by the Board of Directors.
- 4) To appoint Auditors of the Company and fix their remuneration for the year ending on June 30, 2025.

SPECIAL BUSINESS

- 5) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2024 and authorize the Board of Directors of the Company to approve transactions with related parties by passing the following special resolutions with or without modifications:
 - a) **RESOLVED** that the transactions conducted with Related Parties as disclosed in Note 41 of the financial statements for the year ended June 30, 2024 be and are hereby ratified, approved and confirmed.
 - b) **FURTHER RESOLVED** that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year 2025. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.
- 6) To transact any other ordinary business with the permission of the Chair.

Statements under Section 134 (3) of the Companies Act, 2017 pertaining to the special business and under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are annexed

By Order of the Board



Syed Mohsin Gilani
Corporate Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Transfers received in order by our Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 1st Floor, H.M. House, 7-Bank Square, Lahore by the close of business on October 21, 2024 will be considered in time to entitle the transferees for payment of dividend and to attend the AGM.
2. A member of the Company entitled to attend and vote at the General Meeting may appoint another member as his/her proxy to attend and vote in place of him/her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.

A. For Attending the Meeting

- a) In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b) In case of corporate entity, the Board's resolution power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a) In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - e) In case of corporate entity, the Board's resolution power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. The members can also participate in the General Meeting through video link facility

To attend the Annual General meeting through video link, members and their proxies are requested to register their following particulars by sending an e-mail at azam@nagina.com.

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 27, 2024.

5. Voting Through Postal Ballot / E-voting

Pursuant to Companies (Postal Ballot) Regulations 2018 and read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through voting by post or electronic voting facility for the special business agenda items # 5 in its forthcoming Annual General Meeting to be held on Monday, October 28, 2024 at 11:30 a.m in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

- a) E-Voting will start from October 24, 2024 and shall close on October 27, 2024 at 5:00 pm. Details of e-voting facility will be shared through 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 Member by the close of business on October 21, 2024.
- b) Members of the Company who want to opt for voting through postal ballot are requested to ensure that duly filled and signed ballot paper along with clear copy of valid CNIC should reach at the address, The Chairman, ESML, Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 or email at azam@nagina.com one day before the Annual General Meeting, i.e., on October 27, 2024 before 5:00 p.m. during working hours. The signature on the ballot paper shall match with their signature on CNIC. The Ballot paper has also been placed on the Company's website [https:// www.nagina.com](https://www.nagina.com) to download. A postal ballot received after this time/date shall not be considered for voting.

6. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the particulars relating to name, folio number, bank account number, IBAN Number, title of account and complete mailing address of the bank directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS).

In case of non-receipt of above information, the dividend shall be withheld.

7. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:

- i) Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL. 15%
- ii) Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL. 30%

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on "Filer/ Non-Filer" status of principal shareholder as well as joint-holders (s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in writing, within 10 days of this notice, otherwise it will be assumed that the shares are equally held by principal shareholder and joint-holder(s).

8. The financial statements for the year ended June 30, 2024 shall be uploaded on the Company's website www.nagina.com twenty-one days prior to the date of holding of annual general meeting.
9. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
10. If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.
11. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

12. Members are requested to promptly notify the Company of any change in their registered address.
13. For any query/ information, the investors may contact the Shares Registrar and / or the Company: Mr. Syed Mohsin Gilani, Phone No. 042-35756270 Ext. 337, email address: mohsin.gilani@nagina.com

STATEMENT U/S 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2024.

1. Agenda item No. 5(a) - Ratification and Approval of Related Party Transactions

All the transactions carried out by the Company with related parties during the financial year ended June 30, 2024 given in the related party note 41 of the Annual Financial Statements of the Company for the year ended June 30, 2024.

The Company carried out transactions with Related Parties on arm's length basis as per the approved Related Party Transactions Policy in the normal course of business and periodically reviewed by the Board Audit Committee pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

The transactions with related parties have been approved by the Board in the quarterly / annual financial statements during the fiscal year 2023-24, however, the Board decided to place above related party transaction concluded during the fiscal year 2023-24 before the shareholders in AGM for ratification and approval due to the interests/concerns of some of the directors due to common directorship.

2. Agenda item No. 5 (b) - Authorization for the Board of Directors to approve related party transactions during the financial year ending June 30, 2025

The Company shall be conducting transactions with the related parties during the year ending June 30, 2025 in the ordinary course of business and at arm's length basis under the policy of the Company for related party transactions. All transactions entered into or to be entered into with related parties require the approval of the Audit Committee of the Board. Upon recommendation of the Audit Committee, such transactions shall be placed before the Board of Directors for approval. In order to promote transparent business practices, the shareholders are recommended to authorize the Board of Directors of the Company to approve transactions with the related parties for the year ending June 30, 2025, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal ratification/approval. The Directors are interested in the resolutions only to the extent of their common directorship in such related parties.

STATEMENT UNDER RULE 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

a. Total investment approved.	Rs.100,000,000/= (Rupees one hundred million only) to each of the following associated company: i) Prosperity Weaving Mills Ltd. (PWML) ii) Nagina Cotton Mills Ltd. (NCML)
b. Amount of investment made to date:	Nil
c. Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time; and	Due to better cash flows, the associated companies did not need funds envisaged u/s 199 of the Companies Act, 2017. Therefore, no investment transaction took place during the year 2023-24.

d. Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	Present Financial Position as on June 30, 2024		Financial Position at the time of approval as on June 30, 2020		
	PWML	NCML	PWML	NCML	
	Rupees in Millions				
	Net sales	18,745.628	20,448.120	6,018.541	7,070.172
	Gross profit	1,182.106	1,613.829	529.557	593.821
	Profit before tax	227.390	311.055	247.968	100.274
Profit after tax	86.655	77.025	154.755	7.629	

BALLOT PAPER FOR VOTING THROUGH POST

In person and virtual Annual General Meeting to be held on Monday, October 28, 2024 at 11:30 A.M, Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660, Phone :042-35756270, Website: www.nagina.com

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@nagina.com

Name of shareholder/joint shareholders	
Registered Address	
Number of Shares held (on close of October 21, 2024) and folio number	
CNIC No/Passport No (in case of foreigner) (Copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, Corporation and Federal Government)	

I / we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by picking tick (v) mark in the appropriate box below:

Resolution for Agenda No.05

RESOLVED that the transactions conducted with Related Parties as disclosed in Note 41 of the financial statements for the year ended June 30, 2024 be and are hereby ratified, approved and confirmed'

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to approve all related party transactions to be carried out during the financial year 2025. These transactions shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next AGM for their formal ratification/approval.

Resolution	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Resolution for Agenda No. 05		

Signature of shareholder(s): _____ Place: _____ Date: _____

NOTES/PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

1. Duly filled and signed original postal ballot should be sent to the Chairman, Ellicot Spinning Mills Ltd., at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore-54660 or a scanned copy of the original postal ballot to be emailed at: chairman@nagina.com.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot forms should reach chairman of the meeting on or before October 27, 2024 during working hours. Any Postal Ballot received after this date, will not be considered for voting.
4. Signature on Postal Ballot should match the signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, in correct, defaced, tom, mutilated, over written ballot papers will be rejected.
6. In case of representative of body corporate and corporation, Postal Ballot must be accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act 2017, as applicable, unless these have already been submitted along with Proxy Form. In case of foreign body corporate etc. all documents must be attested from the Pakistani Embassy having jurisdiction over the member.
7. Ballot paper has also been placed on the website of the Company www.nagina.com. Members may download the ballot paper from the website or use original/photocopy published in newspapers.

Vision:

To be a dynamic, profitable and growth oriented company.

Mission:

To be the leading producer of cotton and blended yarn for knitting and weaving for local and international customers manufacturing well-known textile brands.

To strive for excellence and sustain position as a preferred supplier for yarn with a customer focused strategy.

Continuous enhancement the quality objectives for customer satisfaction and operational efficiencies.

To achieve the comparative advantage by employing latest technologies for enhancing the efficiency and productivity.

To build enduring relationship with our suppliers by giving them fair return on their products and services.

To provide a professional, open and participative environment to our dedicated employees for developing their potential and team performance.

To give consistent financial returns to the shareholders on their investments.

To be responsible to the society, employees and communities in which we operate by initiating health care, education and social welfare activities.

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

The Board of Directors (the Board) of Ellicot Spinning Mills Limited (ESML) has performed their duties diligently in upholding the best interest of shareholders of the Company and has managed the affairs of the Company effectively and efficiently. The Board has exercised its powers and has performed its duties in compliance with Companies Act 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code). During the financial year 2023-24 the Board achieved its objectives by performing the following functions:

- Actively participated in the strategic planning process, enterprise risk management system, policy development, and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee. In case the majority of the Directors either directly, or indirectly becomes interested in related party transactions due to Group's structure; accordingly, additional approval from shareholders in respect of transactions with a related party shall be obtained in the Annual General Meeting so that the Company can carry its business smoothly;
- Reviewed the effectiveness of internal control system through self-assessment mechanism and / or internal audit activities;
- Approved the director's report, quarterly and annual financial statements and ensured that the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- Ensured the hiring, evaluation and compensation of quality professionals with focus on creating a work environment with equal opportunity for all
- Ensured the timely dissemination of information among its members and that the Board members are kept abreast of developments between meetings;
- Exercised its powers in light of the power assigned to the Board as per the relevant laws and regulations applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulations in terms of their conduct as directors and exercising their powers and decision making; and
- Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time before the Board and its Committee Meetings. The non-executive and independent directors are equally involved in important decisions of the board.

The annual evaluation of the Board's performance is assessed based on the key areas where the Board requires clarity to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risks faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of ESML has played a key role in ensuring that the Company objectives are not only achieved but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.



Shahzada Ellahi Shaikh
Chairman

Lahore: September 30, 2024

ایلیکوٹ سپینگ ملز لمیٹڈ

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے ممبران کی سرانجام دہی کی جائزہ رپورٹ

ایلیکوٹ سپینگ ملز لمیٹڈ (ESML) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصہ داروں کے بہترین مفاد کو برقرار رکھنے میں اپنی ذمہ داریاں تہذیبی سے انجام دیئے ہیں اور کمپنی کے امور کو مؤثر اور بروقت انداز سے منظم کیا ہے۔ بورڈ نے کمپنی ایکٹ 2017 اور سیکورٹیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (کوڈ) کی تعمیل میں اپنے فرائض سرانجام دیئے ہیں۔ مالی سال 2023-24 کے دوران بورڈ نے درج ذیل کام سرانجام دے کر اپنے مقاصد حاصل کئے:

- اسٹریٹجک منصوبہ بندی کے عمل، ادارے کو لاحق خطرات کا انتظامی نظام، پالیسی ڈویلپمنٹ، اور مالیاتی ساخت کی نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔
 - سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے روبرو کاروباری فیصلہ سازی کے عمل کو مضبوط بنانے کے لئے پیش کئے گئے اور خاص طور پر کمپنی کی طرف سے کئے گئے تمام متعلقہ پارٹی کے ساتھ لین دین کو آڈٹ کمیٹی کی سفارشات پر بورڈ نے منظوری دی۔ اگر ڈائریکٹرز کی اکثریت براہ راست یا بالواسطہ طور پر گروپ کے سٹریکچر کی وجہ سے متعلقہ فریق کے لین دین میں دلچسپی رکھتی ہے، اس کے مطابق، متعلقہ فریق کے ساتھ لین دین کے سلسلے میں حصص یافتگان سے اضافی منظوری سالانہ اجلاس عام میں حاصل کی جائے گی تاکہ کمپنی اپنے کاروبار کو آسانی سے چلا سکے۔
 - اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور خود تفتیشی طریقہ کار اور/یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدگی سے جانچ پڑتال کی جاتی ہے۔
 - ڈائریکٹرز کی رپورٹ، سماجی اور سالانہ مالیاتی گوشواروں کی منظوری دی اور اس بات کو یقینی بنایا کہ ڈائریکٹرز کی رپورٹ کا مواد قابل اطلاق قوانین اور ضوابط کے تقاضوں کے مطابق ہے۔
 - سب کے لیے یکساں مواقع کے ساتھ کام کا ماحول بنانے پر توجہ کے ساتھ پیشہ ورانہ افراد کی معیاری خدمات حاصل کرنے، تشخیص اور معاوضے کو یقینی بنایا۔
 - اپنے اراکین کے درمیان بروقت طریقے سے تسلی بخش معلومات کے تبادلے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈویلپمنٹ بارے میں لمحہ بہ لمحہ باخبر رکھا گیا ہے۔
 - کمپنی پر قابل اطلاق متعلقہ قوانین اور قواعد و ضوابط کی روشنی میں دئے گئے اختیارات کے مطابق اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے ہمیشہ بحیثیت ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برتاؤ میں تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کو ترجیح دی ہے اور
 - بورڈ اور اس کی ذیلی کمیٹی کی میٹنگ سے مناسب قبل از وقت، ضروری ایجنڈا اور اس سے متعلق دستاویزات مہیا کیے گئے۔ نان ایگزیکٹو اور آڈٹ ڈائریکٹرز بورڈ کے اہم فیصلوں میں برابر کے شریک ہیں۔
- بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلیٰ درجے کی نگرانی مہیا کرنے بشمول اسٹریٹجک عمل، کلیدی کاروباری امور، سنگ میل کی تکمیل، عالمی معاشی ماحول اور مسابقتی سیاق و سباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار کو درپیش خطرات، بورڈ کے محرکات، صلاحیت اور معلومات مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر، یہ مناسب طور پر کہا جاسکتا ہے کہ ESML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے مقاصد کو نہ صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے اراکین کی راہنمائی اور نگرانی کے ذریعہ انتظامیہ کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھایا جاسکتا ہے۔



شہزادہ الہی شیخ

چیئر مین

لاہور: 30 ستمبر 2024

DIRECTORS' REPORT TO THE MEMBERS

The Directors have the honor to present 36th Annual Report of your Company together with Audited Financial Statements and Auditors' Report thereon for the year ended June 30, 2024. Figures for the previous year ended June 30, 2023 are included for comparison.

Company Performance

The business environment during the year under review was very difficult and challenging. The company endured significant increases in power tariffs, high financial costs, a downturn in the yarn market, and diminished demand throughout the textile value chain. Despite these difficulties, the company remained profitable. For the year, the company achieved an after-tax profit of Rs. 152,979,919 which is 0.99% of sales compared to Rs. 419,735,090, or 3.43% of sales during same period of last year's (SPLY). The earnings per share (EPS) for the year is Rs. 13.97, down from Rs. 38.33 in the previous year.

Sales revenue for the year increased by 26.89% compared to SPLY. Sales revenue stood at Rs. 15,510,705,255 during the year under review compared to Rs. 12,224,217,632 during SPLY. However, the cost of sales also rose to 93.25 of sales compared to 91.48% of sales during SPLY. This increase in cost of sales was largely due to higher expenses for energy, stores & spares and raw material costs. This surge in expenses resulted in reduction in gross profit margins. Consequently, the company's gross profit decreased from 8.52% of sales during SPLY to 6.75% of sales during the year under review.

Overall operating expenses decreased from 2.81% of sales during SPLY to 2.16% of sales during the year under review. The company successfully maintained stable cash flows, allowing for timely settlement of its operating liabilities. However, finance costs increased to 3.10% of sales from 1.55% in the SPLY, primarily due to higher interest rates on long term as well as short term borrowings. Despite these financial challenges, the company's cash flows remained stable,

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2024-25, Kapas, (seed cotton) arrivals up to August 31, 2024, at the Ginneries totaled 1.194 million bales compared to 2.861 million bales for the year 2023-24 showing decrease in arrival of 59.69%.

Capital Assets Investment

In line with strategic plans for enhancing spinning productivity, quality and efficiency, your Company has invested Rs. 29.874 million (2023: Rs. 1.582 billion) in BMR/Expansion. In order to reduce costs and enhance green energy, The Company is installing another 1.1 MW solar plant. The new solar plant should become operational in financial year 2025.

Future Outlook

The textile industry is currently facing significant challenges, with both global and domestic markets experiencing slowdowns. Increased costs across various areas such as energy, wages, finance, administration, packaging and transportation are negatively impacting profit margins. Reduced demand from the value-added textile industry is likely to affect sales volumes. Rising government-regulated energy prices and disappointing cotton production figures up to the end of August may further complicate the situation. Local cotton prices have surged above international rates, necessitating substantial cotton imports to sustain production levels. As a result, the outlook for the first quarter of the current financial year appears negative. Nevertheless, management is actively pursuing strategies to maintain profitability through stringent cost management, proactive marketing and producing a variety of products.

State Bank of Pakistan (SBP) monetary policy has started to ease. The policy rate announced by SBP was reduced by 2 percent to 17.5% bringing a total reduction of 4.5% so far. Reduction in interest rates is a very welcome move. Financial markets are expecting further declines in the policy rate. We hope that SBP will continue to reduce the interest rates and bring the rate to single digit within this financial year. SBP has successfully managed the Current Account of the country reducing the deficit to negligible levels. Home remittances and exports have also improved year on year. As a result, the Rupee exchange rate against USD has been stable.

The government is about to obtain Extended Fund Facility (“EFF”) of USD 7 billion from the IMF. The program aims to support the government's efforts to stabilize the economy and create conditions for stronger, more inclusive, and resilient growth. However, the path ahead also presents numerous challenges for the economy and industries. The fresh EFF comes at the cost of a substantial increase in energy prices, taxation and the withdrawal of various incentives.

It is hoped that the Government will bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding taxes, controlling the inflation rate and reducing the financial costs and release of LTFF facility against the machinery against which LCs has already been retired. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

Dividend

The Board of Directors has recommended final cash dividend @ 50% i.e. Rs. 5/- per ordinary share for the year ended June 30, 2024. The dividend will amount to Rs. 54,750,000.

Principal Activity

The principal activity of the Company is manufacturing and sale of yarn.

Principal Risks and Uncertainties

The Board of Directors is responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential adverse impact of risks.

The Company's principal financial liabilities, comprise long term finances, trade and other payables and short-term borrowings. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company's principal financial assets comprise of trade receivables, advances, short-term deposits, other receivables and cash and bank balances that arise directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

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

Material Changes and Commitments

No adverse material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

ISO 9001: 2015 Certification

The Company continues to operate at high standards of quality and had obtained latest version of certification valid until July 10, 2025. The quality control certification helps to build up trust of new and old customers.

Corporate Social Responsibility

The Company strongly believes in the integration of Corporate Social Responsibility into its business, and consistently endeavors to uplift communities that are influenced directly or indirectly by our business.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large. The management has maintained safe environment in all its operations throughout the year and is constantly upgrading their safety and living facilities.

Safety is a matter of concern for machinery as well as the employees working at plant. Fire extinguishers and other fire safety equipments have been placed at sites as well as registered and head office of the Company. Regular drills are performed to ensure efficiency of fire safety equipments.

Sustainability Risks

The Board of Directors is committed to ensuring the sustainability of the Company's operations, considering environmental, social, and governance (ESG) factors that can impact the long-term success of the business. As part of this commitment, your management provides insights into the assessment of sustainability-related risks, how these risks are managed or mitigated.

