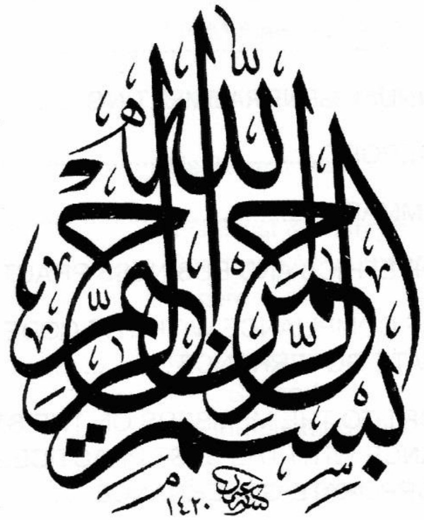


ANNUAL REPORT 2024

C O N T E N T S

COMPANY INFORMATION

CHIEF EXECUTIVE OFFICER	:	Mr. Muhammad Arshad Saeed
DEPUTY MANAGING DIRECTOR	:	Mr. Muhammad Ali Chaudhry
DIRECTORS	:	Ch. Rahman Bakhsh Mr. Muhammad Musharaf Khan Mr. Kamran Ilyas Ms. Kiran A. Chaudhry Ms. Qurat Ul Ain Fayyaz
COMPANY SECRETARY	:	Mr. Muhammad Javed
AUDITORS	:	M/s Crowe Hussain Chaudhury & Co. Chartered Accountants Lahore
BANKERS	:	National Bank of Pakistan Bank Alfalah Limited Askari Bank Limited Meezan Bank Limited Bank of Punjab Al Baraka Bank (Pakistan) Limited
SHARE REGISTRAR	:	Resham Textile Industries Limited
LEGAL ADVISORS	:	Mr. Shaukat Haroon (Advocate) Barrister Salman Rahim (Advocate High Court) Yousaf Islam Associates
REGISTERED OFFICE	:	36-A, Lawrence Road, Lahore
UAN	:	(042) 111-767-676
WEBSITE	:	www.reshamtextile.com
MILLS	:	1.5 Kilometer Habibabad, Chunian Road, Tehsil Chunian, District Kasur.

MISSION

The management is committed to excellence in operations with the aim of achieving highest standards in product quality, customer satisfaction, Company growth, employees welfare and social responsibilities and is constantly striving to meet these objectives.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Fifth (35th) Annual General Meeting of the Shareholders of Resham Textile Industries Limited will be held on 26th October, 2024 at 10:00 a.m. at the Registered Office of the Company i.e. 36-A, Lawrence Road, Lahore to transact the following business.

1. To confirm the minutes of the last meeting.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024 together with the Directors' and Auditors' report thereon.
3. To appoint auditors for the year ending June 30, 2025 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Lahore: 03 October 2024

Muhammad Javed
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 20 October 2024 to 26 October 2024 (both days inclusive).
2. Notice to Members who have not Provided CNIC SECP vide Notification S.R.O. 19(1)/2014 dated 10th January 2014 read with Notification S.R.O 831(1)/2012 dated 5th July 2012 require that the dividend warrant(s) should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, in case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with the directives of SECP and therefore will be constrained under SECP order dated July 13, 2015 to withhold the dispatch of dividend warrants of such shareholders. The shareholders while sending CNIC must quote their respective folio number and name of the Company.

   In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall be constrained to withhold the Dividend Warrants, which will be released by the Share Registrar only upon submission of a valid copy of the CNIC in compliance with the aforesaid SECP directives.

   As per the provisions of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the company which have been remained unclaimed / unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the company shall proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of section 244(2) of the companies Act, 2017, as prescribed.

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

   i. Persons appearing in Active Tax Payers List (ATL) 15%.
   ii. Persons not appearing in Active Tax Payers List (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 before the first day of book closure, 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 us, 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).

4. Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of share other than corporate holders are individuals who have provided an undertaking for non- deduction of Zakat. To Claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form “CZ-50” on non-judicial stamp paper of Rs. 100 to us before the date of book closure.

5. The account holders of CDC are requested to bring their original CNIC/ Passport for the purpose of identification at the meeting, and Members are also requested to promptly notify the Company of any changes in their registered address.

6. The company’s annual financial statements for the year ended 30th June, 2024 are also being circulated to the shareholders in compliance of section 223(6) of the companies Act. 2017.
   The annual financial statements has also been uploaded on the company’s website and is readily accessible to the shareholders http://www.reshamtextile.com

DIRECTORS' REPORT

It is my pleasure to present the Directors' Report and the audited accounts for the year ended June 30, 2024.

Performance Review

The management made changes in the policy. As a result of blessing of Allah, s.w.t the company made a pretax profit of Rs.246,696,704 as against loss of Rs.31,285,376 during the last year. Fortunately, we did not have any long, medium and short-term liabilities and interest thereon and the company simply responded to demand which has been declining over the last 2 years. There is no way, apparently, to increase the sales except at loss, which is not policy of the company. These 5 years have been difficult years for the country and due to political uncertainty and other factors well known, the demand for yarn declined. A major development in the textile industry has been that spinning companies with weaving and upper end facilities concentrated on using their own yarn instead of buying from the market. Also, cheaper Chinese yarn in the higher value-added counts came in large quantities in the DTRE scheme to the disadvantage of local spinners. Chinese yarn has advantage of cheaper energy and machine cost and they are able to make export to Pakistan at lower cost/yarn rates. Our labor, although less expensive, is less productive and most of the machinery stock is now becoming old. In addition, BMR and new machinery have become very costly due to the exchange rates. Those who were borrowing from the banks had to pay very high interest rates which have pushed many mills out of production. Another factor of long-term concern is quality and yield of cotton since the grower does not get adequate return and is shifting to other products. Heavy rains and changing weather have added very serious and apparently increasing dimension to the cotton and textile industry which is ominous. No doubt with the support of DTRE and other incentives, some cotton value added products are making their way into Pakistan for production for exports but it is insignificant in a 350 billion Dollar economy. We have tried to do our best and Alhamdulillah made some profit and if things improve in the short-term, the company is looking for a better year but the cost of doing business is hurting painfully. The management had anticipated this and therefore did not expand production facilities and remained focused on essential BMR. We request for good wishes and prayers of the shareholders.

The data for the period ended June 30, 2024 is given below in tabulated form. The details may be perused in other parts of this report:-

	2024	2023
	Rupees ('000)	
Sales	**4,559,573**	1,788,335
Cost of revenue	**(4,250,211)**	(1,858,362)
Gross Profit / (Loss)	**309,362**	(70,026)
Selling and distribution costs	**(45,986)**	(23,047)
Administrative expenses	**(57,518)**	(73,357)
Other operating expenses	**(21,813)**	-
	125,317	(96,404)
Operating Profit / (Loss)	**184,045**	(166,430)
Other income	**74,666**	150,174
Finance costs	**(12,014)**	(15,029)
Profit / (Loss) before levies and taxation	**246,697**	(31,285)
Levies	**(56,919)**	(22,354)
Profit / (Loss) before taxation	**189,778**	(53,639)
Taxation	**26,145**	24,615
Net Profit / (Loss) for the year	**215,923**	(29,024)

Future Prospects:

The first quarter of the year 2025 does not look very promising and in fact very difficult with constant increase in rates of energy and other inputs. As luck would have it, the overhauling of Power House costing Rs.100 million, import of Vision Shield at Rs.30 million as also installation of 1 MW Solar Energy System at Rs.77 million in addition to purchase of other parts and spares was done being essential. Although IMF package has been received but a number of restrictions will continue to need consideration and review by the government. The issue of IPPs will hopefully be resolved to lower the cost of energy and bring it at par with the competing countries. However, it remains to be seen whether the government will only concentrate on some areas where lobbies and interest groups manage to get government's favors or will look after the entire textile chain and remaining industry since all are linked with one another. It is sad that captive power plants, which were installed as a part of government policy since WAPDA was not able to provide reliable energy at reasonable cost, have now been assigned low priority in the government's scheme and mills are seeking relief from the courts. The year long serious conflict in Middle East and even longer Soviet-Ukraine war could, however, get out of hands since the efforts so far to bring about the sanity have failed.

We assure the shareholders that the management will not leave any stone unturned to protect their interest and hopefully take the company forward. We pray to Almighty to bring the country out of crisis and uncertainty.

Acknowledgements

The Directors take this opportunity to thank the Company's Bankers, particularly National Bank of Pakistan, Bank Alfalah Limited, Askari Islamic Bank, Meezan Bank Limited, Bank of Punjab, Al Baraka Bank (Pakistan) Limited and other financial Institutions for their confidence in the Company and strong financial support. The Directors would also like to particularly mention the dedication and devotion displayed by the employees in performing their duties. In addition, thanks are also due to all Honorable Shareholders for their continuing support.

