

Annual
Report

20



MAHMOOD TEXTILE MILLS

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Business Review

VISION

To continue to be recognized globally as a dynamic business group specialized in multiple modern diversified businesses with its credibility of value creation for all stakeholders and the society through its strategically align innovation and sustainability framework.

CORE VALUES



CORPORATE INFORMATION



Board of Directors:

Khawaja Muhammad Ilyas	Chairman
Khawaja Muhammad Younus	Chief Executive Officer
Mrs. Farah Ilyas	Female Director
Khawaja Muhammad Muzaffar Iqbal	Director
Khawaja Muhammad Anees	Director
Abdul Rehman Qureshi	Independent Director
Muhammad Asghar	Independent Director

Chief Financial Officer

Yasir Ghaffar

Company Secretary

Liaqat Ali Dolla

Auditors

Crowe Hussain Chaudhary & Co.
Chartered Accountants
Masood Metro Mall, Second Floor
Near BZU, Multan.

Stock Exchange Listing

Mahmood Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange in Pakistan.

Share Registrar

Hameed Majeed Associates (Pvt.) Ltd.
H M House, 7-Bank Square, Lahore.

Bankers

MCB Bank Limited
United Bank Limited
Habib Bank Limited
Allied Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Bank Alfalah Limited
Bank Islami Limited
Habib Metropolitan Bank Limited
The Bank of Khyber
The Bank of Punjab
Askari Bank Limited
Soneri Bank Limited
ICBC Bank Limited
Al Baraka Bank Limited
National Bank of Pakistan (Aitmad)
Pak Brunei Investment Company Limited

Mills

Mahmoodabad, Multan Road,
Muzaffargarh.
Masoodabad, D.G. Khan Road,
Muzaffargarh.
Chowk Sarwar Shaheed, District
Muzaffargarh.
Industrail Estate, Multan.

Registered Office

Mehr Manzil, Lohari Gate, Multan.
Tel.: 061-111-181-181 Fax: 061-4511262
E-mail: info@mahmoodgroup.com
www.mahmoodtextile.com

Regional Office

2nd Floor, Cotton Exchange Building, I.I.
Chundrigarh Road, Karachi.

HONOURS AND ACHIEVEMENTS



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 54th Annual General Meeting (AGM) of "Mahmood Textile Mills Limited" (the Company) will be held at 11 am at Registered/Head Office, Mehr Manzil, Lohari Gate, Multan and through video link facility on Monday 28th October, 2024 to transact the following business:

- 1- To confirm the minutes of the last Annual General Meeting held on 28-10-2023.
- 2- To receive, consider and adopt the Financial Statements of the company for the year ended 30th June, 2024 together with Chairman's, Directors and Auditors' Reports thereon.
As required under section 223 of the Companies Act, 2017 and in terms of SRO No.389 (1)/2023 dated March 21,2023 the Financial Statements of the company has been uploaded on the website of the company which can be viewed using the following link and QR enabled Code:-
- 3- To appoint Auditors for the year 2024-25 and to fix their remuneration. The present Auditors M/s. Crowe Hussain Chaudhry & Company, Chartered Accountants, Lahore being eligible have offered themselves for re-appointment.

To transact any other business as may be placed before the meeting with the permission of the Chair.

NOTES:

1. Book Closure

The Share transfer books of the company will remain closed from Monday 21st October 2024 to Monday 28th October.2024 (both days inclusive). Transfers received in order at the office of the company's Share Registrar, M/s Hameed Majeed Associates (Pvt) Limited, HM House 7 Bank Square, Lahore by the close of business hours (5:00 P.M) on 21st October.2024 will be treated in time for the purposes of attending and voting at the AGM. Proxy forms, in English and in Urdu languages are available on the Company's website.

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2. Instrument of Proxy.

A member entitled to attend and vote at the meeting may appoint any other member as his/her proxy to attend and vote. The instrument appointing a proxy and the power of attorney or other authority under

which it is signed or a notarized attested copy of power of attorney must be deposited at the registered office of the company at least 48 hours before the time of the meeting. A proxy must be a member of the company. A company or a corporation being a member of the company may appoint a representative through a resolution of board of directors for attending and voting at the meeting.