The Company has implemented a robust risk management framework to address sustainability-related risks. This framework integrates ESG considerations into the Company's risk assessment and decision-making processes, ensuring that sustainability issues are proactively managed and mitigated. The Company is committed to fostering a diverse, equitable, and inclusive workplace where all employees feel valued and respected.

Diversity, Equity and Inclusion (DEI)

We believe that promoting diversity, equity, and inclusion (DE&I) is a key priority for the Company and is integral for driving innovation, improving decision-making, and enhancing the overall performance of the Company. The company promotes diverse and inclusive Board and management composition provides equal opportunities to all employees, irrespective of their culture, race, gender, caste, and religion and promotes a work environment free from discrimination, harassment and intimidations of any nature.

Internal Financial Controls

A system of sound internal control is established and implemented at all levels of the Company by the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Related Parties

All related party transactions were on an arm's length basis which were in line with transfer pricing methods and the policy for related parties approved by the Board. All related party transactions were duly approved by the internal audit followed by the approval of the audit committee and placed before the Board for their consideration and approval. However, the Board of Directors in their meeting decided that the related party transactions approved by the Board shall also be placed before the general meeting of the company for member's approval.

Furthermore, the Board of Directors also decided to avail the approval of members in the general meeting of the company for the transactions to be carried out during the fiscal year ending June 30, 2025 and same shall be placed before the shareholders in the next general meeting for their formal ratification/approval.

Shareholding Pattern

The shareholding pattern as at June 30, 2024 for ordinary shares is annexed.

Appointment of Auditors

The present External Auditors Messrs Rahman Sarfraz Rahim Iqbal Rafiq, Chartered Accountants, Lahore are due to retire and being eligible, have offered themselves for re-appointment as Auditors for the financial year 2024-25. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending June 30, 2025.

Financial Statements Audit

Financial statements of the Company have been audited without any qualification by Messrs Rahman Sarfraz Rahim Iqbal Rafiq, Chartered Accountants, the statutory external auditors of the Company.

Corporate Governance & Financial Reporting Framework

Further, Directors are pleased to report that:

- a) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements any departures therefrom have been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the Company's ability to continue as a going concern.
- g) Key operating and financial data for the last six years is annexed.
- h) There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2024 except for those disclosed in the financial statements.

Composition of Board

The Board of Directors as at June 30, 2024 consist of:

Total number of Directors:

- | | |
|------------|----------|
| a) Male: | 9 (Nine) |
| b) Female: | 1 (One) |

Composition:

- | | |
|------------------------------------|-----------|
| (i) Independent Directors: | 3 (Three) |
| (ii) Other Non-executive Directors | 5 (Five) |
| (iii) Executive Director | 2 (Two) |

Name of Directors:

- | | |
|-----------------------------------|------------------------------------|
| Mr. Shahzada Ellahi Shaikh | Chairman |
| Mr. Mohammad Babar Monnoo | |
| Mr. Imran Motiwala | |
| Mrs. Faaria Rehman Salahuddin | |
| Mr. Jamal Nasim | |
| Mr. Shaukat Ellahi Shaikh | |
| Mr. Raza Ellahi Shaikh | |
| Mr. Amin Ellahi Shaikh | |
| Mr. Shafqat Ellahi Shaikh | |
| Mr. Haroon Shahzada Ellahi Shaikh | Director / Chief Executive Officer |

Committees of the Board:

The Board has made following sub-committees:

Audit Committee

Sr. No.	Name of Directors	Designation
1.	Mr. Mohammad Babar Monnoo	Chairman
2.	Mr. Shaukat Ellahi Shaikh	Member
3.	Mr. Raza Ellahi Shaikh	Member

Human Resource and Remuneration (HR&R) Committee

Sr. No.	Name of Directors	Designation
1.	Mr. Mohammad Babar Monnoo	Chairman
2.	Mr. Raza Ellahi Shaikh	Member
3.	Mr. Haroon Shahzada Ellahi Shaikh	Member

Executive Committee

Sr. No.	Name of Directors	Designation
1.	Mr. Haroon Shahzada Ellahi Shaikh	Chairman
2.	Mr. Shafqat Ellahi Shaikh	Member
3.	Mr. Raza Ellahi Shaikh	Member
4.	Mr. Amin Ellahi Shaikh	Member

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

Non-executive directors including the independent director are entitled only for fee for attending the Board and its committees' meetings. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of Directors and CEO in 2023-24, please refer notes to the Financial Statements.

Acknowledgment

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their thanks to the bankers and other stakeholders for their continued support to the Company.

On behalf of the Board



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer



Amin Ellahi Shaikh
Director

Lahore: September 30, 2024

ممبران کے لئے ڈائریکٹرز کی رپورٹ

مجلس نظامہ 30 جون 2024ء کو اختتام سال کے لئے کمپنی کی 36 ویں سالانہ رپورٹ مع نظر ثانی شدہ مالیاتی حسابات اور اس پر محاسب کی رپورٹ پیش کرتے ہوئے خوش محسوس کر رہی ہے۔ 30 جون 2023ء کو ختم ہونے والے گزشتہ سال کے اعداد و شمار بھی موازنہ کے لئے شامل کئے گئے ہیں۔

کمپنی کی کارکردگی

زیر جائزہ سال کے دوران کاروباری ماحول بہت مشکل اور چیلنجنگ رہا۔ کمپنی کو بجلی کے نرخوں میں بے تحاشا اضافہ، زیادہ مالی لاگت، یارن مارکیٹ میں کساد بازاری اور ٹیکسٹائل ویلیو چین میں کم طلب جیسی مشکلات کا سامنا رہا۔ ان مشکلات کے باوجود، کمپنی نے منافع کمایا ہے۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 419,735,090 روپے یا فروخت کا 3.43 فیصد کے مقابلے 152,979,919 روپے یا فروخت کا 0.99 فیصد کا بعد از ٹیکس منافع درج کیا ہے۔ فی شیئر آمدنی (EPS) گزشتہ سال کی 38.33 روپے سے کم اس سال 13.97 روپے ہے۔

فروخت آمدن میں گزشتہ سال کی اسی مدت سے 26.89 فیصد زیادہ ہوئی اور گزشتہ سال کی اسی مدت کے دوران 12,224,217,632 روپے کے مقابلے 15,510,705,255 روپے رہی۔ تاہم، گزشتہ سال کی اسی مدت کے دوران فروخت کی لاگت فروخت کی 91.48 فیصد سے بڑھ کر زیر جائزہ سال کے دوران فروخت کی 93.25 فیصد ہوئی۔ فروخت کی لاگت میں یہ اضافہ بنیادی طور پر بجلی، اسٹورز اینڈ سپلایز اور خام مال کی قیمتوں کے زیادہ اخراجات کی وجہ سے ہوا۔ اخراجات میں اس اضافے کے نتیجے میں مجموعی منافع کے مارجن میں کمی واقع ہوئی۔ جس کے نتیجے میں، کمپنی کا مجموعی منافع مارجن (GP) گزشتہ سال کی اسی مدت کے فروخت کے 8.52 فیصد سے کم ہو کر زیر جائزہ سال کے دوران فروخت کا 6.75 فیصد ہو گیا۔

مجموعی طور پر آپریٹنگ اور مالی ذمہ داریوں کو بروقت ادا کیا ہے۔ تاہم، مالیاتی لاگت گزشتہ سال کے دوران فروخت کے 1.55 فیصد کے مقابلے میں اس مدت کے دوران فروخت کے 3.10 فیصد تک زیادہ ہو گئی ہے۔ ان مالی مشکلات کے باوجود، کمپنی کا نقد بہاؤ مستحکم رہا ہے۔

پاکستان کاٹن جزا لیوسٹی ایجنٹ کی طرف سے فصل سال 2024-25 کے لئے جاری کردہ اعداد و شمار کے مطابق 31 اگست 2024ء تک جزیرہ میں کپاس، (بیج کپاس) کی بیج سال 2023-24 کی کل 2,861 ملین گانٹھوں کے مقابلے 1,194 ملین گانٹھیں ہوئی جو کہ 59.69 فیصد کی کمی ظاہر کر رہی ہے۔

طویل مدتی اثاثوں کی سرمایہ کاری

سپنڈنگ کی پیداوار، کواٹری اور صلاحیت کو بہتر بنانے کے لئے سٹرٹیجک منصوبوں کے مطابق آپ کی کمپنی نے BMR / توسیع میں 29,874 ملین روپے (2023: 1,582 ملین روپے) کی سرمایہ کاری کی ہے۔ لاگت کو کم کرنے اور گرین انرجی کو بڑھانے کے لئے، کمپنی ایک اور 1.1 MW سولر پلانٹ نصب کر رہی ہے۔ نیا سولر پلانٹ مالی سال 2025 میں آپریشنل ہو جانا چاہئے۔

مستقبل کے امکانات

ٹیکسٹائل کی صنعت فی الحال اہم مشکلات کا سامنا کر رہی ہے، دونوں عالمی اور مقامی مارکیٹیں سست روی کا شکار ہیں۔ توانائی، اجرتوں، مالیات، انتظامیہ، بیکنگ اور نقل و حمل کے بڑھتے ہوئے اخراجات مارجن پر منفی اثر انداز ہو رہے ہیں۔ ویلیو ایڈ ٹیکسٹائل انڈسٹری کی طلب میں کمی کی وجہ سے سبز کے حجم کو متاثر کرنے کا امکان ہے۔ حکومت کے زیر انتظام توانائی کی قیمتوں میں مزید اضافہ اور اگست کے آخر تک کپاس کی پیداوار کے مایوس کن اعداد و شمار حالات کو مزید پیچیدہ کر سکتے ہیں۔ کپاس کی مقامی قیمتیں اب بین الاقوامی قیمتوں سے کافی زیادہ ہیں، پیداواری سطحیں برقرار رکھنے کے لیے کپاس کی وافر مقدار درآمد کرنی پڑے گی۔ لہذا رواں مالی سال کی پہلی سہ ماہی کا منظر نامہ امید افزا نہیں ہے۔ اس کے باوجود، انتظامیہ لاگت کو کنٹرول، جارحانہ مارکیٹنگ اور مصنوعات کے تنوع کے ذریعے منافع بخش رہنے کے لئے تمام تر کوششیں کر رہی ہے۔

اسٹیٹ بینک آف پاکستان (ایس بی پی) کی مانیٹری پالیسی میں نرمی کا آغاز ہو گیا ہے۔ اسٹیٹ بینک پاکستان کی جانب سے اعلان کردہ پالیسی ریٹ 2 فیصد کم کر کے 17.5 فیصد کر دیا گیا اس طرح 4.5 فیصد کی کل کمی ہوئی۔ شرح سود میں کمی ایک خوش آئند اقدام ہے۔ مالیاتی مارکیٹیں پالیسی ریٹ میں مزید کمی کی توقع کر رہی ہیں۔ ہمیں امید ہے کہ اسٹیٹ بینک پاکستان رواں مالی سال کے دوران شرح سود میں کمی اور شرح سود کو واحد عدد پر لانے کا سلسلہ جاری رکھے گا۔ اسٹیٹ بینک پاکستان نے کامیابی کے ساتھ ملک کے کرنٹ اکاؤنٹ کا انتظام کیا ہے جس سے خسارہ نہ ہونے کے برابر کی سطح پر آ گیا ہے۔ مقامی ترسیلات زر اور برآمدات میں بھی سال بہ سال بہتری آئی ہے۔ گھریلو ترسیلات اور برآمدات میں بھی سال بہ سال بہتری آئی ہے۔ نتیجتاً، امریکی ڈالر کے مقابلے میں روپیہ کی شرح تبادلہ مستحکم رہی ہے۔

حکومت آئی ایم ایف سے 7 بلین ڈالر کی توسیعی فنڈ سہولت ("ای ایف ایف") حاصل کرنے والی ہے۔ اس پروگرام کا مقصد معیشت کو مستحکم کرنے اور مضبوط، زیادہ جامع اور چکدازم کے حالات پیدا کرنے کے لئے حکومت کی کوششوں کی حمایت کرنا ہے۔ تاہم، آگے کا راستہ معیشت اور صنعتوں کے لئے متعدد مشکلات کی بھی نشاندہی کرتا ہے۔ تاہم ای ایف ایف توانائی کی قیمتوں میں خاطر خواہ اضافے، ٹیکسوں اور مختلف مراعات سے دستبرداری کی شکل میں سامنے آیا ہے۔

یہ امید کی جاتی ہے کہ حکومت کاروبار میں مؤثر لاگتی بلا تھقل توانائی کی فراہمی، بقایا سٹیل ٹیکس اور انکم ٹیکس کی واپسی جیسی دوستانہ پالیسیاں لائے گی تاکہ افراط زر کی شرح کو کنٹرول اور مالی اخراجات کو کم اور مشینری جس کے مقابلے ایل سیز پہلے ہی ریٹائر ہو چکی ہیں کے لئے LTFF سہولت کا اجراء کیا جاسکے۔ حکومتی پالیسیاں ٹیکسٹائل شعبہ میں ویلیو چین کی مکمل حوصلہ افزاء ہونی چاہئیں تاکہ ملک تیار مصنوعات برآمد کر سکے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لئے حتمی نقد منافع منقسمہ بشرح 50 فیصد یعنی 5/- روپے فی عام شیئر کی منظوری دی ہے۔ منافع منقسمہ کی رقم 54,750,000 روپے ہے۔

اصل سرگرمی

کمپنی کی اصل سرگرمی سوت کی تیاری اور فروخت کرنا ہے۔

نمایاں خطرات اور غیر یقینی حالات

بورڈ آف ڈائریکٹرز کمپنی کے آپریشنز کی نگرانی اور خطرات کے کسی ممکنہ منفی اثر کا سدباب کرنے کے لئے مؤثر حکمت عملی وضع کرنے کے ذمہ دار ہیں۔ کمپنی کی اصل مالی ادا یگیوں میں طویل مدتی قرضے، تجارتی اور دیگر قابل ادا یگیاں اور مختصر مدتی قرضے شامل ہیں۔ ان مالی ادا یگیوں کا اہم مقصد کمپنی کے آپریشنز کے لئے فنڈز کا بندوبست کرنا ہے۔ کمپنی کے اصل مالیاتی اثاثوں میں تجارتی قرضے، بینکنگ ادا یگیاں، مختصر مدتی ڈیپازٹس، دیگر وصولیاں اور نقدی اور بینک بیلنسز شامل ہیں جو اس کے آپریشنز سے براہ راست حاصل ہوتے ہیں۔ کمپنی کی سرگرمیوں کو کئی قسم کے مالیاتی خطرات کا سامنا ہے جس میں مارکیٹ خطرہ (بشمول کرنسی خطرہ، شرح سود کا خطرہ اور قیمت کا خطرہ)، ادھار کا خطرہ اور لیویڈٹی کا خطرہ شامل ہے۔ کمپنی کا مجموعی رسک منجمنٹ پروگرام مالیاتی مارکیٹوں کی غیر متوقعات پر توجہ مرکوز اور مالی کارکردگی پر ممکنہ منفی اثرات کو کم کرنے کی کوشش کرتا ہے۔

اہم تبدیلیاں اور معاہدات

اس بیلنس شیٹ سے متعلقہ مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان، کمپنی کی مالی حیثیت پر اثر انداز ہونے والی کوئی اہم منفی تبدیلیاں اور معاہدات رونما نہیں ہوئے۔

ISO 900 1:2015 سرٹیفیکیشن

کمپنی کو ایٹمی کے اعلیٰ معیارات پر کام جاری رکھتی ہے اور 10 جولائی 2025 تک کارآمد سرٹیفیکیشن کا حالیہ ورژن حاصل کر چکی ہے۔ کو ایٹمی کنٹرول سرٹیفیکیشن نئے اور پرانے کسٹمرز کے اعتماد کو فروغ دینے میں مدد کرتی ہے۔

کاروباری سماجی ذمہ داری

کمپنی اپنے کاروبار میں کاروباری سماجی ذمہ داری کے انضمام پر پختہ یقین رکھتی ہے، اور وہ کیونٹیز جو ہمارے کاروبار سے براہ راست یا بالواسطہ طور پر متاثر ہو رہی ہیں ان کی ترقی کے لئے مسلسل کوشاں ہیں۔

ماحول و تحفظ

کمپنی اپنے ملازمین اور عوام کی صحت کو درپیش خطرات سے بچانے کے لئے محفوظ کام کے حالات کو برقرار رکھتی ہے۔ انتظامیہ نے سال بھر اپنے تمام انتظامات میں محفوظ ماحول کو برقرار رکھا ہے اور مسلسل ان کی حفاظت اور زندگی کی سہولیات کو بہتر بنا رہی ہے۔

مشینری اور ساتھ میں پلانٹ پر کام کرنے والے ملازمین کا تحفظ ایک تشویش کی بات ہے۔ آگ بجھانے والے آلات اور آگ سے بچاؤ کے دیگر آلات کمپنی کی سائٹس کے ساتھ ساتھ اس کے رجسٹرڈ اور مرکزی دفتر میں نصب کئے گئے ہیں۔ آگ سے بچاؤ کے آلات کی کارکردگی کو یقینی بنانے کے لئے باقاعدہ مشقیں کی جاتی ہیں۔

پائیداری خطرات

بورڈ آف ڈائریکٹرز ماحولیاتی، سماجی اور گورننس (ای ایس جی) عوامل جو کاروبار کی طویل مدتی کامیابی کو متاثر کر سکتے ہیں پر غور کرتے ہوئے کمپنی کے آپریشنز کی پائیداری کو یقینی بنانے کے لئے پُر عزم ہے۔ اس عزم کے ایک حصہ کے طور پر، آپ کی انتظامیہ پائیداری سے متعلق خطرات کی درست تشخیص کرتی ہے کہ، ان خطرات کو کس طرح منظم یا کم کیا جاسکتا ہے۔ کمپنی نے پائیداری سے متعلق خطرات سے نمٹنے کے لئے ایک مضبوط رسک منجمنٹ فریم ورک نافذ کیا ہے۔ یہ فریم ورک کمپنی کے خطرات کی تشخیص اور فیصلہ سازی کے عمل میں ای ایس جی کے خیالات کو ضم کرتا اور اس بات کو یقینی بناتا ہے کہ پائیداری کے مسائل کو فعال طور پر منظم اور کم کیا جائے۔ کمپنی ایک متنوع، منصفانہ اور جامع کام کی جگہ کو فروغ دینے کے لئے پُر عزم ہے جہاں تمام ملازمین قدر و احترام محسوس کرتے ہیں۔

تنوع، مساوات اور شمولیت (ڈی ای آئی)

ہم یقین رکھتے ہیں کہ تنوع، مساوات اور شمولیت (ڈی ای ای اینڈ آئی) کو فروغ دینا کمپنی کی کلیدی ترجیح ہے اور جدت طرازی کو وسعت دینے، فیصلہ سازی کو بہتر بنانے اور کمپنی کی مجموعی کارکردگی کو بڑھانے کے لئے لازمی ہے۔ کمپنی متنوع اور جامع بورڈ اور منجمنٹ کمپوزیشن کو فروغ دیتی ہے جو تمام ملازمین کو ان کی ثقافت، نسل، جنس، ذات پات اور مذہب سے قطع نظر مساوی مواقع فراہم کرتی ہے اور کسی بھی نوعیت کے امتیازی سلوک، ہراسانی اور دھمکیوں سے پاک کام کے ماحول کو فروغ دیتی ہے۔