For and on behalf of the Board

Arshad

Lahore: October 03, 2024

Muhammad Arshad Saeed
(Chief Executive Officer)

FINANCIAL INFORMATION

BALANCE SHEET	2024	2023	2022	2021	2020	2019
(Rupees in thousand)						
Paid up Share Capital	**360,000**	360,000	360,000	360,000	360,000	360,000
Unappropriated Profit	**1,257,731**	1,025,307	1,509,237	1,043,237	663,686	672,260
Revaluation Surplus on Property, Plant and equipment-net of tax	**1,301,135**	528,047	540,886	593,650	379,953	403,294
Total Equity	**2,918,866**	1,913,354	2,410,123	1,996,887	1,403,639	1,435,554
Deferred Liabilities	**529,263**	254,821	320,294	301,113	224,109	272,502
Current Liabilities	**307,980**	384,964	805,211	502,182	734,013	736,157
	3,756,109	2,553,139	3,535,628	2,800,182	2,361,761	2,444,213
Represented by:						
Fixed Assets	**2,317,269**	1,303,020	1,360,206	1,429,429	1,196,494	1,253,543
Capital Work in Progress	**-**	-	-	1,200	-	-
Long Term Deposits	**10,093**	6,466	6,801	6,563	6,666	6,826
Current Assets	**1,428,747**	1,243,653	2,168,621	1,362,990	1,158,601	1,183,844
	3,756,109	2,553,139	3,535,628	2,800,182	2,361,761	2,444,213
PROFIT OR LOSS						
Sales	**4,559,573**	1,788,336	7,378,174	4,782,419	3,397,070	3,815,898
Cost of Revenue	**4,250,211**	1,858,362	6,136,539	3,972,022	3,191,509	3,556,405
Gross Profit	**309,362**	(70,026)	1,241,635	810,397	205,561	259,493
Operating Profit / (Loss)	**184,045**	(166,430)	1,014,957	653,830	115,809	164,642
Profit / (Loss) Before Taxation	**246,697**	(31,285)	996,564	623,562	49,548	97,381
Profit / (Loss) After Taxation	**215,923**	(29,024)	613,844	432,405	30,365	67,402
EPS	**6.00**	(0.81)	17.05	12.01	0.84	1.87
Dividend %	**-**	100	75	30	20	20
PERCENTAGE TO SALES						
Gross Profit % age	**6.78**	(3.92)	69.43	16.95	6.05	6.80
Profit Before Taxation % age	**5.41**	(1.75)	13.51	13.04	1.46	2.55
Profit After Taxation % age	**4.74**	(1.62)	34.32	9.04	0.89	1.77
Admin & Selling Expenses % age	**2.27**	5.39	2.08	2.25	2.49	2.25

STATEMENT OF ETHICS AND BUSINESS PRACTICES

This Statement of Ethics and Business Practices is intended to document the principles of conduct and ethics to be followed by **Resham Textile Industries Limited** (the "Company") and its employees, officers and directors. Its purpose is to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.

CONFLICTS OF INTEREST - Directors, officers and employees of the Company shall act at all times honestly and ethically, and shall avoid situations where their personal or outside business interests could conflict with the interests of the Company and its shareholders.

DEALING WITH BUSINESS PARTNERS - All purchases of goods and services by the Company will be made exclusively on the basis of price, quality, service and suitability to the Company's needs and in the interest of the Company alone. Directors, officers and employees are prohibited from accepting gifts from sellers or buyers in any form whatsoever.

DISCLOSURE **-** Each senior executive officer must provide full, fair, accurate and understandable information whenever communicating with the Company's stockholders or the general public.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS - All directors, officers and employees must conduct Company business in compliance with all applicable laws, rules and regulations.

HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION - It is the Company's policy to ensure the safety of its employees, be extra careful in protecting Company property from fire and other hazards, and to maintain the state of environment.

REPORTING OF VIOLATIONS - It is each employee's responsibility to notify promptly his or her supervisor regarding any actual or potential violation of this Code and any applicable laws, rules and regulations by anyone in the Company.

FAIR DEALING - It is our policy that each director, officer and employee will endeavor to deal fairly with the Company's customers, suppliers, competitors and employees.

CONFIDENTIALITY - All directors, officers and employees are prohibited from revealing confidential information of the Company acquired by virtue of their association with the Company or in any other manner, disclosure of which may hurt the interests of the Company. This does not apply to disclosures required by laws, rules and regulations.

PROPER USE OF COMPANY ASSETS - All Directors, officers and employees should protect the Company's assets and ensure their efficient use. Employees must not participate in, or arrange, any activity that is not commensurate with Company interests.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the annexed financial statements of **RESHAM TEXTILE INDUSTRIES LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, other comprehensive 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as the 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, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

Crowe Hussain Chaudhury & Co

CROWE HUSSAIN CHAUDHURY & CO.

Chartered Accountants

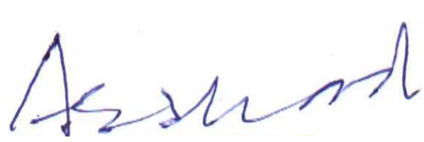
Lahore October 03, 2024

UDIN: AR202410169BgQ9n1mfJ

STATEMENT OF FINANCIAL

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 36,000,000 (2023: 36,000,000) Ordinary shares of Rs. 10 each		**360,000,000**	360,000,000
Issued, subscribed and paid up share capital	**5**	**360,000,000**	360,000,000
Unappropriated profit		**1,257,731,265**	1,025,306,856
Revaluation surplus on property, plant and equipment - net of tax	**6**	**1,301,134,804**	528,047,193
		2,918,866,069	1,913,354,049
Non Current Liabilities			
Deferred tax liability	**7**	**504,112,013**	244,170,047
Post employment benefits	**8**	**25,151,018**	10,650,923
		529,263,031	254,820,970
Current Liabilities			
Trade and other payables	**9**	**217,617,949**	306,711,190
Unclaimed dividend		**641,610**	628,698
Short term borrowings	**10**	**-**	-
Provision for income tax	**11**	**89,720,265**	77,624,379
		307,979,824	384,964,267
Contingencies and Commitments	**12**	**-**	-
		3,756,108,924	2,553,139,286

The annexed notes from 1 to 38 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER

POSITION AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	**13**	**2,317,269,382**	1,303,019,581
Long term deposits	**14**	**10,092,793**	6,466,360
		2,327,362,175	1,309,485,941
Current Assets			
Stores and spares	**15**	**104,068,115**	118,493,514
Stock in trade	**16**	**375,786,347**	658,100,385
Trade receivables	**17**	**27,621,301**	60,553,476
Short term investments	**18**	**13,383**	11,014,081
Loans and advances	**19**	**1,191,702**	69,941,413
Sales tax receivable - net		**60,001,356**	111,766,315
Balance with statutory authorities	**20**	**71,959,953**	44,782,727
Cash and bank balances	**21**	**788,104,592**	169,001,434
		1,428,746,749	1,243,653,345
		3,756,108,924	2,553,139,286

DIRECTOR

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

	Note	2024 Rupees	2023 Rupees (Restated)
Sales	22	4,559,572,989	1,788,335,665
Cost of sales	23	(4,250,210,597)	(1,858,362,074)
Gross Profit / (Loss)		309,362,392	(70,026,409)
Operating Expenses			
Selling and distribution costs	24	(45,986,462)	(23,047,268)
Administrative expenses	25	(57,518,423)	(73,356,505)
Other operating expenses	26	(21,812,908)	-
		(125,317,793)	(96,403,773)
Operating Profit / (Loss)		184,044,599	(166,430,182)
Other income	27	74,666,167	150,174,238
Finance costs	28	(12,014,062)	(15,029,432)
		62,652,105	135,144,806
Profit / (Loss) before Levies and Taxation		246,696,704	(31,285,376)
Levies	2.5.1 and 29	(56,918,950)	(22,354,196)
Profit / (Loss) before Taxation		189,777,754	(53,639,572)
Taxation	29	26,145,487	24,615,533
Net Profit / (Loss) for the Year		215,923,241	(29,024,039)

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Net Profit / (Loss) for the Year	**215,923,241**	(29,024,039)
Other Comprehensive Income for the Year:		
Items that will not be re-classified subsequently		
to profit or loss		
Surplus arising on revaluation of property, plant and equipment	**1,068,935,520**	-
Related deferred tax impact	**(268,617,517)**	-
Re-measurement loss on post employment benefits obligations	**(3,590,356)**	-
Related deferred tax impact	**1,113,010**	-
Items that may be re-classified subsequently to profit or loss	**-**	-
Other comprehensive income for the year	**797,840,657**	-
Total Comprehensive Income / (Loss) for the Year	**1,013,763,898**	(29,024,039)

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

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

Particulars	Issued, Subscribed and Paid up Capital	Revenue Reserve - Unappropriated Profit	Surplus on Revaluation of Property, Plant and Equipment	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2022	360,000,000	1,509,236,609	540,885,931	2,410,122,540
Net loss for the year	-	(29,024,039)	-	(29,024,039)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	(29,024,039)	-	(29,024,039)
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	31,094,286	(31,094,286)	-
Effect of rate change	-	-	18,255,548	18,255,548
Transactions with owners				
Final dividend paid for the year ended June 30, 2022 @ Rs. 3.50/- per share	-	(126,000,000)	-	(126,000,000)
Interim dividend paid for the year ended June 30, 2023 @ Rs. 10/- per share	-	(360,000,000)	-	(360,000,000)
	-	(486,000,000)	-	(486,000,000)
Balance as at June 30, 2023	360,000,000	1,025,306,856	528,047,193	1,913,354,049
Net profit for the year	-	215,923,241	-	215,923,241
Other comprehensive income for the year	-	(2,477,346)	800,318,003	797,840,657
Total comprehensive income for the year	-	213,445,895	800,318,003	1,013,763,898
Incremental depreciation for the year on surplus on revaluation of property, plant and equipment - net of deferred tax	-	18,978,514	(18,978,514)	-
Effect of rate change	-	-	(8,251,878)	(8,251,878)
Balance as at June 30, 2024	**360,000,000**	**1,257,731,265**	**1,301,134,804**	**2,918,866,069**