3. Participation in the AGM through video link.

To attend the meeting through video link, the members and their proxies are requested to register themselves by providing the following information along with their Name, Folio Number, Number of shares held in their name, a valid copy of CNIC (both sides) or passport attested copy of board resolution/power of attorney (in case of corporate shareholder) through email at liaqat.cs@mahmoodgroup.com who registered after the necessary verification shall be provided with a video link facility by the company at the said email address. The login facility will remain open from the start of the meeting till its proceedings are concluded. The facility will be provided keeping in view of the provisions of section 132 of the Companies Act 2017.

Name of Member/ proxy holders	CNIC	Folio No./ participant id/ Account No.	Cell No./ WhatsApp No.	Email ID

4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the applicable guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No.1 of 2000.

5. Members are requested to notify in adequate time of any change in their addresses to the Share Registrar of the company. Name and address mentioned at serial no. 1 of the Notes.

6. Notice to Shareholder who have not provided CNIC:

The shareholders who have not yet provided their CNICs are once again advised to provide attested copies (both sides) of their CNIC's (if not already provided) directly to the Share Registrar at address given in Note No.1. The shareholders are further requested to furnished their IBAN bank account number containing 24 digits directly the our share registrar so that the dividend if any may be sent into their bank accounts. It is further clarified that tax deduction as presently applicable will be applicable on the dividend amount.

7. Unclaimed dividend /shares under section 244 of The Companies Act, 2017

The shareholders who for any reason, could not claimed their dividends for the previous years are advised to contact our Share Registrar M/S Hameed Majeed Associated (private) Limited 7- Bank Square

Lahore to enquire/claim their dividend immediately. List of unclaimed dividend is available on the company's website, www.mahmoodtextile.com. www.mahmoodgroup.com

8. Conversion of physical shares in to Book Entry Form

As per section 72 of The Companies Act, 2017 all the shareholders of listed companies are required to convert their physical shares in to Book Entry form within a period not exceeding four years from the commencement of The Companies Act, 2017. The SECP vide its circular No. CSD/ED/misc/2016- 639-640 dated March 26, 2021 has advised the listed companies to pursue their members who still hold shares in physical form to convert their shares in to Book Entry Form.

Therefore, We, Mahmood Textile Mills Limited" hereby request all such members who hold physical shares to convert the shares in to book entry form at the earliest. For the purpose they may contact "Central Depository Company of Pakistan Limited" or any active member of the Pakistan Stock Exchange to open an account with the "Central Depository Company of Pakistan Limited" at the earliest possible.

9. Electronic Voting.


In accordance with section 143-145 of The Companies Act 2017 and Companies (Postal Ballot) Regulations, 2018, the right to vote through electronic voting facility and voting by postal ballot shall be provided to members of every listed company for, inter alia, all business classified as special business under "The Companies Act, 2017" in the manner and subject to conditions contained in the Regulations.

Accordingly, members of "MAHMOOD TEXTILE MILLS LIMITED" will be allowed to vote through electronic voting or voting by post for the special business whenever needed in accordance with the

requirements and subject to the conditions contained in the said Regulations.

10. Electronic Transmission of Annual Reports and Notices

The Annual Audited Financial Statements/Annual Report and Notice of Meeting for the year ended June, 30, 2024 have been placed on the company's website, which can be downloaded from the following link and QR enabled code:-

Weblink	QR Code
https://mahmoodtextile.com/annualreports	

The Securities and Exchange Commission of Pakistan has allowed the listed companies through its SRO No. 389 (1) dated March 21 2023 to circulate the annual audited financial statements to their members through QR enabled code and web link. The company shall circulate Annual Financial Statements through email address in case it has been provided by the member to the company and upon demand, supply hard copies of the Annual Financial Statements to the shareholders free of cost of a duly completed request Form which may be obtained from the company's Website www.mahmoodtextile.com www.mahmoodgroup.com

By order of The Board of Directors



Liaqat Ali Dolla
Company Secretary

Multan.
Date: 7th October, 2024.