اندرونی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کی تمام سطحوں پر مضبوط اندرونی کنٹرول کا ایک نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد اور آپریشنل مؤثرگی اور کارکردگی کے حصول کے قابل

اعتماد مالیاتی رپورٹنگ اور قوانین، قواعد و ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لئے ڈیزائن میں مستحکم ہے۔

متعلقہ پارٹیاں

تمام متعلقہ فریقوں کے ساتھ لین دین قابل رسائی کی بنیاد پر منتقلی قیمتوں کے تعین کے طریقوں اور بورڈ سے منظور شدہ متعلقہ فریقوں کی پالیسی کے مطابق تھے۔ تمام متعلقہ پارٹی لین دین کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا جس کی بعد میں آڈٹ کمیٹی نے منظوری دی اور ان پر غور و خوض اور منظوری کے لیے بورڈ کے روبرو رکھا گیا۔ تاہم، بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں فیصلہ کیا کہ بورڈ کے منظور شدہ متعلقہ پارٹی ٹرانزیکشنز کو ممبر کی بھی منظوری کے لیے کمپنی کے اجلاس عام کے روبرو رکھا جائے گا۔

مزید برآں، بورڈ آف ڈائریکٹرز نے یہ بھی فیصلہ کیا کہ کمپنی کے اجلاس عام میں 30 جون 2025ء کو ختم ہونے والے مالی سال کے دوران کیے جانے والے لین دین کی ممبران کی منظوری حاصل کی جائے گی اور اسے اگلے اجلاس عام میں ان کی رہی توثیق/منظوری کے لیے شیئر ہولڈرز کے روبرو رکھا جائے گا۔

نمونہ حصص داری

30 جون 2024ء کے مطابق عام شیئرز کے لئے نمونہ حصص داری منسلک کیا گیا ہے۔

آڈیٹرز کی تقرری

ریٹائر ہونے والے میسرز رحمان سرفراز رحیم اقبال، چارٹرڈ اکاؤنٹنٹس، لاہور نے اہل ہونے کی بناء پر مالی سال 2024-25 کے لئے بحیثیت آڈیٹرز دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ آڈٹ کمیٹی کی تجویز کے مطابق، بورڈ نے موجودہ آڈیٹرز کو ختم ہونے والے سال 30 جون 2025ء میں دوبارہ تقرری کی منظوری دے دی ہے۔

مالیاتی حسابات کا آڈٹ

کمپنی کے مالی حسابات، کمپنی کے قانونی ایکسٹرنل آڈیٹرز، میسرز رحمان سرفراز رحیم اقبال، چارٹرڈ اکاؤنٹنٹس کی طرف سے کسی کوالیفیکیشن کے بغیر نظر ثانی شدہ ہیں۔

کاروباری نظام اور مالیاتی رپورٹنگ کا طریقہ کار

مزید ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات میں کمپنی کے امور، نقدی بہاؤ اور سرمائے میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS) کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے رواں دواں ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- ٹیکس، ڈیوٹی، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہے جو 30 جون 2024ء کو بقایا ہوں، سوائے ان کے جو مالی حسابات میں ظاہر کر دیئے گئے ہیں۔

بورڈ کی ترتیب

30 جون 2024ء کو بورڈ آف ڈائریکٹرز مشتعل ہے:

ڈائریکٹرز کی کل تعداد:

(a) مرد (نو)

(b) خاتون (ایک)

ترتیب:

i- آزاد ڈائریکٹرز (تین) 3

ii- دیگر نان ایگزیکٹو ڈائریکٹرز (پانچ) 5

iii- ایگزیکٹو ڈائریکٹرز (دو) 2

ڈائریکٹرز کے نام
 چیئرمین جناب شہزادہ الہی شیخ
 جناب محمد بابر منو
 جناب عمران موتی والا
 محترمہ فاریہ رحمان صلاح الدین
 جناب جمال نسیم
 جناب شوکت
 جناب رضا الہی شیخ
 جناب امین الہی شیخ
 جناب شفقت الہی شیخ
 جناب ہارون شہزادہ الہی شیخ
 ڈائریکٹر / چیف ایگزیکٹو آفیسر

بورڈ کی کمیٹیاں
 بورڈ آف ڈائریکٹرز نے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں:
 • آڈٹ کمیٹی

چیئرمین جناب محمد بابر منو
 رکن جناب شوکت الہی شیخ
 رکن جناب رضا الہی شیخ

• ہیومن ریسورس اینڈ ریمزیشن (HR&R) کمیٹی

چیئرمین جناب محمد بابر منو
 رکن جناب رضا الہی شیخ
 رکن جناب ہارون شہزادہ الہی شیخ

• ایگزیکٹو کمیٹی

چیئرمین جناب ہارون شہزادہ الہی شیخ
 رکن جناب شفقت الہی شیخ
 رکن جناب رضا الہی شیخ
 رکن جناب امین الہی شیخ

ڈائریکٹرز کے معاوضے کی نمایاں خصوصیات

بورڈ آف ڈائریکٹرز نے کمیٹی کے امور میں ان کی ذمہ داری پر منحصر ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کے لئے رسی پالیسی کی منظوری دی ہے۔ معاوضہ کامیابی سے کمیٹی کو منظم طریقہ سے چلانے کے لئے ان کی ذمہ داری اور ضروری مہارت اور ان سے ویلویو ایڈیشن جو صلا فزائی کی سطح کے مطابق ہے۔
 آزاد ڈائریکٹر سمیت نان ایگزیکٹو ڈائریکٹرز فقط بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے اہل ہیں۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کا مشاہرہ ہیومن ریسورس اینڈ ریمزیشن کمیٹی کی سفارشات پر، بورڈ کی طرف سے منظور کیا گیا ہے۔ 2023-24 میں ڈائریکٹرز اور سی ای او کے معاوضے کی معلومات کے لئے، براہ مہربانی مالی گوشواروں کے نوٹ ملاحظہ فرمائیں۔

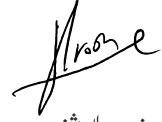
اظہار تشکر
 کمپنی کے عملے اور کارکنوں کی مسلسل محنت اور جذبہ اور تمام سطحوں پر اچھے تعلقات کا اعتراف کرتے ہیں۔ ڈائریکٹرز کمپنی کی مسلسل حمایت پر بینکرز اور دیگر حصہ داروں کا بھی شکریہ ادا کرتے ہیں۔

مخائب بورڈ



امین الی شیخ

ڈائریکٹر



بارون شہزادہ الی شیخ

چیف ایگزیکٹو آفیسر (سی ای او)

لاہور: 30 ستمبر 2024ء

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

Name of Company: Ellicot Spinning 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 ten as per the following:
 - a) Male: Nine
 - b) Female: One
2. The composition of the Board of Directors is as follows:

Category	Names
i. Independent Director	Mr. Mohammad Babar Monnoo Mr. Imran Motiwala Mrs. Faaria Rehman Salahuddin
ii. Non-Executive Directors	Mr. Shahzada Ellahi Shaikh Mr. Jamal Nasim (NIT) Mr. Shaukat Ellahi Shaikh Mr. Raza Ellahi Shaikh Mr. Amin Ellahi Shaikh
iii. Executive Directors	Mr. Shafqat Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh
iv. Female Directors	Mrs. Faaria Rehman Salahuddin

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 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 the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations").
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regards to their Directors' Training Program (DTP). Out of total ten directors, eight directors have obtained certification under DTP.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and 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 committees comprising of members given below:-
- a. Audit Committee**
 Mr. Mohammad Babar Monnoo, Chairman
 Mr. Shaukat Ellahi Shaikh, Member
 Mr. Raza Ellahi Shaikh, Member
- b. Human Resource and Remuneration (HR & R) Committee**
 Mr. Mohammad Babar Monnoo, Chairman
 Mr. Raza Ellahi Shaikh, Member
 Mr. Haroon Shahzada Ellahi Shaikh, 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 meetings of the aforesaid committees were as per following:
- a) Audit Committee: Four quarterly meetings were held during the financial year ended June 30, 2024.
- b) HR and Remuneration Committee: One meeting was held during the financial year ended June 30, 2024.
15. The Board has set up an effective internal audit function which is 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Explanation as required under the Regulations is mentioned below:

The Company has three independent directors out of ten directors. Fractional requirement for Independent directors have not been rounded up as all independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a fourth independent director.

On behalf of the Board



Haroon Shahzada Ellahi Shaikh
 Chief Executive Officer



Shahzada Ellahi Shaikh
 Chairman

Lahore: September 30, 2024

SHAREHOLDERS' INFORMATION

Annual General Meeting (AGM)

The 36th Annual General Meeting of members of ELLCOT SPINNING MILLS LTD. will be held at the Registered Office of the Company situated at Nagina House, 91-B-1, M.M. Alam Road, Gulberg-III, Lahore on Monday, October 28, 2024 at 11:30 a.m and virtually through video conference facility.

Eligible shareholders are encouraged to participate and vote.

Participation in AGM through video link facility

The Shareholders can also participate in the General Meeting through video link facility

To attend the Annual General meeting through video link, members and their proxies are requested to register their following particulars by sending an e-mail at azam@nagina.com.

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on October 27, 2024.

Eligible shareholders are encouraged to participate and vote.

Ownership

On June 30, 2024, the Company has 479 Shareholders.

Web Reference

The Company maintains a functional website. Annual, half-yearly and quarterly reports are regularly posted at the Company's website: <http://www.nagina.com>

Dividend

The Board of Directors in its meeting held on September 30, 2024 has recommended, payment of the final cash dividend at the rate of Rs.5/- per share i.e. 50% for the year ended June 30, 2024.

Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 22, 2024 to October 28, 2024 (both days inclusive). Transfers received in order by our Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on October 21, 2024 will be considered in time to entitle the transferees for payment of dividend and to attend the AGM.

PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E DIVIDEND MECHANISM)

As per the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the following particulars directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS):

Detail of Bank Mandate	
Name of Shareholder	
Folio No. / CDC Account No.	
Cell Number of Shareholder	
Landline Number of Shareholder	
E-mail address	
Title of Bank Account of shareholder	
International Bank Account Number (IBAN) "Mandatory"	PK _____ (24 digits) (kindly provide your accurate IBAN after consulting with your respective bank branch, in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and Address	
Branch Code	
CNIC No. (copy attached)	
NTN (in case of Corporate Entity)	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Shareholder

In case of non-receipt of the above information, the dividend shall be withheld.

Requirement of CNIC Number / National Tax Number (NTN) Certificate.

Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, M/s. Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued there under.

Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

Deduction of Withholding Tax on Dividend

1. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:
 - i) Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL. 15%
 - ii) Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL. 30%

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not appearing on Active Taxpayers' List (ATL) available on the website of FBR are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

2. Withholding tax will be determined separately on 'persons names appearing on ATL/persons names not appearing on ATL' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint-holder(s).
3. As per FBR Circulars C.No.1(29)WHT/2006 dated 30 June 2010 and C.No. 1(43)DG(WHT)/2008-Vol.II-66417-R dated May 12, 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under Clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

Zakat Declaration (Form CZ-50)

The Shareholders claiming exemption from deduction of Zakat are advised to submit their Zakat Declaration Form CZ-50 under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund Rules), 1981 to our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore. The Shareholders while sending the Zakat Declarations must quote the company name and their respective Folio Nos and /or CDC A/c Nos.

Delivery of the Unclaimed / Undelivered Shares & Dividend

Shareholders, whose dividends still remain unclaimed and / or undelivered share certificates, are hereby once again requested to approach the Company's Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore to claim their outstanding dividend amounts and/ or undelivered share certificates.

Consent For Video Conference Facility

Pursuant to Section 134(1)(b) of the Act, shareholders residing in a city holding aggregate 10% or more shareholding may demand to participate in the meeting through video conference. The request for video-link facility shall be received by the Share Registrar at their address at least seven days prior to the date of the meeting on the Standard Form available on the website of the Company.

Investor Relations Contact

For any query / problem / information, the investors may contact Mr. Syed Mohsin Gilani, Corporate Secretary, email address:mohsin.gilani@nagina.com, Ph # (+92-42) 35756270.

**PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2024
CUIN (INCORPORATION NUMBER) 0018985**

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
212	1	100	6,655
114	101	500	37,559
55	501	1000	42,174
67	1001	5000	157,893
9	5001	10000	59,911
2	10001	15000	25,475
2	15001	20000	34,500
-	20001	40000	-
1	40001	45000	41,345
-	45001	60000	-
1	60001	65000	64,626
-	65001	190000	-
1	190001	195000	191,878
-	195001	215000	-
1	215001	220000	219,359
-	220001	240000	-
1	240001	245000	242,735
-	245001	280000	-
1	280001	285000	284,335
-	285001	370000	-
1	370001	375000	371,743
-	375001	575000	-
1	575001	580000	578,038
-	580001	625000	-
1	625001	630000	628,400
-	630001	660000	-
3	660001	665000	1,993,716
-	665001	695000	-
2	695001	700000	1,400,000
1	700001	705000	704,380
-	705001	995000	-
1	995001	1000000	998,154
-	1000001	1395000	-
1	1395001	1400000	1,400,000
1	1400001	1405000	1,400,500
			66,624
479	Total:-		10,950,000

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2024

Sr #	Categories of Shareholders	Shares Held	Percentage
1)	Directors, Chief Executive Officer, and their Spouse and Minor Children		
	i) MR. SHAHZADA ELLAHI SHAIKH	242,735	2.22
	ii) MR. SHAUKAT ELLAHI SHAIKH	371,743	3.40
	iii) MR. SHAFQAT ELLAHI SHAIKH	284,335	2.60
	iv) MR. RAZA ELLAHI SHAIKH	1,400,000	12.79
	v) MR. AMIN ELLAHI SHAIKH	1,400,500	12.79
	vi) MR. HAROON SHAHZADA ELLAHI SHAIKH	700,000	6.39
	vii) MR. MUHAMMAD BABAR MONNOO	500	0.00
	viii) MR. JAMAL NASIM	1,000	0.01
	ix) MR. IMRAN MOTIWALA	500	0.00
	x) MRS. FAARIA REHMAN SALAHUDDIN	500	0.00
	xi) MRS. HUMERA SHAHZADA ELLAHI SHEIKH	1,437	0.01
	xii) MRS. MONA SHAUKAT SHAIKH	1,437	0.01
	xiii) MRS. SHAISTA SHAFQAT	1,437	0.01
		4,406,124	40.24
2)	Associated Companies, Undertakings and Related Parties		
	i) ELLAHI INTERNATIONAL (PVT) LIMITED	41,345	0.38
	ii) HAROON OMER (PVT) LIMITED	664,572	6.07
	iii) MONELL (PVT) LIMITED	664,572	6.07
	iv) ICARO (PVT) LIMITED	664,572	6.07
	v) ARH (PVT) LIMITED	628,400	5.74
		2,663,461	24.33
3)	NIT and ICP	Nil	Nil
4)	Banks, Development Finance Institutions, Non Banking Finance Institutions		
	i) ESCORTS INVESTMENT BANK LIMITED	4	0.00
	ii) NATIONAL BANK OF PAKISTAN	396	0.00
	iii) LSE FINANCIAL SERVICES LIMITED	1,125	0.01
		1,525	0.01
5)	Insurance Companies	191,878	1.75
6)	Modarabas and Mutual Funds		
	i) CDC - TRUSTEE GOLDEN ARROW STOCK FUND	998,154	9.12
	ii) CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	704,380	6.43
	iii) CDC - TRUSTEE AKD OPPORTUNITY FUND	578,038	5.28
		2,280,572	20.83
7)	Shareholders Holding 10% or more		
	i) MR. AMIN ELLAHI SHAIKH	1,400,500	12.79
	ii) MR. RAZA ELLAHI SHAIKH	1,400,000	12.79
8)	General Public		
	i) a. Local	1,338,616	12.22
	ii) b. Foreign	-	-
9)	Others (Joint Stock Companies)	67,824	0.62

Note:-

M/s. Nagina Cotton Mills Ltd., had distributed 6,545,000 ordinary shares of M/s. Ellicot Spinning Mills Ltd., among its members, out of which 66,624 ordinary shares have yet to be transferred by the members of M/s. Nagina Cotton Mills Ltd., These shares have been shown under the head of "General Public".

KEY FINANCIAL INFORMATION

		YEAR ENDED 30TH JUNE					
		2024	2023	2022	2021	2020	2019
Sales	Rs.'000	15,510,705	12,224,218	10,873,425	7,715,509	6,152,929	6,346,642
Gross profit	Rs.'000	1,047,131	1,042,049	2,148,878	1,399,137	757,673	640,754
Operating profit	Rs.'000	800,554	803,369	1,791,880	1,131,853	550,716	452,055
Profit before tax / levies	Rs.'000	319,625	614,456	1,629,169	1,016,226	361,369	167,489
Profit after tax	Rs.'000	152,980	419,735	1,231,300	813,597	225,879	204,769
Share capital - paid up	Rs.'000	109,500	109,500	109,500	109,500	109,500	109,500
Shareholders' equity	Rs.'000	4,211,332	4,020,588	3,738,930	2,552,071	1,755,131	1,634,434
Total assets	Rs.'000	10,267,682	10,834,227	9,379,474	6,189,405	5,377,420	5,593,261
Earning per share - pre tax / levies	Rs.	29.19	56.11	148.78	92.81	33.00	15.30
Earnings per share - after tax	Rs.	13.97	38.33	112.45	74.30	20.63	18.70
Dividend per share	Rs.	5.00	6.00	10.00	10.00	-	6.00
Market value per share as on 30 June	Rs.	85.00	93.28	162.99	123.01	89.98	79.00
Gross profit to sales	%	6.75	8.52	19.76	18.13	12.31	10.10
Operating profit to sales	%	5.16	6.57	16.48	14.67	8.95	7.12
Profit before tax / levies to sales	%	2.06	5.03	14.98	13.17	5.87	2.64
Profit after tax to sales	%	0.99	3.43	11.32	10.54	3.67	3.23
Current ratio		2.69:1	2.54:1	2.75:1	3.02:1	1.89:1	1.40:1
Total debt to total assets ratio	%	58.98	62.89	60.14	58.77	67.36	70.78
Debt equity ratio	%	50.44	54.15	50.48	50.87	53.45	53.96

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of **ELLCOT SPINNING 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 **ELLCOT SPINNING MILLS LIMITED** [the Company] for the year ended **30 June 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. 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 **30 June 2024**.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore | 30 September 2024

UDIN: CR202410704dG6tB0QJm



INDEPENDENT AUDITOR'S REPORT

To the members of ELLCOT SPINNING MILLS LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ELLCOT SPINNING MILLS LIMITED** [‘the Company’], which comprise the statement of financial position as at **30 June 2024**, 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of 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 30 June 2024 and of the profit, other comprehensive income, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan [‘the Code’] and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter

How our audit addressed the matter

1. Valuation of stock in trade

Stock in trade amounts to Rs 1,936.69 million as at the reporting date. The valuation of stock in trade at cost has different components, which includes judgment in relation to the allocation of labour and overheads which are incurred in bringing the stock to its present location and condition. Judgment has also been applied by management in determining the Net Realizable Value [‘NRV’] of stock in trade.