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

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

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before levy and taxation		**246,696,704**	(31,285,376)
Adjustments for:			
- Depreciation on property, plant and equipment	**13**	**62,353,194**	68,569,913
- Gain on disposal of property,plant and equipment	**27**	**(275)**	(3,253,614)
- Provision for post employment benefits	**8.1**	**12,974,991**	15,649,969
- Provision for workers' (profit) participation fund	**26**	**13,425,481**	-
- Provision for workers' welfare fund	**26**	**5,862,764**	-
- Expected credit loss allowance on trade debtors	**26**	**1,039,601**	-
- Interest income	**27**	**(73,012,398)**	(87,293,673)
- Finance costs	**28**	**12,014,062**	15,029,432
		34,657,420	8,702,027
Operating profit / (loss) before working capital changes		**281,354,124**	(22,583,349)
Effect on cash flows due to working capital changes			
(Increase) / decrease in current assets:			
- Stores and spares	**15**	**14,425,399**	(24,004,263)
- Stock in trade	**16**	**282,314,038**	(424,471,245)
- Trade receivables	**17**	**31,892,574**	47,513,986
- Loans and advances	**19**	**68,749,711**	(58,714,395)
- Long term deposits	**14**	**(3,626,433)**	335,265
- Sales tax receivable		**51,764,959**	(127,403,293)
Increase / (decrease) in current liabilities			
- Trade and other payables	**9**	**(73,270,380)**	13,986,366
		372,249,868	(572,757,579)
Cash Generated from / (Used in) Operations		**653,603,992**	(595,340,928)
Finance costs paid		**(8,441,038)**	(4,773,524)
Workers' (profit) participation fund paid	**9.3**	**(38,684,130)**	(97,174,777)
Workers' welfare fund paid	**9.4**	**-**	(19,373,178)
Gratuity paid	**8.1**	**(2,065,252)**	(38,252,265)
Tax paid		**(61,669,222)**	(172,744,557)
Interest received on savings accounts		**73,012,398**	87,293,673
		(37,847,244)	(245,024,628)
Net Cash Generated from / (Used in) Operating Activities		**615,756,748**	(840,365,556)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	**13**	**(7,668,200)**	(13,689,906)
Short term investments	**18**	**11,000,698**	(11,014,081)
Sale proceeds from disposal of operating fixed assets		**1,000**	5,560,000
Net Cash Generated from / (Used in) Investing Activities		**3,333,498**	(19,143,987)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings repaid	**10**	**(1,061,671,603)**	(835,273,178)
Short term borrowings obtained	**10**	**1,061,671,603**	835,273,178
Dividend paid		**12,912**	(485,953,105)
Net Cash Generated from / (Used in) Financing Activities		**12,912**	(485,953,105)
Net Increase / (Decrease) in Cash and Cash Equivalents		**619,103,158**	(1,345,462,648)
Cash and cash equivalents at the beginning of the year		**169,001,434**	1,514,464,082
Cash and Cash Equivalents at the End of the Year		**788,104,592**	169,001,434

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

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

Note 1
The Company and its Operations

1.1 Legal status and nature of business

Resham Textile Industries Limited (the Company) is a public unlisted company, incorporated in Pakistan on June 06, 1990 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The Company is domiciled in Pakistan and engaged in manufacturing and sale of yarn.

1.2 The geographical locations and addresses of the Company's business units, including Mill's plant are as under:

Business Unit	Geographical Location
- Head Office / Registered	The Company's registered office address is 36 A - Lawrence Road, Lahore.
- Production Plant / Factory	The Company's mill address is 1.5 km Habibabad in the Kasur district, Punjab.

Note 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; 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, 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 under the historical cost convention except to the extent of following:

Post employment benefits	Note 8	(stated at Present value)
Certain property, plant and equipment	Note 13	(stated at Revalued / Fair value)

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest Rupee, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the year in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Provision for post employement benefits - Note 3.7 and 8
- Useful lives, residual values, depreciation method and fair value of property, plant and equipment - Notes 3.1 and
- Net realizable values of stock-in-trade and stores and spare parts - Notes 3.3, 3.4, 15 and 16
- Impairment loss of non-financial assets other than inventories – Note 4.1
- Income tax expense, provision for current tax and recognition of deferred tax liabilities - Note 7, 11 and 29
- Estimation of contingent liabilities - Note 4.4 and 12
- Provision for expected credit losses – Note 3.11

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 **Standards, interpretations and amendments to approved accounting standards that are effective in the current year**

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

Standards, interpretations and amendments	Effective Date - Annual periods beginning on or after
IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies [Amendments]	January 1, 2023
IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates [Amendments]	January 1, 2023
IAS 12 'Income Taxes' - Deferred tax related to assets and liabilities arising from a single transaction [Amendments]	January 1, 2023
IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules [Amendments]	January 1, 2023
IFRS 17 'Financial Instruments: Disclosures' - Insurance Contracts	January 1, 2023

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

	Had there been no change in acounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees	Rupees	Rupees
Effect on statement of profit or loss			
For the year ended June 30, 2024			
Tax on export sales, dividends on investments and minimum tax	-	56,918,950	56,918,950
Profit before tax	246,696,704	(56,918,950)	189,777,754
Taxation	(30,773,463)	56,918,950	26,145,487
	215,923,241	-	215,923,241
Profit after tax	**215,923,241**	**-**	**215,923,241**
For the year ended June 30, 2023			
Tax on export sales, dividends on investments and international tax effect	-	22,354,196	22,354,196
Profit before tax	(31,285,376)	(22,354,196)	(53,639,572)
Taxation	2,261,337	22,354,196	24,615,533
	(29,024,039)	-	(29,024,039)
Profit after tax	(29,024,039)	-	(29,024,039)

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax.

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

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

Standards, interpretations and amendments	Effective Date - Annual periods beginning on or after
IFRS 7 & 9 Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 1, 2026
IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback [Amendments]	January 1, 2024
IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants [Amendments]	January 1, 2024
IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements [Amendments]	January 1, 2024
IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current [Amendments]	January 1, 2024

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have yet not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

- IFRS 18 - Presentation and Disclosure in Financial Statements
- IFRS 19 - IFRS 19 'Subsidiaries Without Public Accountability - Disclosures'
- IFRS 01 - First Time Adoption of IFRS
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 - Climate-Related Disclosures

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

Notes 3
Material Accounting Policy Information

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from July 01, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

3.1 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment losses, if any, except freehold land, buildings, plant and machinery and electric installations. Land is stated at revalued amount while building on freehold land, plant and machinery and electric installations are stated at revalued amount less accumulated depreciation and impairment loss. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing assets to their working condition.

Depreciation

Depreciation is charged to statement of profit or loss using reducing balance method at the rates specified in Note 13. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when the asset is derecognized. Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Revaluation

Freehold land; buildings on freehold land; plant and machinery; and electric installation are revalued every three years. Latest revaluation of said assets was carried out by an independent valuer as at June 30, 2024. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss.

Any revaluation increase arising on the revaluation of land; buildings on freehold land; plant and machinery; and electric installation is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land and building on freehold land is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset.

Each year the incremental depreciation, i.e. the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost, is transferred from surplus on revaluation of property, plant and equipment to retained earnings. All transfers from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Judgement and estimate

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Impairment

The Company assesses at each reporting date whether there is any indication that property, plant and equipment is impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal of property, plant and equipment are included in the current year's statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to property, plant and equipment as and when these are available for use.

3.2 Balances from contract with customers

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

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.

Right of return assets

Right of return assets represent the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

3.3 Stores and spares

These are valued at lower of moving average cost and net realizable value; whilst items considered obsolete are written off. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

3.4 Stock in trade

Recognition and measurement

These are valued at lower of cost and net realizable value. Cost is determined as follows:

-	Raw material	First in first out (FIFO)
-	Raw material in transit	Invoice value plus other charges paid thereon
-	Work in process	Average manufacturing cost
-	Finished goods	Average manufacturing cost
-	Waste	Net realizable value

Manufacturing cost in relation to work in process and finished goods comprises cost of materials, labor and appropriate manufacturing overheads. Net realizable value signifies estimated selling price in the ordinary course of business less necessary costs to make the sale.

Judgments and estimates

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

3.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprises cash in hand and cash at banks in current and savings accounts.

3.6 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

3.7 Post employment benefits

Defined benefit plan

The Company operates a defined benefit plan and maintains an unfunded gratuity scheme for all of its permanent employees. Under this scheme, gratuity is paid to the retiring employees on the basis of their last drawn gross salary for each completed year of service.

Actuarial gains / (losses) arising from experience adjustments and changes in actuarial assumptions for the defined benefits plan are charged or credited to the statement of other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the statement of profit or loss.

Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out at each reporting date.