CHAIRMAN'S REVIEW

چیئرمین کی جائزہ رپورٹ

تعارف:

Introduction: The financial year ending June 30, 2024, has been a year of navigating challenges and embracing opportunities for Mahmood Textile Mills Limited. As a key player in Pakistan's textile industry, we focused on fortifying our operational resilience amidst economic volatility, while strategically positioning ourselves for sustainable growth.

30 جون 2024ء کو ختم ہونے والا مالی سال محمود ٹیکسٹائل ملز لمیٹڈ کے لئے چیلنج اور مواقع کو قبول کرنے کا سال رہا ہے۔ پاکستان کی ٹیکسٹائل انڈسٹری میں ایک کلیدی کھلاڑی کے طور پر، ہم نے معاشی اُتار چڑھاؤ کے درمیانی اپنی آپریشنل چلک کو مضبوط بنانے پر توجہ مرکوز رکھی، جبکہ پائیدار ترقی کے لئے خود کو حکمت عملی کے ساتھ پوزیشن میں رکھا۔

آپریشنل کارکردگی:

Operational Performance: During FY 2024, Mahmood Textile Mills continued to build on its legacy of innovation and efficiency across its spinning, weaving, and apparel manufacturing units. Despite facing global supply chain disruptions and inflationary pressures, the company maintained a robust production output, leveraging its modernized facilities and diversified product range. The integrated value chain—spanning from cotton cultivation to finished apparel—ensured quality control and cost efficiency, contributing to our competitive edge in both local and export markets.

مالی سال 2024ء کے دوران، محمود ٹیکسٹائل ملز نے اپنی اسپننگ، دوئیگ اور ملبوسات کی مینوفیکچرنگ یونٹس میں جدت اور کارکردگی کی وراثت کو جاری رکھا۔ عالمی سطح پر سپلائی چین میں رکاوٹوں اور افراط زر کے دباؤ کا سامنا کرنے کے باوجود، کمپنی نے اپنی جدید سہولیات اور متنوع مصنوعات کی حد سے فائدہ اٹھاتے ہوئے مضبوط پیداواری صلاحیت کو برقرار رکھا۔ مربوط ویلیو چین، کپاس کی کاشت سے لے کر تیار شدہ ملبوسات تک محیط، کوالٹی کنٹرول اور لاگت کی کارکردگی کو یقینی بناتا ہے، جس سے مقامی اور برآمدی دونوں منڈیوں میں ہماری مسابقتی برتری میں مدد ملتی ہے۔

مارکیٹ اور اقتصادی جائزہ:

Market and Economic Overview: Pakistan's textile sector has remained under pressure due to macroeconomic headwinds, including currency depreciation, rising raw material costs, and increased energy tariffs. However, strategic investments in renewable energy initiatives helped mitigate some of the impact of energy cost escalation. Mahmood Textile's focus on expanding its renewable energy capabilities, specifically through solar energy, reflects our commitment to reducing operational costs and contributing to sustainability goals.

پاکستان کی ٹیکسٹائل سیکٹر مائیکرو اکنامک ہیڈوائنڈز، بشمول کرنسی کی قدر میں کمی، خام مال کی بڑھتی ہوئی قیمتوں اور توانائی کے ٹیرف میں اضافے کی وجہ سے دباؤ کا شکار ہے۔ تاہم قابل تجدید توانائی کے اقدامات میں اسٹریٹجک سرمایہ کاری نے توانائی کی لاگت میں اضافہ کے کچھ اثرات کو کم کرنے میں مدد کی۔ اپنی قابل تجدید توانائی کی صلاحیتوں کو بڑھانے پر محمود ٹیکسٹائل کی توجہ، خاص طور پر سولر توانائی کے ذرائع، آپریشنل اخراجات کو کم کرنے اور پائیدار کے اہداف میں حصہ ڈالنے کے ہمارے عزم کی عکاسی کرتی ہے۔

مالیاتی کارکردگی:

Financial Performance: The financial performance in 2024 was stable, with moderate revenue growth. Export revenues, which make up a significant portion of our income, remained steady, with key markets in Europe and North America. However, profitability was challenged by fluctuating input costs. The company's liquidity position remained strong, supported by prudent working capital management.