The estimates and judgments applied by management are influenced by the amount of direct costs incurred historically, expectations of repeat orders to utilize the stock in trade, sales contract in hand and historically realized sales prices.

To address the valuation of stock in trade, we assessed historical costs recorded in the stock in trade valuation; testing on a sample basis with purchase invoices. We tested the reasonability of assumptions applied by the management in allocating direct labour and direct overhead costs to stock in trade.

We also assessed management's determination of the net realizable value of stock in trade by performing tests on the sales prices secured by the Company for similar or comparable items of stock in trade.

Key audit matter

The significance of the balance coupled with the judgment involved has resulted in the valuation of stock in trade being identified as a key audit matter.

The disclosures in relation to stock in trade are included in note 22 to the annexed financial statements.

How our audit addressed the matter

2. Revenue recognition

Refer to notes 6.15 and 28 to the financial statements.

The amount of revenue is the most significant class of transaction on the statement of profit or loss. Net revenue has increased by 27 percent in comparison with the previous year. Revenue is recognized when control of the underlying products has been transferred to the customer. We identified revenue recognition as a key audit matter since it is a key performance measure for the Company and gives rise to the risk associated with the judgement in determining the transfer of control of products as well as creates an incentive for fraudulently overstating revenue by recognizing revenue before transfer of control.

Our audit procedures in respect of recognition of revenue, amongst others, included the following:

- Assessing the appropriateness of the Company's revenue recognition accounting policies by comparing with applicable accounting standards;
- Obtaining an understanding of and testing the design and operating effectiveness of controls design to ensure that revenue is recognized in the appropriate accounting period;
- Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period;
- Critically assessing manual journals posted to revenue to identify unusual or irregular items; and
- Testing, on a sample basis, invoices and inspecting credit notes issued subsequent to year end for accuracy of revenue.

3. Tax contingencies

As disclosed in note 36 to the annexed financial statements, various tax matters are pending adjudication at various levels with the taxation authorities and other legal forums. Such contingencies require the management to make judgments and estimates in relation to the interpretation of tax laws and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management's judgments and estimates in relation to such contingencies may be complex and can significantly impact the financial statements. For such reasons we have considered tax contingencies as a key audit matter.

Our key audit procedures in this area included, amongst others, a review of the correspondence of the Company with the relevant tax authorities and tax advisors including judgments or orders passed by the competent authorities.

We also obtained and reviewed confirmations from the Company's external tax advisor for their views on the status of each case and an overall opinion on the open tax position of the Company.

We involved internal tax experts to assess and review the management's conclusions on contingent tax matters and evaluated whether adequate disclosures have been made in the annexed financial statements.

Information other than the Financial Statements and Auditor's 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 auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **ALI RAZA JAFFERY**.



RAHMAN SARFARAZ RAHIM QBAL RAFIQ
Chartered Accountants

Lahore | 30 September 2024

UDIN: AR202410704LmQI1ZIRB



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	7	400,000,000	400,000,000
Issued share capital	8	109,500,000	109,500,000
Capital reserve	9	18,837,447	(77,201,726)
Retained earnings		4,082,994,471	3,988,289,232
TOTAL EQUITY		4,211,331,918	4,020,587,506
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances	10	3,440,775,886	3,983,206,232
Employees retirement benefits	11	210,938,548	171,603,423
Deferred taxation	12	156,856,138	199,113,489
Deferred grant	13	232,227,511	302,675,484
		4,040,798,083	4,656,598,628
CURRENT LIABILITIES			
Trade and other payables	14	1,125,269,321	1,099,365,617
Unclaimed dividend		8,141,187	7,688,093
Accrued interest/profit	15	82,763,408	110,490,652
Short term borrowings	16	147,508,995	402,824,470
Current taxation	17	38,690,458	73,674,160
Current portion of non-current liabilities	18	613,178,302	462,997,611
		2,015,551,671	2,157,040,603
TOTAL LIABILITIES		6,056,349,754	6,813,639,231
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		10,267,681,672	10,834,226,737

The annexed notes from 1 to 56 form an integral part of these financial statements.

Lahore: September 30, 2024



Amin Ellahi Shaikh
Director

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	20	4,843,948,424	5,353,824,895
Long term deposits	21	7,090,700	7,090,700
		4,851,039,124	5,360,915,595
CURRENT ASSETS			
Stores and spares		123,797,155	147,500,214
Stock in trade	22	1,936,694,440	3,027,293,503
Trade receivables	23	1,073,868,958	945,283,223
Advances, deposits, prepayments and other receivables	24	930,328,183	861,007,038
Other financial assets	25	1,104,644,600	184,707,493
Tax refunds due from government	26	133,799,736	162,197,944
Bank balances	27	113,509,476	145,321,727
		5,416,642,548	5,473,311,142
TOTAL ASSETS		10,267,681,672	10,834,226,737

The annexed notes from 1 to 56 form an integral part of these financial statements.



Muhammad Ahmad
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2024

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
Revenue from contracts with customers - net	28	15,510,705,255	12,224,217,632
Cost of sales	29	(14,463,574,110)	(11,182,168,469)
Gross profit		1,047,131,145	1,042,049,163
Selling and distribution expenses	30	(105,861,804)	(125,913,766)
Administrative expenses	31	(226,604,525)	(216,715,668)
Other expenses	32	(2,866,180)	(1,200,000)
		(335,332,509)	(343,829,434)
Impairment (allowance)/reversals for expected credit losses	44.1.6	(628,408)	23,190,130
		711,170,228	721,409,859
Other income	33	89,384,163	81,959,108
Operating profit		800,554,391	803,368,967
Finance cost	34	(480,928,981)	(188,912,663)
Profit before statutory levies and taxation		319,625,410	614,456,304
Provision for statutory levies	35	(167,181,535)	(190,501,418)
Profit before taxation		152,443,875	423,954,886
Provision for taxation	36	536,044	(4,219,796)
Profit after taxation		152,979,919	419,735,090
Earnings per share - basic and diluted	37	13.97	38.33

The annexed notes from 1 to 56 form an integral part of these financial statements.



Amin Ellahi Shaikh
Director



Muhammad Ahmad
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore: September 30, 2024

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	<i>Note</i>	30-Jun-24 <i>Rupees</i>	30-Jun-23 <i>Rupees</i>
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation	11.1	(7,634,250)	(5,395,322)
Related taxation	12.2	1,936,307	848,773
		(5,697,943)	(4,546,549)
Financial assets at fair value through OCI		127,927,928	(23,396,671)
Related taxation	12.2	(18,765,492)	(634,311)
		109,162,436	(24,030,982)
		103,464,493	(28,577,531)
<i>Items that may be reclassified subsequently to profit or loss</i>			
		-	-
Other comprehensive income/(loss)		103,464,493	(28,577,531)
Profit after taxation		152,979,919	419,735,090
Total comprehensive income		256,444,412	391,157,559

The annexed notes from 1 to 56 form an integral part of these financial statements.



Amin Ellahi Shaikh
Director



Muhammad Ahmad
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore: September 30, 2024

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

	Capital reserves					Total equity Rupees
	Share capital	Reserve for financial assets measured at FVTOCI	Reserve on merger	Total	Retained earnings	
Note	Issued share capital Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2022	109,500,000	(73,111,273)	7,760,000	(65,351,273)	3,694,781,220	3,738,929,947
Comprehensive income						
Profit after taxation	-	-	-	-	419,735,090	419,735,090
Other comprehensive loss	-	(24,030,982)	-	(24,030,982)	(4,546,549)	(28,577,531)
Total comprehensive (loss)/income	-	(24,030,982)	-	(24,030,982)	415,188,541	391,157,559
Other transactions						
Transfer from reserve for financial assets at FVTOCI on derecognition	-	15,209,639	-	15,209,639	(15,209,639)	-
Related taxation	-	(3,029,110)	-	(3,029,110)	3,029,110	-
Transaction with owners						
Final dividend @ 100% i.e. Rs. 10 per ordinary share	-	12,180,529	-	12,180,529	(12,180,529)	-
Balance as at 30 June 2023	109,500,000	(84,961,726)	7,760,000	(77,201,726)	3,988,289,232	4,020,587,506
Balance as at 01 July 2023	109,500,000	(84,961,726)	7,760,000	(77,201,726)	3,988,289,232	4,020,587,506
Comprehensive income						
Profit after taxation	-	-	-	-	152,979,919	152,979,919
Other comprehensive income/(loss)	-	109,162,436	-	109,162,436	(5,697,943)	103,464,493
Total comprehensive income	-	109,162,436	-	109,162,436	147,281,976	256,444,412
Other transactions						
Transfer from reserve for financial assets at FVTOCI on derecognition	-	(15,341,117)	-	(15,341,117)	15,341,117	-
Related taxation	-	2,217,854	-	2,217,854	(2,217,854)	-
Transaction with owners						
Final dividend @ 60% i.e. Rs. 6 per ordinary share	-	(13,123,263)	-	(13,123,263)	13,123,263	-
Balance as at 30 June 2024	109,500,000	11,077,447	7,760,000	18,837,447	4,082,994,471	4,211,331,918

The annexed notes from 1 to 56 form an integral part of these financial statements.

Lahore: September 30, 2024

Amin Ellahi Shaikh
Director



Muhammad Ahmad
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer



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

	<i>Note</i>	30-Jun-24 <i>Rupees</i>	30-Jun-23 <i>Rupees</i>
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	38	2,226,133,627	911,903,679
Payments for:			
Employees retirement benefits		(29,882,890)	(24,312,192)
Finance cost		(508,340,580)	(275,787,697)
Income taxes		(98,205,558)	(36,979,425)
Levies under Income Tax Ordinance, 2001		(103,096,330)	(168,772,340)
Net cash generated from operating activities		1,486,608,269	406,052,025
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(29,873,873)	(1,581,608,886)
Proceeds from disposal of property, plant and equipment		7,308,600	36,534,286
Return on bank term deposits received		7,343,740	-
Purchase of short term investments		(2,940,084,257)	(4,478,278,723)
Proceeds from disposal of short term investments		2,163,012,814	4,919,487,706
Dividend received		59,795,370	43,690,398
Net cash used in investing activities		(732,497,606)	(1,060,175,219)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances obtained		-	1,387,089,263
Repayment of long term finances		(462,697,628)	(449,377,749)
Net decrease in short term borrowings		(255,622,310)	(87,193,684)
Dividend paid		(65,246,906)	(108,741,170)
Net cash (used in)/generated from financing activities		(783,566,844)	741,776,660
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(29,456,181)	87,653,466
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		145,321,727	51,265,550
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(2,356,070)	6,402,711
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	39	113,509,476	145,321,727

The annexed notes from 1 to 56 form an integral part of these financial statements.



Amin Ellahi Shaikh
Director



Muhammad Ahmad
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore: September 30, 2024

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

1 LEGAL STATUS AND OPERATIONS

Ellicot Spinning Mills Limited [‘the Company’] was incorporated as a Public Limited Company in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 22 December 1988. The Company is listed on Pakistan Stock Exchange Limited. The Company is a spinning unit engaged in the manufacture and sale of yarn.

1.1 Location of business units

Registered Office	Nagina House, 91-B-1, M.M. Alam Road, Gulberg III, Lahore, Pakistan
Regional Office	2nd Floor, Shaikh Sultan Trust Building no. 2, 26-Civil Lines, Beaumont Road, Karachi, Pakistan
Manufacturing Unit	6.3 K.M, Manga Mandi, Raiwind Road Mouza Rossa, Tehsil and District Kasur, Pakistan

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

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

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost
Employee retirement benefits	Present value

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3.1 Critical accounting judgements

Judgments made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

(a) *Business model assessment (see note 43.1)*

The Company classifies its financial assets on the basis of the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

(b) Significant increase in credit risk (see note 44.1.1)

As explained in note 44.1.1, expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 44.1.3)

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 124.837 million (30-Jun-23: Rs. 115.007 million).

(b) Present value of defined benefit obligation (see note 11)

The determination of the Company's defined benefit obligation depends on certain assumptions, which include selection of the discount rate, average rate of increase in salaries and mortality rates. The discount rate is set by reference to market yields at the end of the reporting period on government bonds as there is no deep market for high quality corporate bonds in Pakistan. Average rate of increase in salary are based on market expectations, inflation and historical trends. Mortality rates are based upon SLIC(2001-05) mortality table. These assumptions are considered to be a key source of estimation uncertainty as relatively small changes in the assumptions used may have a significant effect on the Company's financial statements within the next year.

Present value of the Company's defined benefit obligation has been determined by an independent actuary, Nauman Associates, and is stated in the statement of financial position at Rs. 210.939 million (30-Jun-23: Rs. 171.603 million).

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	30-Jun-24		30-Jun-23	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
	<i>Rupees</i>		<i>Rupees</i>	
Discount rate	+ 1%	198,230,802	+ 1%	161,578,927
	- 1%	225,401,881	- 1%	182,986,442
Expected rate of increase in salary	+ 1%	225,776,865	+ 1%	183,285,480
	- 1%	197,664,132	- 1%	161,130,779

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

(c) Provisions for levies and income taxes under Income Tax Ordinance, 2001 (see note 35.2 and 36)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for income taxes, levies and tax contingencies under the Income Tax Ordinance, 2001 ['the Ordinance'].

The provision for current tax and levies under the Ordinance are estimated at Rs. 95.589 million (30-Jun-23: Rs. nil) and Rs. 149.682 million (30-Jun-23: Rs. 148.104 million) respectively. The management believes that the provision for current tax and levies made in the financial statements is sufficient to discharge related liabilities under the Ordinance.

Credit (30-Jun-23: Provision) for deferred tax of Rs. 59.087 million (30-Jun-23: Rs. 0.27 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law.

2.4 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.5 Date of authorization for issue

These financial statements were authorized for issue on 30 September 2024 by the Board of Directors of the Company.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

3.2 Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

3.3 International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12 - Income Taxes)

The amendments align the standard's requirements with similar amendments to IAS 12 Income Taxes issued in May 2023

3.4 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2024
IFRS S2 - Climate-related Disclosures	01 January 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 - Leases)	01 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1 - Presentation of Financial Statements)	01 January 2024

**Effective date
(annual periods beginning
on or after)**

Supplier Finance Arrangements (Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments : Disclosures)	01 January 2024
IFRS 17 - Insurance Contracts	01 January 2026

Other than afore mentioned standards, interpretations and amendments, IASB has also issued IFRS 1 - First Time Adoption of International Financial Reporting Standards which has not been notified by the Securities and Exchange Commission of Pakistan.

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's financial statements other than in presentation/disclosures.

5 CHANGE IN ACCOUNTING POLICY

The Institute of Chartered Accountants of Pakistan vide Circular 07 of 2024 dated 15 May 2024 has issued Application Guidance on Accounting of Minimum Taxes and Final Taxes [the Application Guidance] under IAS 12, IAS 37 and IFRIC 21. The Application Guidance provides guidance on accounting of minimum and final taxes, charged under various provision of the Income Tax Ordinance, 2001 [the Ordinance] and provides appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of under the requirements of relevant accounting and reporting standards.

The Application guidance addresses scenarios where an entity is subject to non-tax/levy regime whereby taxes under Ordinance are levied on turnover or other basis and are not based on taxable profits. The Application Guidance provides that since minimum taxes and final taxes are computed on basis other than taxable profits, these fall under the definition of levy within the scope of IFRIC 21/IAS 37 and thus shall be recognized as 'levies' against the previous practice of recognition as 'current tax' under IAS 12.

In order to implement the Application Guidance, the Company has changed its accounting policy for 'income taxes', following the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of restatements arising as a result thereof. Following the change in accounting policy:

- Any component of taxes assessed under the Ordinance which are computed on basis other than taxable profits are recognized as 'levies' while taxes based on taxable profits continue to be recognized as 'current tax'.
- Previously recognized deferred taxes have been reassessed and necessary adjustments, if required, have been made to align with the effective rate of current tax under the new accounting policy.
- Assets/liabilities related to levies and previously included in current tax assets/liabilities have been reclassified.

The amount of adjustment [increase/(decrease)] for each financial statement line item affected and on earnings per share of the Company is as follows:

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
Income tax payable	(158,277,678)	(155,304,758)
Statutory levies payable	158,277,678	155,304,758
Advance income tax	(101,172,086)	(169,419,542)
Prepaid statutory levies	101,172,086	169,419,542
Provision for current taxation	(149,681,658)	(148,103,933)
Provision for statutory levies	149,681,658	148,103,933
Earnings per share	-	-

6 MATERIAL ACCOUNTING POLICIES

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

6.1 Financial instruments

6.1.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

6.1.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

a) *Financial assets at amortized cost*

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) *Financial assets at fair value through other comprehensive income ['fair value through OCI']*

These are:

- (i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- (ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

(c) *Financial assets at fair value through profit or loss*

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(d) *Financial liabilities at amortized cost*

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

(e) *Financial liabilities at fair value through profit or loss*

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

6.1.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

6.1.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.

6.1.5 Off-setting

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

6.1.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

6.2 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

6.3 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

6.4 Trade and other payables

6.4.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

6.4.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

6.5 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

6.6 Property, plant and equipment

Property, plant and equipment assets held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their cost less accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note 20.1, so as to write off the cost of assets (other than freehold land and assets under construction) over their useful lives, using the reducing balance method. Depreciation commences from the month in which the item is ready for intended use and is discontinued from the month in which the asset is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

A property, plant and equipment asset is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

6.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately or in a business combination are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss, using amortization methods specified in note 20.3, over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately or in a business combination are carried at cost less accumulated impairment losses.

6.8 Stores and spares

These are valued at cost. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held exclusively for capitalization are classified as property, plant and equipment.

6.9 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Category	Basis of determination of cost
Raw material	Moving average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and an appropriate proportion of manufacturing overheads.

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

6.10 Trade and other receivables

6.10.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs, except for trade receivables that do not have a significant financing component, which are measured at undiscounted invoice price. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

6.10.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

6.11 Investments in mutual funds

Investments in mutual fund units are classified as 'financial assets at fair value through profit or loss [FVTPL]' unless the Company makes an irrevocable election at initial recognition, for a particular investment, to present subsequent changes in fair value in other comprehensive income in which case these are classified as 'financial assets at fair value through other comprehensive income [FVTOCI]'. On initial recognition, these are measured at fair value as on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in profit or loss except where the Company has made an irrevocable election at initial recognition to present these changes in other comprehensive income. Cumulative gains and losses from changes in fair value recognized in other comprehensive income are transferred to retained earnings on derecognition. Dividend income is recognized in profit or loss when right to receive payment is established.

6.12 Investments in listed equity securities

Investments in listed equity securities are classified as 'financial assets at fair value through other comprehensive income'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in other comprehensive income. Cumulative gains and losses from changes in fair value recognized in other comprehensive income are transferred to retained earnings on derecognition. Dividend income is recognized in profit or loss when right to receive payment is established.