3.8 Taxation - Levy, Income Tax and Deferred Tax

These are recognized in the statement of profit or loss except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

Current income tax

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001, after taking into account tax credit available, if any. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date. Super tax applicable on the Company is also calculated as per applicable tax rates as per the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

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

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.9 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

3.10 Revenue recognition

Revenue is recognized when performance obligation is satisfied by applying following five steps of revenue recognition:

i) Identify the contract with a customer
ii) Identify the performance obligation in the contract
iii) Determine the transaction price of the contract
iv) Allocate the transaction price to each of the separate performance obligations in the contract
v) Recognize the revenue when (or as) the entity satisfies a performance obligation

Revenue is recognized at a point in time, when the Company satisfies performance obligations by transferring the promised goods to its customers and when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control is transferred to the customer on dispatch of goods and transaction price is fixed and decided mostly through tendering process. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The contracts do not contain right of return as the goods are dispactched to customer after their inspection, and customer inspection process. The Company does not offer volume discount as price is agreed through tendering.

3.11 Financial instruments

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

3.11.1 **Financial assets**

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

Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost only. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

Initial recognition and measurement

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss.

Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss .

Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss account.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

3.11.2 **Financial liabilities**

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss when the liabilities are derecognized.

3.11.3 Off-setting of financial assets and financial liabilities

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

3.12 Related party transactions

Transactions in relation to sales, purchases and services to / from related parties are made at arm's length prices determined in accordance with the Company's policy except for the allocation of expenses such as utilities, rental and common overheads shared with related parties, which are on actual basis. Amounts due to and due from realted party are shown in respective notes to the financial statements.

Note 4

Summary of Other Accounting Policies

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These polices have been applied consistently for all periods presented, unless otherwise stated.

4.1 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

4.2 Dividend

Dividends are recognized as a liability in the period in which these are approved. However, if they are approved after the reporting period but before the financial statements are authorized for issue they are disclosed in the notes to financial statements.

4.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels which are as under:

Level 1

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.

Level 2

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

Level 3

If the Company determines that the fair value at 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 that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

4.4 Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Note 5
Issued, Subscribed and Paid up Share Capital

2024	2023		2024	2023
Number of Shares			**Rupees**	Rupees
36,000,000	36,000,000	Ordinary shares of Rs. 10 each fully paid in cash	**360,000,000**	360,000,000

5.1 No shares were issued or cancelled during the year.

5.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

5.3 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

5.4 Reconciliation of number of shares outstanding is as under:

	2024	2023
	Number of shares	
Number of shares outstanding at the beginning of the year	**36,000,000**	36,000,000
Number of shares issued / cancelled during the year	**-**	-
Number of shares outstanding at the end of the year	**36,000,000**	36,000,000

Note 6
Revaluation Surplus on Property, Plant and Equipment - net of tax

	2024	2023
	Rupees	Rupees
Land - freehold		
Opening balance	**243,737,797**	243,737,797
Add: Surplus on revaluation arisen during the year	**202,427,400**	-
	446,165,197	243,737,797
Building on Freehold Land - Factory		
Opening balance	**115,823,003**	128,803,057
Add: Surplus on revaluation arisen during the year	**237,181,597**	-
Less: Related deferred taxation	**(73,526,295)**	-
	279,478,305	128,803,057
Building on Freehold Land - Residential		
Opening balance	**13,116,466**	13,818,697
Add: Surplus on revaluation arisen during the year	**64,040,727**	-
Less: Related deferred taxation	**(19,852,625)**	-
	57,304,568	13,818,697
Plant and Machinery		
Opening balance	**155,369,927**	154,526,380
Add: Surplus on revaluation arisen during the year	**565,285,796**	-
Less: Related deferred taxation	**(175,238,597)**	-
	545,417,126	154,526,380
Transferred to retained earnings in respect of net incremental depreciation - net of deferred tax	**(18,978,514)**	(31,094,286)
Effect of change in rate	**(8,251,878)**	18,255,548
Closing balance - net of tax	**1,301,134,804**	528,047,193

6.1 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

6.2 Incremental depreciation charged on revalued property, plant and equipment has been transferred to retained earnings to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between actual depreciation based on revalued carrying amount of the asset and equivalent depreciation based on the original carrying amount of the asset.

6.3 This represents surplus over book value resulting from the revaluation of land, buildings and plant and machinery adjusted by incremental depreciation arising on revaluation of the above-mentioned assets and related deferred tax assets except freehold land which is presented at revalued amount. Latest revaluation was carried out by an independent valuer as on June 30, 2024 using current market price / replacement cost methods, wherever applicable for the respective assets.

Note 7
Deferred Taxation

	Note	2024 Rupees	2023 Rupees
Deferred tax Liability	**7.1**	**504,112,013**	244,170,047

7.1 Breakup of Deferred tax Liability

	2024	2023
Taxable temporary differences		
- Accelerated tax depreciation	**142,174,651**	127,606,578
- Surplus on revaluation of property, plant and equipment	**376,035,810**	119,652,237
Deductible temporary differences		
- Provision for staff retirement benefits - unfunded gratuity	**(7,796,816)**	(3,088,768)
- Provision for doubtful debts	**(322,276)**	-
- Workers' (profit) participation Fund	**(4,161,899)**	-
- Workers' welfare fund	**(1,817,457)**	-
	504,112,013	244,170,047

7.2 Reconciliation of deferred tax liabilities / (assets) - Net

	2024	2023
Opening balance	**244,170,047**	287,041,128
Deferred tax income recognized in profit or loss during the year	**(15,814,419)**	(24,615,533)
Deferred tax expense during the year recognised in other comprehensive income	**267,504,507**	-
Effect of change in tax rate	**8,251,878**	(18,255,548)
Closing balance	**504,112,013**	244,170,047

Deferred tax assets / liabilities on temporary differences are measured at effective rate of 31% (2023: 29%).

7.3 Analysis of change in deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2024	2023	**2024**	2023
	Rupees		Rupees	
Deferred Tax Liability / (Asset)				
Accelerated tax depreciation	**142,174,651**	127,606,578	**14,568,073**	(19,799,844)
Revaluation of property, plant and equipment	**376,035,810**	119,652,237	**(20,485,822)**	(12,700,483)
Staff retirement benefits - unfunded gratuity	**(7,796,816)**	(3,088,768)	**(3,595,038)**	7,884,794
Provision for doubtful debts	**(322,276)**	-	**(322,276)**	-
Workers' (profit) participation Fund	**(4,161,899)**	-	**(4,161,899)**	-
Workers' welfare fund	**(1,817,457)**	-	**(1,817,457)**	-
	504,112,013	244,170,047	**(15,814,419)**	(24,615,533)

7.4 Deferred tax asset on deductible temporary differences arising due to minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 has not been recognised as sufficient taxable profits would not be available for adjustment / utilisation in the foreseeable future. The minimum tax would expire as follows:

Accounting year to which minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	Rupees	
2023	21,675,100	2026
2024	17,471,447	2027

Note 8
Post Employment Benefit Obligations

	Note	2024 Rupees	2023 Rupees
Staff gratuity - unfunded	**8.1**	**25,151,018**	10,650,923

8.1 Post Employment Benefit Obligations

The Company maintains a defined benefit plan and operates an unfunded gratuity scheme covering its permanent employees subject to completion of minimum prescribed period of service. Actuarial valuation of the scheme is carried out by an independent actuary and the latest actuarial valuation has been carried out as at June 30, 2024. On the basis of the information included in the latest actuarial report, the actuarial valuation of the scheme has resulted in post employment benefit obligations in current year as presented in the following notes:

Movement in the present value of defined benefit obligations:

	2024 Rupees	2023 Rupees
Opening balance	**10,650,923**	33,253,219
Current service cost for the year	**11,700,567**	15,649,969
Interest cost on defined benefit obligations	**1,274,424**	-
Benefits paid during the year	**(2,065,252)**	(38,252,265)
Actuarial loss from changes in financial assumptions	**100,685**	-
Experience adjustment	**3,489,671**	-
Closing balance	**25,151,018**	10,650,923

The amounts recognized in the statement of profit or loss are as follows:

	2024 Rupees	2023 Rupees
Current service cost	**11,700,567**	15,649,969
Interest cost on defined benefit obligations	**1,274,424**	-
	12,974,991	15,649,969

Remeasurements chargeable in other comprehensive income:

	2024 Rupees	2023 Rupees
Actuarial loss from changes in financial assumptions	**100,685**	-
Experience adjustment	**3,489,671**	-
	3,590,356	-

The charge for the year has been allocated as follows:

		2024 Rupees	2023 Rupees
Cost of sales	**23**	**6,242,239**	9,545,673
Selling and distribution costs	**24**	**2,734,457**	1,033,831
Administrative expenses	**25**	**3,998,295**	1,915,242
		12,974,991	12,494,746

Estimated charge for the future period:

	2025 Rupees
Current service cost	11,439,389
Interest cost on defined benefit obligations	3,424,489
	14,863,878

The latest actuarial valuation of the Company's defined benefit plan was conducted at June 30, 2024 using 'Projected Unit Credit' method, based on the following significant assumptions:

		2024	2023
Discount rate for obligation	Per annum	14.75%	13.25%
Retirement assumption	Years	60	60
Average duration of the defined benefit obligation	Years	7	7
Mortality rate		SLIC (2001-2005) Mortality Table	

Year end sensitivity analysis on defined benefit obligations

Reasonably possible changes as at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in defined benefit obligations as stated below:

	2024 Rupees	2023 Rupees
Discount rate + 100 bps	**23,588,497**	31,230,603
Discount rate - 100 bps	**26,917,490**	35,559,639
Salary increase + 100 bps	**26,971,721**	35,615,811
Salary increase - 100 bps	**23,512,099**	31,116,270

The sensitivity analysis as above, have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the year end.