6.13 Investments in term deposits

Investments in term deposits are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

6.14 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. Interest income on cash and cash equivalents is recognized using effective interest method.

6.15 Contracts with Customers

6.15.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Yarn, Raw cotton, Polyester, Waste	Performance obligations are satisfied when goods are dispatched to customers. Invoices are generated at that point in time and are usually payable within a period ranging from 30 days to 120 days. There are no customer loyalty programs or warranty provisions. However, some contracts allow for return of goods if those do not meet the requirements or specifications provided in the contract.	Revenue is recognized at a point in time when the goods are dispatched to customers.

6.15.2 Contract assets

Contract assets represent work performed upto the reporting date which has not been invoiced to customers because the related performance obligations remain partially unsatisfied as at the reporting date.

6.15.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

6.16 Employee benefits

6.16.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

The liability for compensated absences is measured at the amount that the Company expects to pay out in cash for unused leaves as at the reporting date.

6.16.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation.

6.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

6.18 Government grants

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The amount of grant is recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the tenure of loan.

6.19 Income tax

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

6.19.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

6.19.2 Deferred taxation

Deferred tax is accounted for by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized.

6.20 Impairment

6.20.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade receivables, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

6.20.2 Non-financial assets

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

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

6.21 Short-term leases

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

6.22 Earnings per share ['EPS']

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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

6.23 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

6.24 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

6.25 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company is a single operating segment based on internal reporting to the Chief Executive Officer of the Company.

6.26 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6.27 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from retained earnings in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

7 AUTHORIZED SHARE CAPITAL

30-Jun-24	30-Jun-23		30-Jun-24	30-Jun-23
<i>No. of shares</i>	<i>No. of shares</i>		<i>Rupees</i>	<i>Rupees</i>
40,000,000	40,000,000	Ordinary shares of Rs. 10 each	400,000,000	400,000,000
40,000,000	40,000,000		400,000,000	400,000,000

8 ISSUED SHARE CAPITAL

30-Jun-24	30-Jun-23		30-Jun-24	30-Jun-23
<i>No. of shares</i>	<i>No. of shares</i>		<i>Rupees</i>	<i>Rupees</i>
Ordinary shares of Rs. 10 each				
8,760,000	8,760,000	Issued for cash	87,600,000	87,600,000
2,190,000	2,190,000	Issued as fully paid bonus shares	21,900,000	21,900,000
10,950,000	10,950,000		109,500,000	109,500,000

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>

9 CAPITAL RESERVE

Reserve for financial assets measured at FVTOCI		11,077,447	(84,961,726)
Reserve on merger	9.1	7,760,000	7,760,000
		18,837,447	(77,201,726)

- 9.1 On 30 September 2001, the net assets of Power Unit II of Ellahi Electric Company Limited were merged into the Company. The reserve represents the difference between the book value of shares held by the Company in Ellahi Electric Company Limited as on the date of merger and the value of net assets transferred to the Company.

	<i>Note</i>	30-Jun-24 <i>Rupees</i>	30-Jun-23 <i>Rupees</i>
10 LONG TERM FINANCES			
These represent long term finances utilized under interest arrangements from banking companies and financial institutions			
United Bank Limited			
Term Finance	10.1	55,253,000	55,253,000
Habib Bank Limited			
Term Finance	10.2	50,772,599	62,719,091
Long Term Financing Facility	10.3	437,104,796	538,321,220
		487,877,395	601,040,311
National Bank of Pakistan			
Term Finance	10.4	48,875,000	57,500,000
Temporary Economic Refinancing Facility	10.5	197,841,478	208,364,722
		246,716,478	265,864,722
Pakistan Kuwait Investment Company (Private) Limited			
Term Finance	10.6	584,599,465	584,599,465
Long Term Financing Facility	10.7	214,561,500	242,871,000
Temporary Economic Refinancing Facility	10.8	28,757,648	32,567,225
		827,918,613	860,037,690
Askari Bank Limited			
Term Finance	10.9	598,289,038	598,289,038
Allied Bank Limited			
Long Term Financing Facility	10.10	15,288,000	17,145,000
Temporary Economic Refinancing Facility	10.11	346,976,822	373,547,244
Renewable Energy Scheme	10.12	61,227,000	69,387,000
		423,491,822	460,079,244
Bank Alfalah Limited			
Long Term Financing Facility	10.13	763,578,301	928,749,513
Temporary Economic Refinancing Facility	10.14	580,381,568	600,473,903
		1,343,959,869	1,529,223,416
		3,983,506,215	4,369,787,421
Current maturity presented under current liabilities	18	(542,730,329)	(386,581,189)
		3,440,775,886	3,983,206,232

10.1 These finances have been obtained from United Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at rate of three months KIBOR plus 1.60% (30-Jun-23: three months KIBOR plus 1.00% to 1.60%) per annum, payable quarterly. These finances are repayable in twenty two to thirty two equal quarterly installments with final maturity due in December 2032.

10.2 These finances have been obtained from Habib Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at three months KIBOR plus 0.50% (30-Jun-23: three months KIBOR plus 0.50%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in September 2028.

10.3 These finances have been obtained from Habib Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at 2.50% (30-Jun-23: 2.50%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in July 2029.

10.4 These finances have been obtained from National Bank of Pakistan to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at three months KIBOR plus 1.50% (30-Jun-23: three months KIBOR plus 1.50%) per annum, payable quarterly. These finances are repayable in twenty equal quarterly installments with final maturity due in August 2028.

10.5 These finances have been obtained from National Bank of Pakistan to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at a below-market rate of 2.50% per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in December 2031. The amortized cost of these finances has been determined using discount rates ranging from of 12.04% to 12.89% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 13). The details are as follows:

	Note	30-Jun-24	30-Jun-23
		Rupees	Rupees
Face value of finance		265,027,000	292,168,000
Unamortized deferred grant	13	(67,185,522)	(83,803,278)
		197,841,478	208,364,722

10.6 These finances have been obtained from Pakistan Kuwait Investment Company (Private) Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at three months KIBOR plus 1.50% per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in December 2032.

10.7 These finances have been obtained from Pakistan Kuwait Investment Company (Private) Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at 3.50% (30-Jun-23: 3.50%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in December 2031.

10.8 These finances have been obtained from Pakistan Kuwait Investment Company (Private) Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at a below-market rate of 3.00% per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in August 2030. The amortized cost of these finances has been determined using discount rates ranging from of 9.30% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 13). The details are as follows:

	Note	30-Jun-24	30-Jun-23
		Rupees	Rupees
Face value of finance		34,064,000	39,512,000
Unamortized deferred grant	13	(5,306,352)	(6,944,775)
		28,757,648	32,567,225

10.9 These finances have been obtained from Askari Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at three months KIBOR plus 1.50% per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in December 2032.

10.10 These finances have been obtained from Allied Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at 3.25% (30-Jun-23: 3.25%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in November 2031.

10.11 These finances have been obtained from Allied Bank Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at a below-market rate of 2.25% per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in October 2031. The amortized cost of these finances has been determined using discount rates ranging from of 8.70% to 14.89% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 13). The details are as follows:

	Note	30-Jun-24	30-Jun-23
		Rupees	Rupees
Face value of finance		431,954,800	480,637,000
Unamortized deferred grant	13	(84,977,978)	(107,089,756)
		346,976,822	373,547,244

- 10.12** These finances have been obtained from Allied Bank Limited to finance the installation of 1 MW solar power project and are secured by charge over operating fixed assets of the Company. These finances carry interest at 3.25% per annum, payable quarterly. These finances are repayable in thirty five equal quarterly installments with final maturity due in October 2031.
- 10.13** These finances have been obtained from Bank Alfalah Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at rates ranging from 2.50% to 3.50% (30-Jun-23: 2.50% to 3.50%) per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in January 2030.
- 10.14** These finances have been obtained from Bank Alfalah Limited to finance capital expenditure and are secured by charge over operating fixed assets of the Company. These finances carry interest at a below-market rate of 2.75% per annum, payable quarterly. These finances are repayable in thirty two equal quarterly installments with final maturity due in January 2032. The amortized cost of these finances has been determined using discount rates ranging from 9.14% to 12.02% being the prevailing market rates of interest for similar instruments at the date of disbursement. The difference between the amortised cost and face value has been recognized as deferred grant (See note 13). The details are as follows:

	Note	30-Jun-24	30-Jun-23
		Rupees	Rupees
Face value of finance		725,588,000	781,728,000
Unamortized deferred grant	13	(145,206,432)	(181,254,097)
		580,381,568	600,473,903

- 10.15** For mortgages and charges on assets as security for liabilities, refer to note to the financial statements.

11 EMPLOYEES RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized on statement of financial position represents present value of defined benefit obligation.

	Note	30-Jun-24	30-Jun-23
		Rupees	Rupees
11.1 Movement in present value of defined benefit obligation			
As at beginning of the year		171,603,423	143,398,138
Charged to profit or loss for the year	11.2	61,583,765	47,122,155
Benefits paid during the year		(29,882,890)	(24,312,192)
Remeasurements recognized in other comprehensive income	11.4	7,634,250	5,395,322
As at end of the year		210,938,548	171,603,423
11.2 Charge to profit or loss			
Service cost		36,126,194	29,732,584
Interest cost		25,457,571	17,389,571
		61,583,765	47,122,155
11.3 The charge to profit or loss has been allocated as follows			
Cost of sales	29.2	36,229,379	18,860,837
Administrative expenses	31.1	25,354,386	28,261,318
		61,583,765	47,122,155
11.4 Remeasurements recognized in other comprehensive income			
Actuarial (gain)/loss arising from:			
Changes in financial assumptions		(723,014)	1,160,667
Experience adjustments		8,357,264	4,234,655
		7,634,250	5,395,322

11.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries, Nauman Associates. The principal assumptions used in determining present value of defined benefit obligation are:

	30-Jun-24	30-Jun-23
Discount rate	14.75%	16.25%
Expected rate of increase in salary	14.25%	15.75%

11.6 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is 6 years.

11.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending 30 June 2025 amounts to Rs. 72.601 million.

11.8 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on government bonds since there is no deep market in long term private sector bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of employees. An increase in the expected remaining working lives will increase the defined benefit obligation.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.

	Note	30-Jun-24 Rupees	30-Jun-23 Rupees
12 DEFERRED TAXATION			
Deferred tax liability on taxable temporary differences	12.1	370,840,240	321,739,574
Deferred tax asset on deductible temporary differences	12.1	(213,984,102)	(122,626,085)
		156,856,138	199,113,489

12.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	30-Jun-24			
	As at 01-Jul-23 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at 30-Jun-24 Rupees
Deferred tax liabilities				
Operating fixed assets	321,739,574	49,100,666	-	370,840,240
Deferred tax assets				
Employees retirement benefits	(26,996,042)	(24,568,888)	(1,936,307)	(53,501,237)
Investments	(14,355,149)	(1,191,458)	18,765,492	3,218,885
Impairment allowance for expected credit losses	(1,311,393)	(962,292)	-	(2,273,685)
Unused losses and credits	(79,963,501)	(81,464,564)	-	(161,428,065)
	(122,626,085)	(108,187,202)	16,829,185	(213,984,102)
	199,113,489	(59,086,536)	16,829,185	156,856,138

	30-Jun-23			
	As at 01-Jul-22 <i>Rupees</i>	Recognized in profit or loss <i>Rupees</i>	Recognized in OCI <i>Rupees</i>	As at 30-Jun-23 <i>Rupees</i>
Deferred tax liabilities				
Operating fixed assets	241,897,230	79,842,344	-	321,739,574
Deferred tax assets				
Employees retirement benefits	(22,792,342)	(3,354,927)	(848,773)	(26,996,042)
Investments	(15,035,773)	46,313	634,311	(14,355,149)
Impairment allowance for expected credit losses	(5,010,907)	3,699,514	-	(1,311,393)
Unused losses and credits	-	(79,963,501)	-	(79,963,501)
	(42,839,022)	(79,572,601)	(214,462)	(122,626,085)
	199,058,208	269,743	(214,462)	199,113,489

12.2 Deferred tax on items of income and expenses recognized in other comprehensive income are attributable to:

	30-Jun-24		
	Origination and reversal of temporary differences <i>Rupees</i>	Changes in tax rates <i>Rupees</i>	Total <i>Rupees</i>
Remeasurements of defined benefit obligation	(1,936,307)	-	(1,936,307)
Financial assets at fair value through OCI	20,746,000	(1,980,508)	18,765,492
	18,809,693	(1,980,508)	16,829,185

	30-Jun-23		
	Origination and reversal of temporary differences <i>Rupees</i>	Changes in tax rates <i>Rupees</i>	Total <i>Rupees</i>
Remeasurements of defined benefit obligation	848,773	-	848,773
Financial assets at fair value through OCI	1,188,356	(1,822,667)	(634,311)
	2,037,129	(1,822,667)	214,462

13 DEFERRED GRANT

The State Bank of Pakistan ['SBP'] through IH&SMEFD circular no. 1 of 2020 dated 17 March 2020, introduced a 'Temporary Economic Refinance Facility' ['TERF']. The purpose of this scheme was to provide relief to dampen the effects of COVID - 19 by providing loans at interest rates that are below normal lending rates.

The Company obtained financing of Rs. 1,598.132 million under TERF (see notes 10.5, 10.8, 10.11 and 10.14). The benefit of below market interest rates, measured as the difference between the fair value of loan on the date of disbursement and its face value on that date has been recognised as deferred grant.

The movement during the year is as follows:

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		379,091,906	452,393,928
Amortized during the year		(76,416,422)	(73,302,022)
As at end of the year		302,675,484	379,091,906
Current maturity presented under current liabilities	18	(70,447,973)	(76,416,422)
		232,227,511	302,675,484

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
14 TRADE AND OTHER PAYABLES			
Trade creditors		83,263,438	75,478,579
Accrued liabilities		315,176,571	360,917,755
Advances from customers		5,672,664	4,453,709
Gas infrastructure development cess	14.1	117,902,576	117,902,576
Infrastructure tax	14.2	336,644,117	281,510,869
Cotton cess	14.3	33,612,831	28,937,381
Statutory levies payable	14.4	205,616,956	215,866,974
Sales tax payable		25,330,381	12,232,388
Other payables		2,049,787	2,065,386
		1,125,269,321	1,099,365,617

14.1 This represents cess levied, through the Gas Infrastructure Development Cess ['GIDC'] Act, 2011 later re-imposed by the Gas Infrastructure Development Cess Act, 2015, the recovery of which has been stayed by the High Court of Sindh. (see note 19.1.3).

14.2 This represents tax levied by the Sindh Government on movement of imported goods entering the Sindh Province from outside Pakistan.

14.3 This represents cess levied under the Cotton Cess Act, 1923, the recovery of which has been stayed by the High Court of Lahore. (see note 19.1.4).

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
14.4 Statutory levies payable			
Workers' Profit Participation Fund	14.4.1	15,969,080	30,722,815
Workers' Welfare Fund	14.4.2	31,370,198	29,839,401
Levies under Income Tax Ordinance, 2001	14.4.3	158,277,678	155,304,758
		205,616,956	215,866,974

14.4.1 Workers' Profit Participation Fund

As at beginning of the year		30,722,815	86,951,123
Interest on funds utilized by the Company	14.4.1.1	315,645	8,218,668
Charged to profit or loss for the year	35	15,969,080	30,722,815
Paid during the year		(31,038,460)	(95,169,791)
As at end of the year		15,969,080	30,722,815

14.4.1.1 Interest has been charged at 75% (30-Jun-23: 75%) per annum.

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
14.4.2 Workers' Welfare Fund			
As at beginning of the year		29,839,401	33,041,427
Charged to profit or loss for the year	35.1	1,530,797	11,674,670
Adjusted during the year		-	(14,876,696)
As at end of the year		31,370,198	29,839,401
14.4.3 Levies under Income Tax Ordinance, 2001			
As at beginning of the year		155,304,758	66,407,986
Charged to profit or loss for the year	35.2	149,681,658	148,103,933
Paid/adjusted during the year		(146,708,738)	(59,207,161)
As at end of the year		158,277,678	155,304,758
15 ACCRUED INTEREST/PROFIT			
Long term finances		77,927,702	82,018,942
Short term borrowings		4,835,706	28,471,710
		82,763,408	110,490,652
16 SHORT TERM BORROWINGS			
Secured			
These represent short term finances utilized under interest/profit arrangements from banking companies.			
Running finances	16.1	18,001,226	102,343,454
Running musharakah	16.2	114,525,821	295,491,016
		132,527,047	397,834,470
Unsecured			
Book overdraft	16.3	14,981,948	4,990,000
		147,508,995	402,824,470
16.1	These facilities have been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company and lien over export documents. These carry interest at rates ranging from one to three months KIBOR plus 0.2% to 0.75% per annum (30-Jun-23: one to three months KIBOR plus 0.2% to 1% per annum) payable quarterly.		
16.2	These facilities have been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company. These carry profit at one to three months KIBOR plus 0.12% to 0.15% per annum (30-Jun-23: one to three months KIBOR plus 0.12% to 1% per annum) payable quarterly.		
16.3	These represent cheques issued by the Company in excess of balances at bank which have been presented for payments after the reporting period.		
16.4	The aggregate available short term funded facilities amounts to Rs. 5,152 million (30-Jun-23: Rs. 5,152 million) out of which Rs. 5,019 million (30-Jun-23: Rs. 4,754 million) remained unavailed as at the reporting date.		
16.5	For mortgages and charges on assets as security for liabilities, refer to note 47 to the financial statements.		

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
17	CURRENT TAXATION		
	Income tax payable	138,895,839	80,345,347
	Advance income tax	(100,205,381)	(6,671,187)
		38,690,458	73,674,160
18	CURRENT PORTION OF NON-CURRENT LIABILITIES		
	Long term finances	10 542,730,329	386,581,189
	Deferred grant	13 70,447,973	76,416,422
		613,178,302	462,997,611
19	CONTINGENCIES AND COMMITMENTS		
19.1	Contingencies		
19.1.1	Bank guarantees	649,705,294	493,512,294
19.1.2	Bills discounted	189,038,762	386,377,015
19.1.3	The Company vide petition 1085/2021 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated 03 May 2021 has suspended the recovery of GIDC installments. No further date is fixed for hearing. Further, the Company vide petition 1842/2021 dated 27 July 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated 13 August 2020 in relation to commencement of work on specified projects. No further date is fixed for hearing.		
19.1.4	The Company vide petition ICA 164350 of 2018 and ICA 223501 of 2018 filed before the High Court of Lahore challenged the recovery of Imported Cotton Cess against the judgment passed in writ petition No. 9390 of 2017 and writ petition No. 10005 of 2017 dated 07 May 2018 respectively. The High Court of Lahore ruled against the Company following which the Company filed appeal CPLA 27 of 2023 before the Supreme Court of Pakistan. Presently the recovery of cess has been stayed by the Supreme Court of Pakistan. No date is yet fixed for hearing.		
19.1.5	The Company vide petition WPA 20676 of 2011 filed before the High Court of Lahore challenged the recovery of electricity duty on self generation of electricity. Presently the recovery of electricity duty has been stayed by the High Court of Lahore. No further date is fixed for hearing.		
19.1.6	The Company vide petition WPA 24535 of 2016 filed before the High Court of Lahore challenged the recovery of Punjab Infrastructure Development Cess. Presently the recovery of electricity duty has been stayed by the High Court of Lahore. No further date is fixed for hearing.		
19.1.7	Contingencies related to tax matters are referred to in note 36 to the financial statements.		
		30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
19.2	Commitments		
19.2.1	Commitments under irrevocable letters of credit for:		
	- purchase of stores and spares	29,442,273	59,187,077
	- purchase of raw material	972,941,382	754,317,731
		1,002,383,655	813,504,808

19.2.2 Commitments under short-term leases:

The Company has rented office premises from a related party under short-term lease arrangements. Lease agreement covers a period of one year and is renewable/extendable on mutual consent. Lease rentals are payable quarterly in advance. Commitments for payments in future periods under the lease agreement are as follows:

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
- payments not later than one year		703,116	669,636
- payments later than one year		-	-
		703,116	669,636
	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>

20 FIXED ASSETS

Property, plant and equipment			
Operating fixed assets	20.1	4,843,948,424	5,348,493,610
Capital work in progress	20.2	-	5,331,285
		4,843,948,424	5,353,824,895
Intangible assets	20.3	-	-
		4,843,948,424	5,353,824,895

20.1 Operating fixed assets

	30-Jun-24										Net book value as at 30-Jun-24 Rupees	
	COST					DEPRECIATION						
	As at 01-Jul-23 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-24 Rupees	Rate %	As at 01-Jul-23 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-24 Rupees		
Freehold land	27,975,668	-	-	-	27,975,668	-	-	-	-	-	-	27,975,668
Buildings on freehold land												
Mills	585,651,405	-	-	11,347,401	596,998,806	10	250,762,721	33,579,799	-	-	284,342,520	312,656,286
Other factory buildings	68,841,136	-	-	-	68,841,136	5	43,183,543	1,282,880	-	-	44,466,423	24,374,713
	654,492,541	-	-	11,347,401	665,839,942		293,946,264	34,862,679	-	-	328,808,943	337,030,999
Plant and machinery	6,908,023,257	-	-	1,231,257	6,909,254,514	10	2,070,966,465	483,726,198	-	-	2,554,692,663	4,354,561,851
Electric installations and equipment	138,197,826	262,000	-	-	138,459,826	10	85,493,100	5,279,206	-	-	90,772,306	47,687,520
Factory equipment	21,392,954	-	-	-	21,392,954	10	17,574,294	381,865	-	-	17,956,159	3,436,795
Office equipment	31,700,469	1,108,100	-	-	32,808,569	10	19,920,634	1,249,674	-	-	21,170,308	11,638,261
Furniture and fixtures	13,618,903	845,000	-	-	14,463,903	10	7,804,484	611,840	-	-	8,416,324	6,047,579
Arms and ammunition	631,513	-	-	-	631,513	10	568,009	6,350	-	-	574,359	57,154
Vehicles	76,450,629	20,411,400	(8,213,330)	-	88,648,699	20	27,716,900	10,619,124	(5,199,922)	(5,199,922)	33,136,102	55,512,597
	7,872,483,760	22,626,500	(8,213,330)	12,578,658	7,899,475,588		2,523,990,150	536,736,936	(5,199,922)	(5,199,922)	3,055,527,164	4,843,948,424

	30-Jun-23										Net book value as at 30-Jun-23 Rupees	
	COST					DEPRECIATION						
	As at 01-Jul-22 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at 30-Jun-23 Rupees	Rate %	As at 01-Jul-22 Rupees	For the year Rupees	Adjustment Rupees	As at 30-Jun-23 Rupees		
Freehold land	7,173,568	20,802,100	-	-	27,975,668	-	-	-	-	-	-	27,975,668
Buildings on freehold land												
Mills	482,645,239	-	-	103,006,166	585,651,405	10	223,989,986	26,772,735	-	250,762,721		334,888,684
Other factory buildings	68,841,136	-	-	-	68,841,136	5	41,829,322	1,354,221	-	43,183,543		25,657,593
	551,486,375	-	-	103,006,166	654,492,541		265,819,308	28,128,956	-	293,946,264		360,546,277
Plant and machinery	5,343,871,309	-	(85,552,849)	1,649,704,797	6,908,023,257	10	1,750,347,493	378,293,956	(57,674,984)	2,070,966,465		4,837,056,792
Electric installation and equipment	138,197,826	-	-	-	138,197,826	10	79,637,019	5,856,081	-	85,493,100		52,704,726
Factory equipment	21,392,954	-	-	-	21,392,954	10	17,149,999	424,295	-	17,574,294		3,818,660
Office equipment	31,357,123	666,346	(323,000)	-	31,700,469	10	18,700,487	1,301,759	(81,612)	19,920,634		11,779,835
Furniture and fixtures	12,200,683	1,418,220	-	-	13,618,903	10	7,217,269	587,215	-	7,804,484		5,814,419
Arms and ammunition	631,513	-	-	-	631,513	10	560,952	7,057	-	568,009		63,504
Vehicles	80,291,282	11,679,500	(15,520,153)	-	76,450,629	20	30,514,235	10,626,252	(13,423,587)	27,716,900		48,733,729
	6,186,602,633	34,586,166	(101,396,002)	1,752,710,963	7,872,483,760		2,169,946,762	425,223,571	(71,180,183)	2,523,990,150		5,348,493,610

20.1.1 Free hold land of the Company is located at District Kasur with a total area of 236 Kanal 14 Marla (30-Jun-23: 236 Kanal 14 Marla).

20.1.2 Transfers represent transfers from capital work in progress on related assets becoming available for use.

20.1.3 Disposal of operating fixed assets

Particulars	30-Jun-24					Mode of disposal	Particulars of buyer
	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal		
	Rupees	Rupees	Rupees	Rupees	Rupees		
Vehicles							
Honda City	2,515,000	1,492,010	1,022,990	1,800,600	777,610	Negotiation	Muhammad Ahmad, Lahore.
Honda City	2,495,000	1,626,341	868,659	3,071,000	2,202,341	Negotiation	Khalid Khan, Lahore.
Honda City	2,315,000	1,398,383	916,617	1,815,000	898,383	Negotiation	Talha Kausar, Lahore.
Suzuki Ravi	661,930	600,017	61,913	425,000	363,087	Negotiation	Noor Zaman, Sargodha.
Honda CD 70	157,900	21,053	136,847	160,000	23,153	Insurance claim	Jubilee General Insurance Company Ltd.
Honda CD 70	68,500	62,118	6,382	37,000	30,618	Negotiation	Moiz Usman, Lahore.
	8,213,330	5,199,922	3,013,408	7,308,600	4,295,192		
	8,213,330	5,199,922	3,013,408	7,308,600	4,295,192		
30-Jun-23							
Particulars	Cost	Accumulated depreciation	Net book value	Disposal proceeds	Gain/(loss) on disposal	Mode of disposal	Particulars of buyer
	Rupees	Rupees	Rupees	Rupees	Rupees		
Plant and machinery							
Savio Polar Machine	21,753,448	14,285,542	7,467,906	8,200,000	732,094	Negotiation	A.J. Textile Mills Limited, Peshawar.
Savio Polar Machine	21,753,448	14,285,542	7,467,906	8,200,000	732,094	Negotiation	A.A. Spinning Mills Limited, Faisalabad.
Savio Polar Machine	21,753,448	14,353,431	7,400,017	8,200,000	799,983	Negotiation	Hanif Trading Corporation, Lahore.
Auto Coner Machine	17,691,892	12,415,442	5,276,450	5,800,000	523,550	Negotiation	Hanif Trading Corporation, Lahore.
Draw Frame	2,600,613	2,335,027	265,586	400,000	134,414	Negotiation	Al-Hussain Cotton Waste, Lahore.
	85,552,849	57,674,984	27,877,865	30,800,000	2,922,135		
Office Equipment							
Laptop	188,000	19,818	168,182	127,000	(41,182)	Negotiation	Waqar Hussain, Lahore.
Apple Mac Book Pro	135,000	61,794	73,206	40,000	(33,206)	Negotiation	Waqar Hussain, Lahore.
	323,000	81,612	241,388	167,000	(74,388)		
Vehicles							
BMW	9,719,253	9,538,529	180,724	1,500,000	1,319,276	Negotiation	Zahid Ehsan, Vehari.
Honda Civic	2,653,000	1,709,107	943,893	2,025,000	1,081,107	Negotiation	Moosa Sultan, Lahore.
Honda City	1,668,000	1,258,831	409,169	1,005,000	595,831	Negotiation	M. Asim Mumtaz, Lahore.
Suzuki Cultus	1,410,000	859,737	550,263	1,000,786	450,523	Negotiation	Bilal Haider, Lahore.
Honda CD-70	69,900	57,383	12,517	36,500	23,983	Negotiation	Abdul Sattar Abbasi, Lahore.
	15,520,153	13,423,587	2,096,566	5,567,286	3,470,720		
	101,396,002	71,180,183	30,215,819	36,534,286	6,318,467		

Note

30-Jun-24

30-Jun-23

Rupees

Rupees

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

Cost of sales	29	524,249,948	412,701,288
Administrative expenses	31	12,486,988	12,522,283
		536,736,936	425,223,571

20.2 Capital work in progress

	30-Jun-24			
	As at			As at
	01-Jul-23	Additions	Transfers	30-Jun-24
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Building	5,331,285	6,016,116	(11,347,401)	-
Plant and machinery	-	1,231,257	(1,231,257)	-
	5,331,285	7,247,373	(12,578,658)	-

	30-Jun-23			
	As at			As at
	01-Jul-22	Additions	Transfers	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Building	6,054,022	102,283,429	(103,006,166)	5,331,285
Plant and machinery	51,793,783	1,597,911,014	(1,649,704,797)	-
	57,847,805	1,700,194,443	(1,752,710,963)	5,331,285

20.3 Intangible assets

	30-Jun-24						Net book value as at 30-Jun-24 Rupees
	Cost		Accumulated Amortization		As at		
	As at 01-Jul-23 Rupees	Additions Rupees	Transfers Rupees	As at 30-Jun-24 Rupees	For the period Rupees	As at 30-Jun-24 Rupees	
Software	6,199,985	-	-	6,199,985	-	6,199,985	-
	6,199,985	-	-	6,199,985	-	6,199,985	-
	30-Jun-23						Net book value as at 30-Jun-23 Rupees
	Cost		Accumulated Amortization		As at		
	As at 01-Jul-22 Rupees	Additions Rupees	Transfers Rupees	As at 30-Jun-23 Rupees	For the period Rupees	As at 30-Jun-23 Rupees	
Software	6,199,985	-	-	6,199,985	-	6,199,985	-
	6,199,985	-	-	6,199,985	-	6,199,985	-

20.3.1 Software represents cost of Oracle Financials Suite acquired by the Company, fully amortized @ 20% per annum using straight line method.

		30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
21	LONG TERM DEPOSITS		
	Regulatory authorities	25,000	25,000
	Utility companies	7,065,700	7,065,700
		7,090,700	7,090,700

21.1 These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
22	STOCK IN TRADE		
	Raw material	1,523,003,488	2,604,076,570
	Work in process	129,375,280	118,238,905
	Finished goods	284,315,672	304,978,028
		1,936,694,440	3,027,293,503

22.1 Stock of finished goods includes stock of waste valued at Rs. 10,873,297 (30-Jun-23: Rs. 24,111,218). The entire stock of waste is valued at net realizable value.

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
23	TRADE RECEIVABLES		
	Considered good		
	- local - <i>unsecured</i>	1,045,009,233	785,948,285
	- foreign - <i>secured</i>	37,824,151	167,670,956
		1,082,833,384	953,619,241
	Impairment allowance for expected credit losses	(8,964,426)	(8,336,018)
		1,073,868,958	945,283,223

23.1 These are secured through letters of credit.

23.2 Impairment allowance for expected credit losses

As at beginning of the year		8,336,018	31,526,148
Recognized during the year	44.1.6	628,408	321,018
Reversed during the year	44.1.6	-	(23,511,148)
As at end of the year		8,964,426	8,336,018

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
24	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to suppliers		807,782,134	640,900,554
Advances to employees			
- against purchases and expenses		90,000	108,500
- against salaries and benefits		617,663	1,764,318
Letters of credit		8,695,488	11,170,764
Security deposits		6,000,000	13,855,868
Prepaid expenses		3,403,961	2,082,061
Prepaid statutory levies		101,172,086	169,419,542
Other receivables		2,566,851	21,705,431
		930,328,183	861,007,038
25	OTHER FINANCIAL ASSETS		
Financial assets at fair value through other comprehensive income	25.1	81,298,110	153,108,716
Financial assets at fair value through profit or loss	25.2	985,026,425	3,178,054
Financial assets at amortized cost	25.3	38,320,065	28,420,723
		1,104,644,600	184,707,493

25.1 Financial assets at fair value through other comprehensive income

These represent investments in listed equity securities which have been designated as 'financial assets at fair value through other comprehensive income'. These investments are not held for trading. Instead, they are held for strategic purposes for an indefinite period. Accordingly, the Company has elected to designate these investments as at fair value through other comprehensive income as the management believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments and realizing their performance potential in the long run. The detail of costs of acquisition and fair values as at the reporting date for each individual investment are as follows:

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
Investments in listed equity securities	25.1.1		
Cost of investment		68,031,706	252,429,123
Changes in fair value		13,266,404	(99,320,407)
		81,298,110	153,108,716
		30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>

25.1.1 Investments in listed equity securities

Habib Bank Limited

357,000 (30-Jun-23: 357,000) ordinary shares of Rs. 10 each

Market value: 124.03 (30-Jun-23: Rs. 73.23) per share

Cost of investment	49,229,159	49,229,159
Changes in fair value	(4,950,449)	(23,086,049)
	44,278,710	26,143,110

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
Oil and Gas Development Company Limited		
Nil (30-Jun-23: 150,000) ordinary shares of Rs. 10 each		
Market value per share: Rs. Nil (30-Jun-23: Rs. 78.00)		
Cost of investment	-	20,360,637
Changes in fair value	-	(8,660,637)
	-	11,700,000
United Bank Limited		
Nil (30-Jun-23: 310,100) ordinary shares of Rs. 10 each		
Market value per share: Rs. Nil (30-Jun-23: Rs. 117.54)		
Cost of investment	-	54,437,627
Changes in fair value	-	(17,988,473)
	-	36,449,154
Fatima Fertilizer Company Limited		
Nil (30-Jun-23: 370,000) ordinary shares of Rs. 10 each		
Market value per share: Rs. Nil (30-Jun-23: Rs. 29.81)		
Cost of investment	-	12,244,225
Changes in fair value	-	(1,214,525)
	-	11,029,700
Bank Al-Habib Limited		
330,000 (30-Jun-23: 483,000) ordinary shares of Rs. 10 each		
Market value per share: Rs. 112.18 (30-Jun-23: Rs. 43.22)		
Cost of investment	18,802,547	24,932,125
Changes in fair value	18,216,853	(4,056,865)
	37,019,400	20,875,260
Fauji Cement Company Limited		
Nil (30-Jun-23: 1,309,500) ordinary shares of Rs. 10 each		
Market value per share: Rs. Nil (30-Jun-23: Rs. 11.76)		
Cost of investment	-	45,536,667
Changes in fair value	-	(30,136,947)
	-	15,399,720
Habib Metropolitan Bank Limited		
Nil (30-Jun-23: 447,500) ordinary shares of Rs. 10 each		
Market value per share: Rs. Nil (30-Jun-23: Rs. 30.22)		
Cost of investment	-	16,222,665
Changes in fair value	-	(2,699,215)
	-	13,523,450
Bank Alfalah Limited		
Nil (30-Jun-23: 271,300) ordinary shares of Rs. 10 each		
Market value per share: Rs. Nil (30-Jun-23: Rs. 30.44)		
Cost of investment	-	11,583,977
Changes in fair value	-	(3,325,605)
	-	8,258,372

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
MCB Bank Limited		
Nil (30-Jun-23: 85,000) ordinary shares of Rs. 10 each		
Market value per share: Rs. Nil (30-Jun-23: Rs. 114.47)		
Cost of investment	-	17,882,041
Changes in fair value	-	(8,152,091)
	-	9,729,950
	81,298,110	153,108,716

25.1.2 Changes in fair value of investments at fair value through other comprehensive income

	30-Jun-24		
	Listed equity securities <i>Rupees</i>	Mutual funds <i>Rupees</i>	Total <i>Rupees</i>
	As at beginning of the year	(99,320,407)	-
Fair value gain arising during the year	127,927,928	-	127,927,928
Fair value gain transferred to retained earnings on disposal	(15,341,117)	-	(15,341,117)
As at end of the year	13,266,404	-	13,266,404
Deferred taxation as at the reporting date	(2,188,957)	-	(2,188,957)
Reserve for financial assets measured at FVTOCI	11,077,447	-	11,077,447
	30-Jun-23		
	Listed equity securities <i>Rupees</i>	Mutual funds <i>Rupees</i>	Total <i>Rupees</i>
	As at beginning of the year	(91,084,210)	(49,165)
Fair value (loss)/gain arising during the year	(24,329,681)	933,010	(23,396,671)
Fair value loss/(gain) transferred to retained earnings on disposal	16,093,484	(883,845)	15,209,639
As at end of the year	(99,320,407)	-	(99,320,407)
Deferred taxation as at the reporting date	14,358,681	-	14,358,681
Reserve for financial assets measured at FVTOCI	(84,961,726)	-	(84,961,726)

25.2 Financial assets mandatorily classified at fair value through profit or loss

These represent investments in mutual funds. These, being held for trading, are required to be measured at fair value through profit or loss mandatorily. Accordingly, these have been classified as 'financial assets at fair value through profit or loss'. Particulars of investments are as follows:

	Note	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
Investments in mutual funds	25.2.1		
Cost of investment		981,474,948	3,164,973
Changes in fair value		3,551,477	13,081
		985,026,425	3,178,054

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
25.2.1 Investments in mutual funds			
NBP Money Market Fund			
88,300,305.3724 (30-Jun-23: 125,140.8849) units			
Market value per unit: Rs. 10.0082 (30-Jun-23: Rs. 9.9797)			
Cost of investment		880,277,579	1,242,794
Changes in fair value		3,449,537	6,074
		883,727,116	1,248,868
Alfalah GHP Money Market Fund			
71.5844 (30-Jun-23: 17.6145) units			
Market value per unit: Rs. 98.8365 (30-Jun-23: Rs 98.8365)			
Cost of investment		7,075	1,733
Changes in fair value		-	8
		7,075	1,741
ABL Cash Fund			
9,783,463.9006 (30-Jun-23: 428.9782) units			
Market value per unit: Rs. 10.2389 (30-Jun-23: Rs. 10.2287)			
Cost of investment		100,072,117	4,376
Changes in fair value		99,792	12
		100,171,909	4,388
HBL Money Market Fund			
10,825.2394 (30-Jun-23: 18,633.7652) units			
Market value per unit: 103.4919 (30-Jun-23: Rs. 103.2028)			
Cost of investment		1,118,177	1,916,070
Changes in fair value		2,148	6,987
		1,120,325	1,923,057
		985,026,425	3,178,054
25.3 Financial assets classified at amortized cost			
These represent investment in term deposits receipts placed with banking company for a period of six months and carry interest at 20.10% per annum.			
		30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
26 TAX REFUNDS DUE FROM GOVERNMENT			
Income tax refundable/adjustable		81,299,434	51,993,021
Sales tax refundable/adjustable		52,500,302	110,204,923
		133,799,736	162,197,944
27 BANK BALANCES			
Current accounts - <i>local currency</i>		58,833,208	76,312,253
Current accounts - <i>foreign currency</i>		54,676,268	69,009,474
		113,509,476	145,321,727