The Company does not have any plan assets covering its post-employment benefits payable. The comparative statement of present value of defined benefit obligations is as under:

	2024 Rupees	2023 Rupees	2022 Rupees	2021 Rupees	2020 Rupees
Present value of defined benefit obligations	**25,151,018**	10,650,923	33,253,219	30,748,227	26,554,963
Fair value of plan assets	**-**	-	-	-	-
Net liability	**25,151,018**	10,650,923	33,253,219	30,748,227	26,554,963

Maturity profile

	2024 Rupees	2023 Rupees
1 year	**3,868,293**	11,266,477
2 year	**4,582,257**	2,182,428
3 year	**5,593,241**	2,486,302
4 year	**6,487,889**	2,839,459
5 year	**9,795,398**	3,131,421
6 - 10 years	**42,598,304**	21,650,030
Beyond 10 years	**943,593,179**	2,461,999,623

Note 9
Trade and Other Payables

	Note	2024 Rupees	2023 Rupees
Trade creditors - unsecured		**5,618,828**	27,160,286
Accrued liabilities	**9.1**	**161,636,007**	216,632,587
Contract liabilities	**9.2**	**3,538,914**	4,925,829
Unclaimed workers' (profit) participation fund		**13,107,271**	8,462,348
Workers' (profit) participation fund	**9.3**	**13,425,481**	35,111,106
Workers' welfare fund	**9.4**	**20,278,560**	14,415,796
Other payables		**12,888**	3,238
		217,617,949	306,711,190

9.1 This includes provision for Gas Infrastructure Development Cess (GIDC) amounting to Rs. 37,168,433 (2023: Rs. 37,168,433). The Company is contesting this levy with relevant authorities and judicial forums.

9.2 An amount of Rs. 3,670,242 (2023: Rs. 14,324,968) was recognized in revenue from opening balance of contract

9.3 Workers' (Profit) Participation Fund

	Note	2024 Rupees	2023 Rupees
Opening balance		**35,111,106**	122,029,975
Interest on funds utilized in the Company's business	**28**	**3,573,024**	10,255,908
Add: Provision for the year	**26**	**13,425,481**	-
Less: Payments made during the year		**(38,684,130)**	(97,174,777)
Closing balance		**13,425,481**	35,111,106

9.4 Workers' Welfare Fund

	Note	2024 Rupees	2023 Rupees
Opening balance		**14,415,796**	33,788,974
Add: Provision for the year	**26**	**5,862,764**	-
Less: Payments made during the year		**-**	(19,373,178)
Closing balance		**20,278,560**	14,415,796

Note 10
Short Term Borrowings

The Company obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 2,335 million (2023: Rs. 2,320 million) towards working capital requirements and for retirement of local and foreign LCs. These facilities shall expire on various dates latest by January 31, 2025. Mark up on these facilities is charged from 1 to 3 months KIBOR plus a spread of 0.9% to 1.25% (2023: 1 to 3 months KIBOR plus a spread of 1% to 1.25%) payable quarterly. The aggregate short term finances are secured by ranking and hypothecation charge on certain fixed assets, current assets and stocks of the Company; lien over import documents and personal guarantee of sponsoring directors of the Company.

Note 11
Provision for Income Tax

	2024 Rupees	2023 Rupees
Opening balance	**77,624,379**	389,975,596
Add: Charge for the year	**56,918,950**	22,354,196
Less: Payments / adjustments during the year	**(44,823,064)**	(334,705,413)
	89,720,265	77,624,379

Note 12
Contingencies and Commitments

12.1 Contingencies

(i) In respect of Tax Year 2014, the Deputy Commissioner Inland Revenue (DCIR) amended the deemed assessment of the Company and raised the tax demand amounting to Rs. 781,049 on account of alleged inadmissibility of salary paid to some employees through cash, Hajj expense included in entertainment expense which are disallowed and short deduction of withholding tax on office rent. The Commissioner Inland Revenue, Appeals [CIR(A)] also upheld the view of the Department to the extent of partial amounts, for which the Company has preferred appeal before the Appellate Tribunal Inland Revenue (ATIR) for remaining items, which is pending adjudication. The Company expects favorable outcome and accordingly no provision has been recorded in these financial statements.

(ii) In respect of tax year 2015, the DCIR issued the notice for rectification dated June 8, 2015 under section 221 of the Income Tax Ordinance, 2001 and raised a demand of Rs. 4,614,372 for an alleged mistake in calculating the tax liability; on the basis of mistake being apparent from record and requiring rectification. On appeal, the CIR(A) remanded the case back to the Department. However, the name of the Company was selected for tax audit for the tax year 2015, and in pursuance thereof, the DCIR amended the deemed assessment for that tax year by passing order dated June 26, 2021 and creating tax demand of Rs. 8,446,107. The Company has filed appeal before the CIR(A) against this order. The Appeal is heard and the CIR(A)remanded the case back to the department. The Company has filed appeal before ATIR. The appeal is pending adjudication. The Company expects favorable outcome based on the opinion of legal advisor, therefore no provision has been recorded in these financial statements.

(iii) In respect of tax year 2005, an order under section 124/129 was passed by the concerned DCIR and later confirmed by the CIR(A) wherein tax demand of Rs. 6,652,858 was created on account of alleged incorrect proration of expenses on net sales (excluding sales tax) instead of gross sales (including sales tax). The Company has filed appeal before the ATIR, against the order dated March 31, 2012 passes by the CIR (A) on the grounds that the Commissioner Inland Revenue was not justified to reject the contention of the appellant. The ATIR has decided the appeal in favor of the Company on February 27, 2017. The Department (FBR) has filed reference before Honorable Lahore High Court, against the order of ATIR. The Appeal is pending before Honorable Lahore High Court. The Company expects favorable outcome based on the opinion of legal advisor, therefore no provision has been recorded in these financial statements.

(iv) Vide order dated August 31, 2020 passed u/s 11 of the Sales Tax Act, 1990, the DCIR created a tax demand of Rs. 7,807,281 by rejecting the admissibility of input tax claimed by the Company for the period from September 2013 to October 2018. The CIR (A) upheld the inadmissibility to the extent of Rs. 5,770,828. The Company has filed appeal before ATIR against order dated November 20, 2020 passed by CIR and the appeal is pending adjudication. The Company expects favorable outcome and has not recorded a provision for contested tax demand.

(v) In respect of tax year 2016, an order dated June 28, 2022 u/s 161 was passed by the DCIR and raised tax demand amounting to Rs.55,818,171 u/s 161/205. On appeal, the CIR (A) remanded the case back to the department vide order dated August 04, 2022 against which the Company filed an appeal before ATIR on August 12, 2022. The appeal is pending ajudication. The Company expects favourable outcome hence no provision has been recorded in these financial statements.

(vi) Vide order dated November 18, 2022 passed u/s 11(2) of the Sales Tax Act, 1990, the DCIR created demand of Rs.1,073,567 by rejecting the admissibility of input tax, under provisions of section 8(1) of the Sales Tax Act, 1990, claimed by the Company for the tax year 2019 to 2020. The Company filed an appeal before the CIR (A) which was disposed of vide order dated January 25, 2023 against which the Company filed an appeal before ATIR on February 14, 2023. The appeal is pending ajudication. The Company expects favourable outcome hence no provision has been recorded in these financial statements.

12.2 Commitments

	2024	2023
	Rupees	Rupees
Letters of credit	**32,487,588**	-

12.3 Guarantees

The Company is liable for Bank guarantees arranged from different banks amounting to Rs. 71.5 million (2023: Rs. 61 million) that have been issued in favour of the following:

Sui Northern Gas Pipelines Limited	**50,500,000**	50,000,000
Excise and Taxation Department, Karachi	**21,000,000**	11,000,000
	71,500,000	61,000,000