28 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Note	30-Jun-24			
		Yarn Rupees	Raw cotton, polyester etc. Rupees	Waste Rupees	Total Rupees
Local sales		12,987,316,438	57,170,233	1,006,381,507	14,050,868,178
Export sales	28.1	3,508,908,333	-	94,281,517	3,603,189,850
Gross revenue		16,496,224,771	57,170,233	1,100,663,024	17,654,058,028
Sales tax		(1,981,116,067)	(8,720,883)	(153,515,823)	(2,143,352,773)
		14,515,108,704	48,449,350	947,147,201	15,510,705,255

	Note	30-Jun-23			
		Yarn Rupees	Raw cotton, polyester etc. Rupees	Waste Rupees	Total Rupees
Local sales		7,420,820,230	1,362,900	526,137,141	7,948,320,271
Export sales	28.1	5,671,036,441	-	265,041,613	5,936,078,054
Gross revenue		13,091,856,671	1,362,900	791,178,754	13,884,398,325
Sales tax		(1,581,618,871)	(207,900)	(78,353,922)	(1,660,180,693)
		11,510,237,800	1,155,000	712,824,832	12,224,217,632

28.1 Yarn export sales include indirect exports amounting to Rs. 2,872,697,429 (30-Jun-23: Rs. 4,407,284,375).

	<i>Note</i>	30-Jun-24 <i>Rupees</i>	30-Jun-23 <i>Rupees</i>
29 COST OF SALES			
Raw material consumed	29.1	10,645,717,555	8,228,923,734
Stores and spares consumed		308,847,970	154,863,016
Packing material consumed		172,506,096	141,107,395
Salaries, wages and benefits	29.2	559,462,208	482,853,277
Insurance		39,100,673	30,545,953
Power and fuel		2,082,929,650	1,322,820,795
Repair and maintenance		24,036,436	14,776,034
Depreciation	20.1.4	524,249,948	412,701,288
Others		61,525,017	49,896,249
Manufacturing cost		14,418,375,553	10,838,487,741
Work in process			
As at beginning of the year		118,238,905	79,611,941
As at end of the year	22	(129,375,280)	(118,238,905)
		(11,136,375)	(38,626,964)
Cost of goods manufactured		14,407,239,178	10,799,860,777
Finished goods			
As at beginning of the year		304,978,028	279,395,082
Purchased during the year		-	406,803,230
As at end of the year	22	(284,315,672)	(304,978,028)
		20,662,356	381,220,284
Cost of raw material sold	29.1	35,672,576	1,087,408
		14,463,574,110	11,182,168,469
29.1 Raw material consumed			
As at beginning of the year		2,604,076,570	2,693,649,123
Purchased during the year		9,600,317,049	8,140,438,589
Sold during the year		(35,672,576)	(1,087,408)
As at end of the year	22	(1,523,003,488)	(2,604,076,570)
		10,645,717,555	8,228,923,734

29.2 These include charge in respect of employees retirement benefits amounting to Rs. 36,229,379 (30-Jun-23: Rs. 18,860,837)

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
30			
SELLING AND DISTRIBUTION EXPENSES			
Export			
Ocean freight and forwarding		51,918,416	65,882,174
Commission		7,163,954	18,372,351
Export development surcharge		1,495,783	4,157,510
		60,578,153	88,412,035
Local			
Inland transportation		24,330,269	22,480,972
Commission		19,813,767	13,957,759
Others		1,139,615	1,063,000
		45,283,651	37,501,731
		105,861,804	125,913,766

31			
ADMINISTRATIVE EXPENSES			
Directors' remuneration	48	37,216,668	33,366,666
Directors' meeting fee	48	1,142,500	1,200,000
Salaries and benefits	31.1	116,044,915	102,860,671
Rent, rates and taxes		5,136,432	5,042,076
Printing and stationery		2,680,405	2,027,667
Communication		3,444,153	2,894,510
Electricity		7,462,157	6,500,918
Repair and maintenance		1,322,576	1,419,097
Vehicles running and maintenance		10,308,031	10,430,165
Traveling and conveyance		7,779,594	17,546,427
Legal and professional		3,674,764	6,656,992
Auditor's remuneration	31.2	1,334,000	1,334,000
Fee and subscription		9,165,979	6,617,459
Entertainment		528,727	558,143
Insurance		6,645,954	5,358,618
Depreciation	20.1.4	12,486,988	12,522,283
Others		230,682	379,976
		226,604,525	216,715,668

31.1 These include charge in respect of employees retirement benefits amounting to Rs. 25,354,386 (30-Jun-23: Rs. 28,261,318).

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
31.2			
Auditor's remuneration			
Annual statutory audit		945,000	945,000
Limited scope review		136,500	136,500
Review report on corporate governance		52,500	52,500
Out of pocket expenses		200,000	200,000
		1,334,000	1,334,000

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
32 OTHER EXPENSES			
Foreign exchange loss		2,666,180	-
Donations		200,000	1,200,000
		2,866,180	1,200,000
33 OTHER INCOME			
Gains on financial instruments			
Foreign exchange gain		-	6,354,634
Gain on disposal of short term investments		11,499,998	14,107,645
Changes in fair value of financial assets classified as at FVTPL		3,538,396	13,081
Return on bank deposits		7,243,082	420,723
Dividend income	33.1	59,795,370	51,400,468
		82,076,846	72,296,551
Other gains			
Gain on disposal of property, plant and equipment	20.1.3	4,295,192	6,318,467
Scrap sale		3,012,125	3,330,105
Miscellaneous		-	13,985
		7,307,317	9,662,557
		89,384,163	81,959,108
33.1 Dividend income			
On investments derecognized during the year		17,316,889	29,120,750
On investments held at the end of the year		42,478,481	22,279,718
		59,795,370	51,400,468
34 FINANCE COST			
Interest/profit on borrowings:			
long term finances		406,090,224	120,626,892
short term borrowings		65,569,939	51,442,313
		471,660,163	172,069,205
Interest on workers' profit participation fund	14.4.1	315,645	8,218,668
Bank charges and commission		8,953,173	8,624,790
		480,928,981	188,912,663
35 PROVISION FOR STATUTORY LEVIES			
Workers' Profit Participation Fund	14.4.1	15,969,080	30,722,815
Workers' Welfare Fund	35.1	1,530,797	11,674,670
Levies under Income Tax Ordinance, 2001	35.2	149,681,658	148,103,933
		167,181,535	190,501,418
35.1 Workers' Welfare Fund			
Current year		6,068,250	11,674,670
Prior years		(4,537,453)	-
		1,530,797	11,674,670

	<i>Note</i>	30-Jun-24 <i>Rupees</i>	30-Jun-23 <i>Rupees</i>
35.2 Levies under Income Tax Ordinance, 2001			
Current year	35.2.1	138,801,723	148,103,933
Prior years		10,879,935	-
		149,681,658	148,103,933

35.2.1 Levies under Income Tax Ordinance, 2001 [‘the Ordinance’] have been recognized under section 4C, 5, 113 and 154 of the Ordinance.

	<i>Note</i>	30-Jun-24 <i>Rupees</i>	30-Jun-23 <i>Rupees</i>
36 PROVISION FOR TAXATION			
Current taxation			
for current year	36.1	95,589,197	3,950,053
for prior years		(37,038,705)	-
		58,550,492	3,950,053
Deferred taxation			
attributable to origination and reversal of temporary differences		(238,742,082)	269,743
attributable to changes in tax rates		179,655,546	-
	12.1	(59,086,536)	269,743
		(536,044)	4,219,796

36.1 Provision for current tax has been made in accordance with section 4C, 18 and 37A (30-Jun-23: section 4C, 18 and 37A) of the Income Tax Ordinance, 2001 [‘the Ordinance’]. Estimated liability payable with return of income to be filed under section 114 of the Ordinance, subject to adjustment of taxes and levies paid/deducted in advance and available refunds, comprises the follows:

	<i>Note</i>	30-Jun-24 <i>Rupees</i>	30-Jun-23 <i>Rupees</i>
Statutory levies	35.2	138,801,723	148,103,933
Current taxation	36	95,589,197	3,950,053
		234,390,920	152,053,986

36.2 Reconciliation between average effective tax rate and applicable tax rate for the year is as follows:

	<i>Unit</i>	30-Jun-24	30-Jun-23
Profit before taxation	<i>Rupees</i>	152,443,875	423,954,886
Provision for taxation	<i>Rupees</i>	(536,044)	4,219,796
Average effective tax rate	%	(0.35)	1.00
Tax effects of:			
Adjustments for prior years	%	24.30	-
Provision for deferred taxation	%	38.76	(0.06)
Provision for statutory levies	%	(40.58)	(17.52)
Income chargeable to tax at different rates	%	27.14	26.44
Income not chargeable to tax	%	0.80	1.75
Inadmissible deductions and other adjustments	%	(112.60)	(64.80)
Admissible deductions, losses and tax credits	%	99.53	92.19
Applicable tax rate	%	37.00	39.00

- 36.3 The income tax assessments of the Company up to and including tax year 2022 have been completed by the concerned income tax authorities or are deemed to have been so completed under the provisions of section 120 of the Ordinance except as explained in note 36.4 to 36.7.
- 36.4 The Company's case was selected for audit by the Additional Commissioner Inland Revenue ['ACIR'] for tax year 2003 in terms of section 177 of the Ordinance in May 2004. On conclusion of audit proceedings, ACIR through order passed under section 122(1) of the Ordinance in September 2008, raised a tax demand of Rs. 8,458,874. The Company filed an appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'] against this order in November 2008 and the CIR(A), through order dated 13 June 2009, dismissed certain disallowances / additions made by the ACIR and upheld some of them against which the Company filed an appeal before Appellate Tribunal Inland Revenue ['ATIR'] in August 2009. Moreover, ACIR also went into cross appeal against the CIR(A)'s order before the ATIR. The ATIR vide order dated 17 March 2022 has ruled in favour of the Company on both appeals.
- 36.5 In respect of tax year 2006, the ACIR finalized proceedings under section 122(5A) of the Ordinance through order dated 30 June 2012, wherein a demand of Rs. 4.855 million was raised against the Company on the grounds that minimum tax under section 113 of the Ordinance is to be levied in addition to tax under final tax regime. The Company appealed against the order before CIR(A) in September 2012 and applied for rectification on account of correction of charge of 'Workers' Welfare Fund' and 'brought forward losses' under section 221 of the Ordinance. The CIR(A), through order dated 22 February 2013, decided the above mentioned appeal by upholding the levy of minimum tax. The Company has filed an appeal with the ATIR in April 2013 which is yet to be fixed for hearing. The rectification application has, however, not yet been taken up for disposal.
- 36.6 In respect of tax year 2017, audit proceedings under section 177 were initiated against the Company, through order passed by Deputy Commission Inland Revenue ['DCIR'] dated 28 July 2018, under section 122(1)/122(5) of the Ordinance. The refund for the aforementioned year was reduced by Rs. 527,393 which majorly pertains to proportion of expenses. The Company appealed against the DCIR's order before CIR(A) vide application dated 27 May 2020. The CIR(A) vide appellate order dated 30 December 2021 annulled the impugned order with the direction to the Company to provide necessary details/documents. The Company appealed against the order of CIR(A) before ATIR vide application dated 11 March 2022. The proceedings are in progress at this stage.
- 36.7 In respect of tax year 2018, audit proceedings under section 122(9) of the ordinance were initiated against the Company vide notice dated 05 October 2018 issued by Additional Commission Inland Revenue ['ACIR']. The assessment under section 120 of the Ordinance was amended through amendment order dated 04 April 2024 passed under section 122(5A) of the Ordinance whereby income tax refundable was reduced by Rs. 55 million on the basis of reassessment of certain issues. The Company appealed against the ACIR's order before Commissioner Inland Revenue (Appeals) ['CIR(A)'] vide application dated 25 April 2024 which is pending adjudication.

	<i>Unit</i>	30-Jun-24	30-Jun-23
37 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit attributable to ordinary shareholders	<i>Rupees</i>	152,979,919	419,735,090
Weighted average number of ordinary shares outstanding during the year	<i>No. of shares</i>	10,950,000	10,950,000
Earnings per share - <i>basic and diluted</i>	<i>Rupees</i>	13.97	38.33

There is no diluting effect on the basic earnings per share of the Company.

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
38 CASH GENERATED FROM OPERATIONS			
Profit before taxation		152,443,875	423,954,886
Adjustments for non-cash and other items			
Finance cost		480,928,981	188,912,663
Gain on disposal of property, plant and equipment		(4,295,192)	(6,318,467)
Foreign exchange loss/(gain)		2,666,180	(6,354,634)
Dividend income		(59,795,370)	(51,400,468)
Impairment allowance/(reversals) for expected credit losses		628,408	(23,190,130)
Gain on disposal of short term investments		(11,499,998)	(14,107,645)
Changes in fair value of financial assets classified as at FVTPL		(3,538,396)	(13,081)
Return on bank deposits		(7,243,082)	(420,723)
Provision for employees retirement benefits		61,583,765	47,122,155
Depreciation		536,736,936	425,223,571
Provision for statutory levies		149,681,658	148,103,933
		1,145,853,890	707,557,174
		1,298,297,765	1,131,512,060
Changes in working capital			
Stores and spares		23,703,059	(36,015,346)
Stock in trade		1,090,599,063	25,362,643
Trade receivables		(129,217,418)	110,750,233
Advances and other receivables		(137,568,601)	(374,637,177)
Tax refunds due from government		57,704,620	(12,333,193)
Trade and other payables		22,615,139	67,264,459
		927,835,862	(219,608,381)
Cash generated from operations		2,226,133,627	911,903,679
	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>

39 CASH AND CASH EQUIVALENTS

Bank balances	27	113,509,476	145,321,727
		113,509,476	145,321,727

40 CHANGES FROM FINANCING CASH FLOWS

	30-Jun-24		
	Long term	Short term	Unclaimed
	finances	borrowings	dividend
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year	4,369,787,421	402,824,470	7,688,093
Long term finances obtained	-	-	-
Repayment of long term finances	(462,697,628)	-	-
Amortization of deferred grant	76,416,422	-	-
Net decrease in short term borrowings	-	(255,622,310)	-
Foreign exchange loss	-	306,835	-
Dividend declared	-	-	65,700,000
Dividend paid	-	-	(65,246,906)
As at end of the year	3,983,506,215	147,508,995	8,141,187

	30-Jun-23		
	Long term	Short term	Unclaimed
	finances	borrowings	dividend
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year	3,358,773,885	490,018,154	6,929,263
Long term finances obtained	1,387,089,263	-	-
Repayment of long term finances	(449,377,749)	-	-
Amortization of deferred grant	73,302,022	-	-
Net decrease in short term borrowings	-	(87,193,684)	-
Foreign exchange loss	-	-	-
Dividend declared	-	-	109,500,000
Dividend paid	-	-	(108,741,170)
As at end of the year	4,369,787,421	402,824,470	7,688,093

41 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise Associated Companies and Key Management Personnel. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature and basis of relationship	Aggregate %age of shareholding
Prosperity Weaving Mills Limited	Associated company [Common Directorship]	0.000%
Nagina Cotton Mills Limited	Associated company [Common Directorship]	0.000%
Haroon Shahzada Ellahi Shaikh	Key Management Personnel [Chief Executive Officer]	6.393%
Shafqat Ellahi Shaikh	Key Management Personnel [Director]	2.597%
Jamal Nasim	Key Management Personnel [Director]	0.009%
Mohammad Babar Monnoo	Key Management Personnel [Director]	0.005%
Faaria Rehman Salahuddin	Key Management Personnel [Director]	0.005%
Imran Motiwala	Key Management Personnel [Director]	0.005%

Transactions with Key Management Personnel are limited to payment of short term employee benefits and dividend on ordinary shares. The Company in the normal course of business carries out various transactions with Associated Companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an orderly transaction between market participants at the date of transaction.

There are no balances outstanding with related parties as at the reporting date. Detail of transactions with related parties is as follows:

		30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
41.1	Transactions with related parties		
	Nature of relationship		Nature of transactions
	Associated Companies	-	449,983,144
		7,708,576,365	4,892,924,076
		1,372,752	1,278,396
	Key Management Personnel	38,359,168	34,566,666

42 CONTRACTS WITH CUSTOMERS

42.1 Contract balances

The information about receivables and contract liabilities from contracts with customers is as follows:

Nature of balance	Presented in financial statements as	Note	30-Jun-24	30-Jun-23
			<i>Rupees</i>	<i>Rupees</i>
Receivables	Trade receivables	23	1,073,868,958	945,283,223
Contract liabilities	Advances from customers	14	5,672,664	4,453,709
			1,079,541,622	949,736,932

42.2 Changes in contract liabilities

Significant changes in contract liabilities are as follows:

	Note	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		4,453,709	6,402,369
Revenue recognized against contract liability as at beginning of the year		(3,355,107)	(5,111,242)
Net increase due to cash received in excess of revenue recognized		4,574,062	3,162,582
As at end of the year	14	5,672,664	4,453,709

42.3 Impairment losses

The Company during the year has recognized Rs. 0.628 million (30-Jun-23: Rs. 0.321 million) as impairment allowance for expected credit losses on receivables (trade receivables) arising from the Company's contracts with customers.