Note 13
Property, Plant and Equipment

Description	Freehold Land	Building on Freehold Land - Factory	Building on Freehold Land - Residential	Plant and Machinery	Electric Installations	Mills Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Arms and Ammunition	Total
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Year ended June 30, 2024											
Cost / Revalued Amount											
As at July 01, 2023	357,022,600	236,459,076	36,905,082	779,303,251	19,500,000	39,698,517	4,851,529	1,511,915	27,031,370	111,620	1,502,394,960
Additions	-	-	-	-	-	2,260,000	3,589,000	-	1,819,200	-	7,668,200
Disposals during the year	-	-	-	-	-	-	-	-	(2,850)	-	(2,850)
Revaluation adjustment	-	(52,369,773)	(4,343,209)	(160,378,422)	-	-	-	-	-	-	(217,091,404)
Revaluation surplus	202,427,400	237,181,597	64,040,727	565,285,796	-	-	-	-	-	-	1,068,935,520
Balance as at June 30, 2024	**559,450,000**	**421,270,900**	**96,602,600**	**1,184,210,625**	**19,500,000**	**41,958,517**	**8,440,529**	**1,511,915**	**28,847,720**	**111,620**	**2,361,904,426**
Accumulated depreciation											
As at July 01, 2023	-	38,483,714	3,115,019	117,585,771	2,962,050	23,784,956	2,479,833	890,277	10,028,260	45,499	199,375,379
Charge for the year	-	13,886,059	1,228,190	42,792,651	1,068,795	740,143	509,445	24,366	2,096,933	6,612	62,353,194
Disposals during the year	-	-	-	-	-	-	-	-	(2,125)	-	(2,125)
Revaluation adjustment	-	(52,369,773)	(4,343,209)	(160,378,422)	-	-	-	-	-	-	(217,091,404)
Balance as at June 30, 2024	-	-	-	-	4,030,845	24,525,099	2,989,278	914,643	12,123,068	52,111	44,635,044
Balance as at June 30, 2024	**559,450,000**	**421,270,900**	**96,602,600**	**1,184,210,625**	**15,469,155**	**17,433,418**	**5,451,251**	**597,272**	**16,724,652**	**59,509**	**2,317,269,382**
Depreciation rates	-	10%	5%	10%	10%	10%	10%	10%	20%	10%	
Year ended June 30, 2023											
Cost / Revalued Amount											
As at July 01, 2022	357,022,600	236,459,076	36,905,082	771,703,400	19,500,000	39,306,618	3,711,373	1,466,915	26,452,788	43,620	1,492,571,472
Additions	-	-	-	7,599,851	-	391,899	1,140,156	45,000	4,445,000	68,000	13,689,906
Disposals during the year	-	-	-	-	-	-	-	-	(3,866,418)	-	(3,866,418)
Balance as at June 30, 2023	357,022,600	236,459,076	36,905,082	779,303,251	19,500,000	39,698,517	4,851,529	1,511,915	27,031,370	111,620	**1,502,394,960**
Accumulated depreciation											
As at July 01, 2022	-	23,054,759	1,822,188	70,136,898	1,774,500	23,149,455	2,332,440	866,639	9,193,514	35,105	132,365,498
Charge for the year	-	15,428,955	1,292,831	47,448,873	1,187,550	635,501	147,393	23,638	2,394,778	10,394	68,569,913
Disposals during the year	-	-	-	-	-	-	-	-	(1,560,032)	-	(1,560,032)
Balance as at June 30, 2023	-	38,483,714	3,115,019	117,585,771	2,962,050	23,784,956	2,479,833	890,277	10,028,260	45,499	**199,375,379**
Balance as at June 30, 2023	**357,022,600**	**197,975,362**	**33,790,063**	**661,717,480**	**16,537,950**	**15,913,561**	**2,371,696**	**621,638**	**17,003,110**	**66,121**	**1,303,019,581**
Depreciation rates	-	10%	5%	10%	10%	10%	10%	10%	20%	10%	

13.1 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location / Address	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
36-A Lawrence Road, Lahore	Head Office / Registered Office	18,404	13,920
1.5 km Habibabad in the Kasur district, Punjab	Production Plant / Factory	1,135,282	412,793

13.2 Apportionment of depreciation charge for the year

Depreciation charge for the year has been apportioned as follows:	Note	2024 Rupees	2023 Rupees
Cost of sales	**23**	**58,494,260**	64,711,273
Selling and Distribution Costs	**24**	**771,787**	-
Administrative expenses	**25**	**3,087,147**	3,858,640
		62,353,194	68,569,913

13.3 As per the valuation report of independent valuer as of June 30, 2024. The management believes that these values approximate to the values as on June 30, 2024. The forced sales value is as per the following:

	Market Value	Forced Sale	Forced Sales
Land - Head Office	371,800,000	15%	316,030,000
Land - Factory	187,650,000	20%	150,120,000
Plant and Machinery	1,184,210,625	20%	947,368,500
Building - Factory	421,270,900	20%	337,016,720
Building - Head Office	96,602,600	15%	82,112,210
	2,261,534,125		1,832,647,430

13.4 Had there been no revaluation, book values of revalued assets would have been as follows:

	2024 Rupees	2023 Rupees
Freehold Land	**113,284,803**	113,284,803
Building on Freehold Land	**50,835,813**	48,561,497
Plant and machinery	**435,712,050**	457,497,725
	599,832,666	619,344,025

13.5 The following methods and assumptions were used to estimate the fair values and the significant inputs used in the fair value measurements categorized within Level 2 of the fair value hierarchy, together with a quantitative sensitivity analysis are as shown below:

Description	Valuation Technique	Significant Observable Inputs	Range (weighted average)
Land, building and Plant and machinery	Sales value comparison approach	Market enquiries and survey as per kanal/marla for land rates, per square foot rates for building and Market enquiries and survey for plant and machinery	Reasonable fair value estimates

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the year.

13.6 As detailed in note 10, certain assets from property, plant and equipment have been presented for creating charge in respect of funded and unfunded facilities obtained from financial institutions.

Note 14
Long Term Deposits

	Note	2024 Rupees	2023 Rupees
Excise and Taxation Department, Karachi	14.1	**5,250,200**	2,750,200
Bank guarantee margin		**1,126,433**	-
Security deposit		**3,716,160**	3,716,160
		10,092,793	6,466,360

14.1 This represents the funded bank guarantee in the name of Excise and Taxation Department related to 1.25% infrastructure cess under the Sindh Finance Act, 1994 lawful, Karachi, on the direction of the Honorable High Court of Sindh for releasing imported goods.

Note 15
Stores and Spares

	2024 Rupees	2023 Rupees
Stores in hand	**4,841,727**	8,655,769
Stores in transit	**-**	8,640
Spares	**99,226,388**	109,829,105
	104,068,115	118,493,514

Note 16
Stock in Trade

	Note	2024 Rupees	2023 Rupees
Raw materials		**318,949,894**	339,023,475
Work in process		**22,707,962**	62,780,753
Finished goods	16.1	**34,128,491**	256,296,157
		375,786,347	658,100,385

16.1 Finished goods comprised of

	2024	2023
- Yarn	**27,552,113**	239,578,462
- Waste	**6,576,378**	16,717,695
	34,128,491	256,296,157

Note 17
Trade Receivables

	Note	2024 Rupees	2023 Rupees
Local (Unsecured - considered good)		**27,621,301**	60,553,476
Local (unsecured - considered doubtful)		**1,039,601**	-
		28,660,902	60,553,476
Less: Expected credit loss allowance	17.1	**(1,039,601)**	-
		27,621,301	60,553,476

17.1 **Movement in expected credit loss allowance**

	Note	2024	2023
Opening balance		-	-
Provision for the year	26	**1,039,601**	-
		1,039,601	-
Less: Balances written off		**-**	-
		1,039,601	-

Note 18
Short Term Investments

	Note	2024 Rupees	2023 Rupees
National Investment Trust - at fair value through profit or loss		**13,383**	14,081
Term deposit certificates	18.1	**-**	11,000,000
		13,383	11,014,081

18.1 This represented investment in term deposit certificates that carried mark-up at 19.50% to 20.45% per annum. These certificates were matured during the year.

Note 19
Loans and Advances

	Note	2024 Rupees	2023 Rupees
Advances to suppliers (Unsecured - considered good)		**615,826**	64,421,057
Short term loans to employees (Secured - considered good)	19.1	**439,876**	1,430,356
Advances to employees against salaries	19.2	**136,000**	4,090,000
		1,191,702	69,941,413

19.1 This represents interest-free loans given to employees as per the Company's policy. These loans are recoverable from salary in monthly installments and are secured against employees' retirement benefit balances.

19.2 No advance has been given to the chief executive officer or any director of the Company.

19.3 The maximum aggregate amount of loan to employees at the end of any month during the year was Rs. 120,000 (2023: Rs. 2,130,966).

Note 20
Balance with Statutory Authorities

	Note	2024 Rupees	2023 Rupees
Tax deducted at source and advance tax	**20.1**	**71,959,953**	44,782,727

20.1 This includes the refundable tax amounting to Rs. 10,331,068. The Company revised its Income Tax Return for Tax Year 2022, adjusting the tax rate under Section 4C from 5% to 4% in light of the Lahore High Court's ruling - Writ Petition No. 58683/2022. The revision was approved by the Commissioner Inland Revenue, Zone-III, LTO Lahore, on March 19, 2024, through IRIS and order sheet entry No. 17. Accordingly, the verified refund for the Tax Year 2022 will be issued in accordance with Section 170(4) of the Income Tax Ordinance, 2001.

Note 21
Cash and Bank Balances

	Note	2024 Rupees	2023 Rupees
Cash in hand		**1,364,827**	919,555
Balances with banks:			
- Current accounts		**218,562**	225,269
- Savings accounts	**21.1**	**786,521,203**	167,856,610
		788,104,592	169,001,434

21.1 The rate of return on savings accounts ranges from 11.75% to 21% (2023: 6% to 20%) per annum.

21.2 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

Note 22
Sales

	Note	2024 Rupees	2023 Rupees
Local sales yarn		**3,467,293,885**	1,754,877,639
Export Sales Yarn:			
- Direct		**180,375,530**	-
- Indirect		**1,260,444,150**	-
		1,440,819,680	-
Cotton		**-**	297,512,576
Waste		**212,835,017**	46,070,450
		5,120,948,582	2,098,460,665
Less: Sales tax		**(561,375,593)**	(310,125,000)
		4,559,572,989	1,788,335,665

22.1 Revenue has been recognised at a point in time for both local and export sales during the year.

22.2 The Company's revenue based on geographical location is given as under:

	2024	2023
Pakistan	**4,940,573,052**	2,098,460,665
China	**180,375,530**	-
	5,120,948,582	2,098,460,665

Note 23
Cost of Sales

	Note	2024 Rupees	2023 Rupees
Raw material consumed	23.1	**2,972,698,554**	1,431,292,926
Stores and spares consumed	23.2	**156,957,507**	34,873,285
Salaries, wages and other benefits	23.3	**240,312,791**	122,106,919
Insurance		**762,696**	757,355
Fuel and power		**549,536,830**	189,041,126
Depreciation	13	**58,494,260**	64,711,273
Utilities and communication		**288,390**	152,489
Repair and maintenance		**4,867,793**	5,765,583
Fee & subscription		**1,660,472**	1,249,118
Rent, repair & taxes		**384,586**	63,331
Travelling & conveyance		**346,021**	156,312
Entertainment		**1,022,442**	1,232,451
Other manufacturing expenses		**637,798**	383,142
		3,987,970,140	1,851,785,310
Work in progress:			
- Opening stock		**62,780,753**	17,880,739
- Closing stock	16	**(22,707,962)**	(62,780,753)
		40,072,791	(44,900,014)
Cost of goods manufactured		**4,028,042,931**	1,806,885,296
Cost of raw material sold		**-**	220,638,842
Finished goods:			
- Opening stock		**256,296,157**	87,134,093
- Closing stock	16	**(34,128,491)**	(256,296,157)
		222,167,666	(169,162,064)
Cost of goods sold		**4,250,210,597**	1,858,362,074

23.1 Raw material consumed

	Note	2024 Rupees	2023 Rupees
Opening balance		**339,023,475**	128,614,308
Purchases		**2,952,624,973**	1,862,340,935
		3,291,648,448	1,990,955,243
Less: Cost of raw material sold		**-**	(220,638,842)
Less: Closing balance	16	**(318,949,894)**	(339,023,475)
		(318,949,894)	(559,662,317)
		2,972,698,554	1,431,292,926

23.2 Stores and spares consumed

	Note	2024 Rupees	2023 Rupees
Opening balance		**118,484,874**	94,489,251
Purchases		**142,377,678**	58,868,908
		260,862,552	153,358,159
Less: Closing balance	15	**(104,068,115)**	(118,484,874)
Stores and spares consumed		**156,957,507**	34,873,285

23.3 This includes Rs. 6,242,239 (2023: Rs. 9,545,673) in respect of post employement benefits.

Note 24
Selling and Distribution Costs

	Note	2024 Rupees	2023 Rupees
Salaries and other benefits	24.1	**17,931,956**	16,142,731
Comission on sales		**17,929,976**	5,547,324
Export sale expenses		**8,010,296**	-
Vehicle running and maintenance		**1,108,986**	1,202,749
Depreciation	13	**771,787**	-
Insurance		**131,784**	105,510
Miscellaneous expenses		**101,677**	48,954
		45,986,462	23,047,268

24.1 This includes Rs. 2,734,457 (2023: Rs. 1,033,831) in respect of post employement benefits.

Note 25
Administrative Expenses

	Note	2024 Rupees	2023 Rupees
Salaries and other benefits	25.1	**39,556,778**	33,783,321
Charity and donations	25.2	**-**	22,600,000
Postage and telephone		**811,265**	670,298
Auditor's remuneration	25.3	**649,750**	565,000
Rent, rates and taxes		**236,016**	109,661
Electricity, gas and water		**2,045,685**	2,018,316
Legal and professional		**1,581,900**	1,763,583
Fee and subscription		**1,462,915**	1,623,955
Entertainment		**1,668,166**	1,440,377
Repairs and maintenance		**835,330**	379,404
Vehicle running and maintenance		**2,714,341**	2,466,701
Printing and stationery		**626,102**	467,676
Depreciation	13	**3,087,147**	3,858,640
Insurance		**409,751**	232,428
Others	25.4	**1,833,277**	1,377,145
		57,518,423	73,356,505

25.1 This includes Rs. 3,998,295 (2023: Rs. 1,915,242) in respect of post employement benefits.

25.2 The directors or their spouses have no interest in the donees. Details of charities and donations made were as follows:

	2024	2023
Alkhidmat Foundation Pakistan	**-**	20,000,000
Jamia Ashrafia	**-**	100,000
Lahore Mental Health Association	**-**	1,000,000
Medibank Trust	**-**	500,000
Others	**-**	1,000,000
	-	22,600,000

25.3 Auditor's remuneration

	2024	2023
Audit fee	**597,750**	520,000
Out of pocket expenses	**52,000**	45,000
	649,750	565,000

25.4 This included information system charges amounting to Rs. 1,122,297 (2023: Rs. 991,760).

Note 26
Other Operating Expenses

	Note	2024 Rupees	2023 Rupees
Provision for:			
- Workers' (profit) participation fund	9.3	**13,425,481**	-
- Workers' welfare fund	9.4	**5,862,764**	-
Exchange loss on export sale		**1,482,372**	-
Expected credit loss allowance on trade debtors	17.1	**1,039,601**	-
Unrealized loss on NIT Investment - at fair value through profit or loss		**2,690**	-
		21,812,908	-

Note 27
Other Income

	2024 Rupees	2023 Rupees
Profit on savings accounts	**73,012,398**	86,387,454
Interest income on term deposit certificate	**1,646,095**	906,219
Gain on disposal of operating fixed assets	**275**	3,253,614
Rental income	**-**	2,287,365
Miscellaneous income	**5,055**	12,191,932
Dividend income	**2,344**	11,749,867
Liabilities written back	**-**	32,924,453
Unrealized gain on NIT Investment - at fair value through profit or loss	**-**	473,334
	74,666,167	150,174,238

Note 28
Finance Costs

	Note	2024 Rupees	2023 Rupees
Interest on:			
- Short term borrowings	**10**	**5,880,932**	3,077,894
- Workers' (profit) participation fund	**9.3**	**3,573,024**	10,255,908
Bank charges and commission		**2,560,106**	1,695,630
		12,014,062	15,029,432

Note 29
Levies and Taxation

	Note	2024 Rupees	2023 Rupees
Levies	**29.1**	**56,918,950**	22,354,196
Taxation	**29.2**	**(26,145,487)**	(24,615,533)
		30,773,463	(2,261,337)

29.1 Levies

	2024	2023
Export sales	**14,408,197**	-
Dividend income	**352**	1,762,480
Minimum tax	**42,510,401**	20,591,716
	56,918,950	22,354,196

This represent final taxes paid on export sales, dividend income and minimum tax provision as per section 154, section 150 and section 113 of the Income Tax Ordinance, 2001 respectively, representing levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

29.2 Taxation

	Note	2024	2023
Income Tax		**-**	-
Prior year adjustments	**29.7**	**(10,331,068)**	-
		(10,331,068)	-
Deferred tax	**7.1**	**(15,814,419)**	(24,615,533)
		(26,145,487)	(24,615,533)

29.3 Relationship between taxes, levies and accounting profit

	2024	2023
Profit before levies and taxation	**246,696,704**	(31,285,376)
Tax at applicable rate of 29% (2023: 29%)	**71,542,044**	(9,072,759)
Tax effect of amounts that are:		
Tax effect of add backs / allowed deductions	**(81,873,112)**	9,072,759
Tax effect of final tax regime	**56,918,950**	22,354,196
Deferred taxation	**(15,814,419)**	(24,615,533)
	30,773,463	(2,261,337)

29.4 Tax expense / (income) on items recognized in other comprehensive income

	2024 Rupees	2023 Rupees
Measurement of post employment benefits obligation	**1,113,010**	-
Revaluation of property, plant and equipment	**(268,617,517)**	-
	(267,504,507)	-

		2024	2023
		Rupees	Rupees
29.5	**Reconciliation of levy and income tax under IAS -12**		
	Current tax liability for the year as per applicable tax laws	**56,918,950**	22,354,196
	Portion of current tax liability as per tax laws, representing income tax under IAS 12	**-**	-
	Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	**(99,429,351)**	(42,945,912)
	Difference	**(42,510,401)**	(20,591,716)

29.6 The current tax expense for the year is calculated using minimum tax rate of 1.25% (2023: 1.25%). Deferred tax assets and liabilities on temporary differences are measured at an effective rate of 31% (2023: 29%).

29.7 The Company revised its Income Tax Return for the Tax Year 2022, adjusting the tax rate under Section 4C from 5% to 4%, based on the Honorable Lahore High Court's judgment in Writ Petition No. 58683/2022 regarding Section 4C. The Commissioner Inland Revenue, Zone-III, LTO Lahore, approved this revision through IRIS and an order sheet entry (No. 17) dated March 19, 2024. Accordingly, the verified refund for the Tax Year 2022 will be issued in accordance with Section 170(4) of the Income Tax Ordinance, 2001. Given the likelihood of this refund, the corresponding adjustment has been reflected in the financial statements.

Note 30
Balances and Transaction with Related Parties

Related parties comprise directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Outstanding balances at the reporting date are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	Relationship	Nature of Transaction	2024	2023
			Rupees	Rupees
Mr. Muhammad Arshad Saeed	CEO	Interest free loan received during the year	**233,925,726**	315,110,573
		Interest free loan repaid during the year	**(233,925,726)**	(315,110,573)
Ms. Kiran A. Chaudhry	Director	Interest free loan received during the year	**27,500,000**	-
		Interest free loan repaid during the year	**(27,500,000)**	-
Mr. Muhammad Ali Chaudhry	Director	Interest free loan received during the year	**121,200,000**	87,123,272
		Interest free loan repaid during the year	**(121,200,000)**	(87,123,272)
Resham Enterprises (Private) Limited	Associated Company	Rent received during the year	**-**	2,287,365
		Purchase of operating fixed assets	**124,000**	1,577,055
		Purchase of vehicles	**1,800,000**	4,445,000

There are no outstanding balances with related parties at year end.