43 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	Note	30-Jun-24 <i>Rupees</i>	30-Jun-23 <i>Rupees</i>
43.1 Financial assets			
<i>Financial assets at amortized cost</i>			
Long term deposits	21	7,090,700	7,090,700
Trade receivables	23	1,073,868,958	945,283,223
Advances to employees	24	617,663	1,764,318
Security deposits	24	6,000,000	13,855,868
Investments in term deposits	25.3	38,320,065	28,420,723
Bank balances	27	113,509,476	145,321,727
		1,239,406,862	1,141,736,559
	Note	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
<i>Financial assets designated as fair value through OCI</i>			
Investments in listed equity securities	25.1.1	81,298,110	153,108,716
		81,298,110	153,108,716
<i>Financial assets mandatorily classified at fair value through profit or loss</i>			
Investment in mutual funds	25.2.1	985,026,425	3,178,054
		2,305,731,397	1,298,023,329
43.2 Financial liabilities			
<i>Financial liabilities at amortized cost</i>			
Long term finances	10	3,983,506,215	4,369,787,421
Short term borrowings	16	147,508,995	402,824,470
Accrued interest/profit	15	82,763,408	110,490,652
Trade creditors	14	83,263,438	75,478,579
Accrued liabilities	14	315,176,571	360,917,755
Unclaimed dividend		8,141,187	7,688,093
		4,620,359,814	5,327,186,970

44 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

44.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

44.1.1 Credit risk management practices

In order to minimize credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due trade receivables to have low credit risk where the customer has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

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

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has low credit risk	Trade receivables: Lifetime ECL Other assets: 12-month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In default	There is evidence indicating the assets is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

44.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
Financial assets at amortized cost			
Long term deposits	21	7,090,700	7,090,700
Trade receivables	23	1,082,833,384	953,619,241
Advances to employees	24	617,663	1,764,318
Security deposits	24	6,000,000	13,855,868
Investments in term deposits	25.3	38,320,065	28,420,723
Bank balances	27	113,509,476	145,321,727
		1,248,371,288	1,150,072,577

44.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

	<i>Note</i>	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
					<i>Rupees</i>	<i>Rupees</i>
Long term deposits	21	N/A	Performing	12-month ECL	7,090,700	-
Trade receivables	23	N/A	Performing	Lifetime ECL	1,073,912,609	43,651
		N/A	Doubtful	Lifetime ECL	8,920,775	8,920,775
					1,082,833,384	8,964,426
Advances to employees	24	N/A	Performing	12-month ECL	617,663	-
Security deposits	24	A1+	N/A	12-month ECL	6,000,000	-
Investments in term deposits	25	A1+	N/A	12-month ECL	38,320,065	-
Bank balances	27	A1 - A1+	N/A	12-month ECL	113,509,476	-
					1,248,371,288	8,964,426

(a) Long term deposits

Long term deposits comprise security deposits placed with various utility companies and regulatory authorities. These deposits are substantially perpetual in nature. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Trade receivables

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, all trade receivables are considered 'performing' as there is no significant increase in credit risk in respect of these receivables since initial recognition except for trade receivables amounting to Rs. 8,920,775 which are considered doubtful. The ageing analysis of trade receivables as at the reporting date is as follows:

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
Neither past due nor impaired	826,628,083	560,146,133
Past due by up to 30 days	238,669,115	367,445,649
Past due by 31 days to 180 days	8,349,696	17,756,978
Past due by 181 days or more	9,186,490	8,270,481
	1,082,833,384	953,619,241

(c) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(d) Security deposits

These are placed with financial institutions with reasonably high credit ratings and therefore no credit loss is expected. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(e) Investments in term deposits

These are placed with financial institutions with reasonably high credit ratings and therefore no credit loss is expected. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(f) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

44.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk, except for trade receivables. The Company's three (30-Jun-23: one) significant customers account for Rs. 402.964 million (30-Jun-23: Rs. 140.109 million) of trade receivables as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (30-Jun-23: 10%) of trade receivables as at the reporting date. These significant customers have long standing business relationships with the Company and have a good payment record and accordingly non-performance by these customers is not expected.

44.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade receivables amounting to Rs. 37.824 million (30-Jun-23: Rs. 167.671 million), which are partially secured through letters of credit and advances to employees which are secured against future salaries and post-employment benefits.

44.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses are as follows:

	<i>Note</i>	30-Jun-24	30-Jun-23
		<i>Rupees</i>	<i>Rupees</i>
As at beginning of the year		8,336,018	31,526,148
Impairment loss on trade receivables arising from contracts with customers			
- recognized during the year	23.2	628,408	321,018
- reversed during the year	23.2		(23,511,148)
Net change in impairment allowance		628,408	(23,190,130)
As at end of the year		8,964,426	8,336,018

44.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

44.2.1 Liquidity risk management

The Company's approach to managing liquidity risk 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. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company also maintains various lines of credit with banking companies..

44.2.2 Exposure to liquidity risk

The following presents the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The analysis have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and includes both interest/profit and principal cash flows. To the extent that interest/profit flows are floating rate, the undiscounted amount is derived from interest/profit rate curves at the reporting date.

	30-Jun-24				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to three years Rupees	More than three years Rupees
Long term finances	3,983,506,215	6,061,711,322	933,873,293	1,984,356,155	3,143,481,874
Short term borrowings	147,508,995	147,508,995	147,508,995	-	-
Accrued interest/profit	82,763,408	82,763,408	82,763,408	-	-
Trade creditors	83,263,438	83,263,438	83,263,438	-	-
Accrued liabilities	315,176,571	315,176,571	315,176,571	-	-
Unclaimed dividend	8,141,187	8,141,187	8,141,187	-	-
	4,620,359,814	6,698,564,921	1,570,726,892	1,984,356,155	3,143,481,874
	30-Jun-23				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to three years Rupees	More than three years Rupees
Long term finances	4,369,787,421	6,781,003,521	869,075,169	2,015,275,470	3,896,652,882
Short term borrowings	402,824,470	402,824,470	402,824,470	-	-
Accrued interest/profit	110,490,652	110,490,652	110,490,652	-	-
Trade creditors	75,478,579	75,478,579	75,478,579	-	-
Accrued liabilities	360,917,755	360,917,755	360,917,755	-	-
Unclaimed dividend	7,688,093	7,688,093	7,688,093	-	-
	5,327,186,970	7,738,403,070	1,826,474,718	2,015,275,470	3,896,652,882

44.3 Market risk

44.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency.

(a) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

(b) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
Financial assets		
Trade receivables		
USD	37,824,151	167,670,956
Bank balances		
USD	54,676,268	69,009,474
	92,500,419	236,680,430
Financial liabilities		
	-	-
Net balance sheet exposure	92,500,419	236,680,430
Foreign currency commitments		
CHF	(23,601,379)	(11,554,760)
EUR	(5,840,894)	(43,167,971)
JPY	-	(4,464,346)
USD	(972,941,382)	(754,317,731)
	(1,002,383,655)	(813,504,808)
Net exposure	(909,883,236)	(576,824,378)

(c) Exchange rates applied as at the reporting date

The following spot exchange rates were applied as at the reporting date.

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
CHF	309.4056	319.7568
JPY	-	1.9923
EUR	297.6860	312.9308
USD	278.3412	285.9905

(d) Sensitivity analysis

A five percent appreciation in Pak Rupee against foreign currencies would have increased profit for the year and equity as at the reporting date by Rs. 4.625 million (30-Jun-23: Rs. 11.834 million). A five percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year and equity. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

44.3.2 Interest/profit rate risk

interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) Interest/profit rate risk management

The Company manages interest/profit rate risk by analyzing its interest/profit rate exposure on a dynamic basis. Cash flow interest/profit rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest/profit rate shift, mostly 100 basis points.

(b) Interest/profit bearing financial instruments

The effective interest/profit rates for interest/profit bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/profit bearing financial instruments as at the reporting date are as follows:

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
Fixed rate instruments		
Financial assets	38,320,065	28,420,723
Financial liabilities	2,645,717,113	3,011,426,827
Variable rate instruments		
Financial assets	-	-
Financial liabilities	1,470,316,149	1,756,195,064

(c) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for its fixed rate instruments at fair value

(d) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest/profit rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. 14.703 million (30-Jun-23: 17.562 million). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

44.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk in respect of its investments.

(a) Equity price risk management

The Company manages equity price risk by investing a diversified portfolio of securities to reduce the risk of loss from volatility in equity price of an individual security.

(b) Sensitivity analysis

A one percent appreciation in prices of mutual funds units as at reporting date would have increased profit and equity as at the reporting date by Rs 9.85 million (30-Jun-23: 0.032 million). A one percent diminution in prices of mutual funds units as at the reporting date would have had equal but opposite effect on equity and profit for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

A one percent appreciation in prices of equity securities as at reporting date would have increased equity as at the reporting date by Rs 0.813 million (30-Jun-23: 1.531 million). A one percent diminution in prices of equity securities as at the reporting date would have had equal but opposite effect on equity for the year. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation and levies for the year.

45 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	<i>Unit</i>	30-Jun-24	30-Jun-23
Total debt	<i>Rupees</i>	4,286,181,699	4,748,879,327
Total equity	<i>Rupees</i>	4,211,331,918	4,020,587,506
Total capital employed		8,497,513,617	8,769,466,833
Gearing	<i>% age</i>	50.44	54.15

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

46 FAIR VALUE MEASUREMENTS

The Company measures some of its assets at fair value. The fair value hierarchy of financial instruments measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

46.1 Financial instruments measured at fair value

46.1.1 Recurring fair value measurements

Nature of asset	Hierarchy	Valuation techniques/Key inputs	30-Jun-24	30-Jun-23
			Rupees	Rupees
Investments in listed equity securities	Level 1	Quoted prices in an active market	81,298,110	153,108,716
Investments in mutual funds	Level 1	Quoted prices in an active market	985,026,425	3,178,054

46.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

46.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

46.3 Assets and liabilities other than financial instruments

None of the assets and liabilities other than financial instruments are measured at fair value.

	30-Jun-24	30-Jun-23
	Rupees	Rupees

47 RESTRICTION ON TITLE AND ASSETS PLEDGED/MORTGAGED AS SECURITY

Mortgages and charges

Charge over current assets	9,689,500,000	9,689,500,000
Charge over fixed assets	7,799,118,000	7,799,118,000

48 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	30-Jun-24		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	17,400,000	17,400,000	53,301,461
Allowances and perquisites	2,416,668	-	26,650,731
Meeting fee	-	1,142,500	-
Post employment benefits	-	-	7,842,199
	19,816,668	18,542,500	87,794,391

Number of persons	1	5	36
	30-Jun-23		
	Chief Executive <i>Rupees</i>	Directors <i>Rupees</i>	Executives <i>Rupees</i>
Managerial remuneration	15,600,000	15,600,000	40,260,616
Allowances and perquisites	2,166,666	-	25,334,224
Meeting fee	-	1,200,000	-
Post employment benefits	-	-	14,050,048
	17,766,666	16,800,000	79,644,888
Number of persons	1	5	27

48.1 Remuneration, allowances and meeting fee include Rs. 1,142,500 (30-Jun-23: Rs. 1,200,000) paid to non-executive directors of the Company.

48.2 Chief Executive, Directors and Executives are provided with free use of company maintained vehicles.

49 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 30 September 2024 has proposed dividend on ordinary shares at Rs. 5 per ordinary share of Rs. 10 each. The proposed dividend is subject to approval of the Company's shareholders in the forthcoming annual general meeting and thus has not been included as a liability in the financial statements.

	30-Jun-24 <i>No. of shares</i>	30-Jun-23 <i>No. of shares</i>
--	-----------------------------------	-----------------------------------

50 SHARES IN THE COMPANY HELD BY RELATED PARTIES

Ordinary shares in the Company held by related parties are as follows:

Haroon Omer (Private) Limited	664,572	664,572
Monell (Private) Limited	664,572	664,572
Icaro (Private) Limited	664,572	664,572
ARH (Private) Limited	628,400	628,400
Ellahi International (Private) Limited	41,345	41,345
	2,663,461	2,663,461

51 SEGMENT INFORMATION

51.1 The Company is a single operating segment.

51.2 All non-current assets of the Company are situated in Pakistan.

51.3 All sales of the Company have originated from Pakistan.

51.4 Sales include Rs. 6,920.06 million (30-Jun-23: Rs. 4,893.02 million) of revenue derived from sales to one (30-Jun-23: one) customer, Prosperity Weaving Mills Limited (30-Jun-23: Prosperity Weaving Mills Limited). There is no other single significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year.

52 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	30-Jun-24	30-Jun-23
Number of spindles installed	No.	79,200	79,200
Plant capacity on the basis of utilization converted into 30s count	Kgs	20,897,989	20,897,989
Actual production converted into 30s count	Kgs	19,462,483	16,478,669

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist etc. It would also vary according to pattern of production adopted in a particular year.

53 NUMBER OF EMPLOYEES

	30-Jun-24	30-Jun-23
Total number of employees	878	957
Average number of employees	917	933

54 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>

55 RECLASSIFICATIONS

The following have been reclassified for better presentation.

Provision for Workers' Profit Participation Fund <i>Reclassified from Other expenses > Workers' Profit Participation Fund</i> <i>Reclassified to Provision for statutory levies > Workers' Profit Participation Fund</i>	15,969,080	30,722,815
Provision for Workers' Welfare Fund <i>Reclassified from Other expenses > Workers' Welfare Fund</i> <i>Reclassified to Provision for statutory levies > Workers' Welfare Fund</i>	1,530,797	11,674,670
Provision for levies under Income Tax Ordinance, 2001 <i>Reclassified from Provision for taxation > Current taxation</i> <i>Reclassified to Provision for statutory levies > Levies under Income Tax Ordinance, 2001</i>	149,681,658	148,103,933
Workers' Profit Participation Fund payable <i>Reclassified from Trade and other payables > Workers' Profit Participation Fund</i> <i>Reclassified to Trade and other payables > Statutory levies payable > ..</i> <i>.. > Workers' Profit Participation Fund</i>	15,969,080	30,722,815
Workers' Welfare Fund payable <i>Reclassified from Trade and other payables > Workers' Welfare Fund</i> <i>Reclassified to Trade and other payables > Statutory levies payable > ..</i> <i>.. > Workers' Welfare Fund</i>	31,370,198	1,087,408
Levies under Income Tax Ordinance, 2001 payable <i>Reclassified from Current taxation > Income tax payable</i> <i>Reclassified to Trade and other payables > Statutory levies payable > ..</i> <i>.. > Levies under Income Tax Ordinance, 2001</i>	158,277,678	155,304,758
Prepaid statutory levies <i>Reclassified from Current taxation > Advance income tax</i> <i>Reclassified to Advances, deposits, prepayments and other receivables > ..</i> <i>.. > Prepaid statutory levies</i>	101,172,086	169,419,542
Income tax refundable/adjustable <i>Reclassified from Current taxation > Advance income tax</i> <i>Reclassified to Tax refunds due from government > Income tax refundable/adjustable</i>	81,299,434	51,993,021
Sales tax refundable/adjustable <i>Reclassified from Advances, deposits, prepayments and other receivables > ..</i> <i>.. > Sales tax refundable/adjustable</i> <i>Reclassified to Tax refunds due from government > Sales tax refundable/adjustable</i>	52,500,302	110,204,923

	30-Jun-24	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
Sales tax payable	22,527,795	12,067,201
<i>Reclassified from Advances, deposits, prepayments and other receivables > ..</i>		
<i>.. > Sales tax refundable/adjustable</i>		
<i>Reclassified to Trade and other payables > Sales tax payable</i>		
Sales tax payable	2,802,586	165,187
<i>Reclassified from Trade and other payables > Other payables</i>		
<i>Reclassified to Trade and other payables > Sales tax payable</i>		

56 GENERAL

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year except for those referred to in note 55.



Amin Ellahi Shaikh
Director



Muhammad Ahmad
Chief Financial Officer



Haroon Shahzada Ellahi Shaikh
Chief Executive Officer

Lahore: September 30, 2024

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FORM OF PROXY

The Secretary,
ELLCOT SPINNING MILLS LTD.
 Nagina House,
 91-B-1, M.M. Alam Road,
 Gulberg-III,
 Lahore-54660.

I/We _____ of _____ being member(s) of **ELLCOT SPINNING MILLS LTD.**, and holder of _____ Ordinary Shares as per Share Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____ - _____) hereby appoint _____ of _____ who is member of the company as per Register Folio No. - _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) or failing him/her _____ of _____ who is member of the Company as per Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) as my/our proxy to vote for me/us and on my/our behalf at the 36th Annual General Meeting of the Company to be held on October 28, 2024 and at any adjournment thereof.

Signed at _____ this the _____ day of _____ 2024

WITNESSES:

1. Signature _____	2. Signature _____
Name _____	Name _____
Address _____	Address _____
_____	_____
CNIC _____	CNIC _____
_____	_____

Affix
 Rs. 50/=
 Revenue
 Stamp

(Signature should agree with the Specimen signature registered with the Company)

NOTES:

1. If a member is unable to attend the meeting, he/she may sign this form and send it to the Secretary so as to reach him not less than 48 hours before the time of holding the meeting.
2. Members through CDC appointing proxies must attach attested copy of their Computerized National Identity Card with the proxy form.
3. The Shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original Computerized National Identity Card with copy thereof duly attested by their Bankers, Account number and Participant I.D number for identification purpose.
4. In case of corporate entity, certified copy of the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

پراکسی فارم (مختار نامہ)

یکٹری

ایلیکوٹ سپننگ ملز لمیٹڈ

گئینہ ہاؤس، B-91، ایم ایم عالم روڈ

گلبرگ III، لاہور 54660

میں / ہم

ساکن

بحیثیت رکن ایلیکوٹ سپننگ ملز لمیٹڈ اور حامل _____ عام حصص بمطابق شیئر رجسٹر فو لیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹسپینٹ (شرکت) آئی ڈی نمبر _____)

بذریعہ ہذا

محترم / محترمہ _____ ساکن _____

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فو لیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹسپینٹ (شرکت) آئی ڈی نمبر _____)

یا اسکی غیر موجودگی میں محترم / محترمہ _____ ساکن _____

جو کمپنی کا ممبر ہے بمطابق شیئر رجسٹر فو لیو نمبر _____

(بصورت سنٹرل ڈیپازٹری سسٹم اکاؤنٹ ہولڈر اکاؤنٹ نمبر _____ پارٹسپینٹ (شرکت) آئی ڈی نمبر _____)

مورخہ 28 اکتوبر 2024ء کو منعقد ہونے والے کمپنی کے 36 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار

(پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

دستخط آج بروز بتاریخ 2024ء

50 روپے کارسیدی ٹکٹ

چسپاں کریں

گواہ:

دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے

مطابق ہونے چاہئیں

1- دستخط: _____ 2- دستخط: _____

نام: _____ نام: _____

پتہ: _____ پتہ: _____

شناختی کارڈ نمبر: _____ شناختی کارڈ نمبر: _____

نوٹ:

1- اگر ایک ممبر اجلاس میں شرکت کے قابل نہیں ہے تو وہ اس فارم پر دستخط کرے اور سیکرٹری کو اس طور ارسال کر دے کہ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل پہنچ جانا چاہئے۔

2- سی ڈی سی کے ذریعے حصص یافتگان پراکسیز تقرر کرتے ہوئے پراکسی فارم کے ہمراہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی مصدقہ کاپی منسلک کریں۔

3- سی ڈی سی کے ذریعے حصص یافتگان جو سالانہ اجلاس میں شرکت کرنا چاہتے ہوں سے التماس ہے کہ شناخت کے مقصد کے لئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ ہمراہ اپنے بینکرز سے اسکی مصدقہ

کاپی، اکاؤنٹ نمبر اور پارٹسپینٹ آئی ڈی نمبر ہمراہ لائیں۔

4- کارپوریٹ اتھلٹی کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ کی مصدقہ کاپی مع نمونہ دستخط (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامہ) کے ہمراہ کمپنی میں جمع کرانا ہو

گا۔

Ellicot Spinning Mills Limited

Nagina House, 91-B-1, M.M. Alam Road,
Gulberg-III Lahore-54660

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