30.1 Following are the details of the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

S. No.	Related Party	Basis of Relationship	% of Shareholding
1	Mr. Muhammad Arshad Saeed	Chief Executive Officer	51.85%
2	Ms. Kiran A. Chaudhry	Directorship	7.56%
3	Mr. Muhammad Ali Chaudhry	Directorship	7.56%
4	Resham Enterprises (Private) Limited	Associated Company	Common directorship
5	Ms. Anila Tauqir	Key Management Personnel	0.00%
6	Mr. Muhammad Javed	Key Management Personnel	Nil

Note 31
Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in the financial statements for the year as remuneration and benefits paid to the chief executive officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Director		Executives		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	Rupees	Rupees	**Rupees**	Rupees	**Rupees**	Rupees	**Rupees**	Rupees
Managerial	**3,097,600**	3,097,600	**2,323,200**	2,323,200	**16,514,068**	17,674,222	**21,934,868**	23,095,022
Housing and other	**1,239,040**	1,239,040	**929,280**	929,280	**6,605,627**	7,069,689	**8,773,947**	9,238,009
Utilities	**309,760**	309,760	**232,320**	232,320	**1,651,408**	1,767,422	**2,193,488**	2,309,502
Gratuity paid	**-**	-	**-**	-	**300,000**	220,000	**300,000**	220,000
Vehicle running and	**901,782**	577,546	**308,775**	408,342	**3,788,696**	3,731,447	**4,999,253**	4,717,335
	5,548,182	5,223,946	**3,793,575**	3,893,142	**28,859,799**	30,462,780	**38,201,556**	39,579,868
Number of persons	**1**	1	**1**	1	**6**	6	**8**	8

31.1 An executive is defined as an employee, other than the chief executive officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

31.2 In addition to above, Chief Executive Officer, Directors, and certain Executives have been provided with the Company maintained vehicles in accordance with their terms of employment.

31.3 No meeting fee has been paid to any director of the Company.

Note 32
Financial Risk Management

32.1 Financial risk factors

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

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to foreign entities. As there are no foreign currency receivables / payables of the Company as at the reporting date, so it is not exposed to any currency risk (2023: Nil).

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is not exposed to any market price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from balances with savings accounts and short term borrowings. As the rate of interest with savings accounts and borrowings made at variable rates, these expose the Company to cash flow interest rate risk. As at the reporting date the interest rate profile of the Company’s interest bearing financial instruments was as follows:

Floating rate instruments - Financial assets	**2024**	**2023**
	Rupees	Rupees
Balances with savings	**786,521,203**	167,856,610

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2024, if interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.786 million (2023: Rs. 0.167 million), mainly as a result of interest exposure on variable rate instruments.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk of the Company arises from deposits with banks, trade receivables and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at June 30, 2024, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2024 Rupees	2023 Rupees
Long term deposits	**14**	**10,092,793**	6,466,360
Trade receivables	**17**	**27,621,301**	60,553,476
Short term loans to employees	**19**	**439,876**	1,430,356
Bank balances	**21**	**786,739,765**	168,081,879

The aging of trade debts as at reporting date is as follows:

	2024	2023
Past due 1 - 30 days	**25,799,028**	548,890
Past due 31 - 60 days	**946,622**	59,357,752
Past due 61 - 180 days	**871,871**	106,719
More than 180 days	**1,043,381**	540,115
	28,660,902	60,553,476
Allowance for expected credit loss	**(1,039,601)**	-
	27,621,301	60,553,476

The Company's exposure relating to credit risk relating to trade debt is disclosed in relevant notes to the financial statement. There are no significant debtors that are past due as at the reporting date.

Customer credit risk is managed by each business unit subject to the Company’s established policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

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

Bank Name	Rating		Rating Agency	2024	2023
	Short Term	Long Term		Rupees	Rupees
Faysal Bank Limited	A1+	AA	PACRA	**28,188**	29,936
Habib Bank Limited	A1+	AAA	VIS	**12,879,752**	724,363
MCB Bank Limited	A1+	AAA	PACRA	**161,320,099**	38,733
Meezan Bank Limited	A1+	AAA	VIS	**7,985,933**	24,295
Bank Alfalah Limited	A1+	AAA	PACRA	**125,828,435**	49,838,952
National Bank of Pakistan	A1+	AAA	PACRA	**73,442**	85,613
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	**152,505**	155,213
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	**142,136,979**	6,917,123
Askari Bank Limited	A1+	AA+	PACRA	**158,613,150**	4,254,175
The Bank of Punjab	A1+	AA+	PACRA	**177,716,280**	106,008,474
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	**5,002**	5,002
				786,739,765	168,081,879

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Year	2-5 Years	More than 5 years
		----------------------------- Rupees-----------------------------				
Contractual maturities of financial liabilities as at June 30, 2024:						
Trade and other payables	**167,254,835**	**167,254,835**	**167,254,835**	-	-	-
Contractual maturities of financial liabilities as at June 30, 2023:						
Trade and other payables	243,792,873	243,792,873	243,792,873	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates. As at June 30, 2024, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

The fair values of all financial assets and liabilities are not considered to be significantly different from their carrying values. The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1 Quoted market prices
Level 2 Valuation techniques (market observable)
Level 3 Valuation techniques (non market observable)

The Company held following assets measured at fair value:

	Total	Level 1	Level 2	Level 3
	-------------------- Rupees ---------------------			
National Investment Trust - at fair value through profit or loss	**13,383**	**-**	**13,383**	-
National Investment Trust - at fair value through profit or loss	14,081	-	14,081	-

32 Financial instruments by categories

	2024	2023
Financial assets at amortized cost as at June 30,	**Rupees**	Rupees
Long term deposits	**10,092,793**	6,466,360
Trade receivables	**28,660,902**	60,553,476
Cash and bank balances	**788,104,592**	169,001,434
	826,858,287	236,021,270
Financial assets at fair value through profit or loss at June 30,		
Short term investments	**13,383**	11,014,081
Financial liabilities at amortized cost as at June 30,		
Trade and other payables	**167,267,723**	243,796,111

32 Fair values of financial assets and liabilities

Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 33
Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchasing shares, if possible, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

As at the reporting date, the Company was not geared as given below:	**2024**	**2023**
	Rupees	Rupees
Total borrowings	**-**	-
Cash and bank balances	**(788,105)**	(169,001)
Net exposure	**(788,105)**	(169,001)
Equity	**2,918,866**	1,913,354
Total capital employed	**2,130,761**	1,744,353
Gearing Ratio	**Not Geared**	Not Geared

Note 34
Plant Capacity and Production

		2024	**2023**
Spindles installed	Number	**38,448**	38,448
Shifts per day	Number	**3**	3
Total days	Number	**366**	365
Total shifts	Number	**1,098**	1,095
Total spindles work	Number	**42,215,904**	42,100,560
Installed capacity based on 3 shifts per day	Kilograms	**14,102,609**	14,102,609
Actual production of yarn based on 3 shifts per day	Kilograms	**4,947,297**	2,045,192

Plant capacity is determined on the basis of management estimates as it is difficult to calculate precisely the production capacity of spinning unit. The production capacity fluctuates widely depending on various factors such as count of yarn spun, spindle speed, twist, maintenance of machinery, power shutdown and raw materials used, and the pattern of production adopted in any particular year.

Note 35
Number of Employees

	2024	**2023**
Average number of employees during the year	**653**	319
Total number of employees at the end of year	**425**	881

Note 36
Subsequent Events

There were no subsequent events identified as of the reporting date.

Note 37
Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issue on October 03, 2024.

Note 38
General

Figures in these financial statements have been rounded off to the nearest Pakistani Rupee, unless otherwise stated.

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material rearrangement has been made in these financial statements.

Chief Executive Officer **Director**

PATTERN OF SHAREHOLDING

1. Incorporation Number **21882**

2. Name of the Company **RESHAM TEXTILE INDUSTRIES LIMITED**

3. Pattern of holding of the shares held by the shareholders as at 30 June 2024.

	------Shareholding------		
4. No. of Shareholders	**From**	**To**	**Total Shares Held**
28	1	100	134
22	101	500	10,286
3	501	1,000	2,681
2	1,001	5,000	5,000
1	5,001	20,000	19,419
1	20,001	30,000	29,100
2	30,001	55,000	82,110
1	55,001	90,000	72,420
1	90,001	105,000	100,500
1	105,001	145,000	127,194
1	145,001	155,000	153,968
1	155,001	200,000	200,000
2	200,001	550,000	893,420
5	550,001	770,000	3,594,141
1	770,001	1,255,000	1,243,910
1	1,255,001	1,680,000	1,631,231
2	1,680,001	2,750,000	5,440,770
1	2,750,001	3,750,000	3,729,080
1	3,750,001	18,680,000	18,664,636
77			**36,000,000**

5. Categories of shareholders	**Share held**	**Percentage**
5.1 Directors, Chief Executive Officer, and their spouse and minor children	25,176,818	69.9356%
5.2 Banks Development Financial Institutions, Non Banking Financial Institutions.	119	0.0003%
5.3 Share holders holding 10% or more	22,393,716	62.2048%
5.4 General Public	10,802,958	30.0082%
5.5 Others (to be specified)		
1- Joint Stock Companies	5	0.0000%
2- Pension Funds	19,419	0.0539%
3- Others	681	0.0019%