2024ء میں مالیاتی کارکردگی مستحکم رہی جس میں آمدنی میں معمولی اضافہ ہوا۔ برآمدی محصولات، جو ہماری آمدنی کا ایک اہم حصہ ہیں، مستحکم رہے، یورپ اور شمالی امریکہ کی کلیدی منڈیوں کے ساتھ تاہم، ان پٹ لاگت میں اُتار چڑھاؤ کے باعث منافع کو چیلنج کیا گیا۔ کمپنی کی لیکویڈٹی پوزیشن مضبوط رہی، جس کی مدد پروڈنٹ ورکنگ کپٹیل منجمنٹ نے کی۔

اعتراف:

Acknowledgment: I would like to extend my gratitude to our employees, customers, and shareholders for their unwavering support throughout the year. Together, we will continue to strive for excellence and sustainable growth.

میں اپنے ملازمین، صارفین، اور شیئرز ہولڈرز کا سال بھر ان کی غیر متزلزل حمایت کے لئے شکریہ ادا کرنا چاہوں گا اس کے ساتھ ساتھ ہم بہترین اور پائیدار ترقی کے لئے اپنی کوششیں جاری رکھیں گے۔

خواجہ محمد الیاس
چیئرمین

Khawaja Muhammad Ilyas

Chairman



DIRECTORS' REPORT TO THE MEMBERS



INTRODUCTION

For and on behalf of the Board of Directors of Mahmood Textile Mills Limited, we present the financial statements of your company, for the year ending 30 June 2024, along with a review of the overall economic situation of Pakistan, the textile sector's performance, and challenges that have impacted our business operations during the year.

GLOBAL ECONOMIC OVERVIEW:

The fiscal year ending June 30, 2024, has presented a unique tapestry of challenges and opportunities, characterized by a global landscape still grappling with the aftershocks of economic disruptions, climate change, and geopolitical tensions. The cumulative effect of these factors has shaped a complex environment that necessitates strategic navigation and robust responses from businesses across all sectors, particularly the textile industry, which remains a cornerstone of Pakistan's economy.

The ongoing global economic uncertainty, marked by sluggish growth and inflationary pressures, continues to impact markets worldwide.

Supply chain disruptions, fuelled by the repercussions of the geopolitical tensions have exacerbated existing challenges. In the wake of energy shortages and rising commodity prices, companies have been compelled to reassess their operational strategies and supply chains.

MAJOR CHALLENGES FACED BY THE TEXTILE INDUSTRY OF PAKISTAN:

In Pakistan, the economic landscape is shaped by a multitude of internal challenges, including high inflation, persistent energy shortages, and political instability. Our industry continues to face operational difficulties stemming from fluctuating currency rates, inconsistent government policies, higher energy and financial cost.

Energy Crisis and High Costs: The textile industry faced significant challenges due to the energy crisis. Frequent changes in power tariff and the rising cost of electricity and gas disrupted production, increasing operational expenses and reducing competitiveness in international markets.

Raw Material Shortages and Price Volatility: It is imperative that the government prioritize the textile sector, which constitutes over 60% of Pakistan's total exports. A concerted effort to address issues related to cotton shortages, through strategic support and investment in domestic production, is crucial for sustaining our industry. The allocation of foreign reserves for cotton imports is necessary to mitigate the adverse effects of limited local supply.

Global Demand Slowdown: Weakening global demand, particularly from key export markets like the U.S. and Europe, affected export volumes. High inflation in these regions caused consumers to reduce discretionary spending on textiles and apparel, impacting Pakistani exports.

Intense Regional Competition: Pakistan faced tough competition from regional textile exporters like Bangladesh, India, and Vietnam, who benefited from lower production costs, better trade agreements, and fewer energy constraints.

High Interest Rates: Domestic inflation surged, leading to a highest ever policy rate of 22% in June 2023 that remain continue whole fiscal year. This has diminished purchasing

power and made it increasingly difficult for industries to sustain operations.

Geopolitical and Economic Uncertainty: Ongoing political instability in Pakistan, combined with global geopolitical tensions, created an uncertain environment for long-term business planning. This impacted investor confidence and delayed strategic decisions on capacity expansion and modernization.

Agricultural Setbacks: Climate-related challenges have adversely affected agricultural yields, alongside a lack of

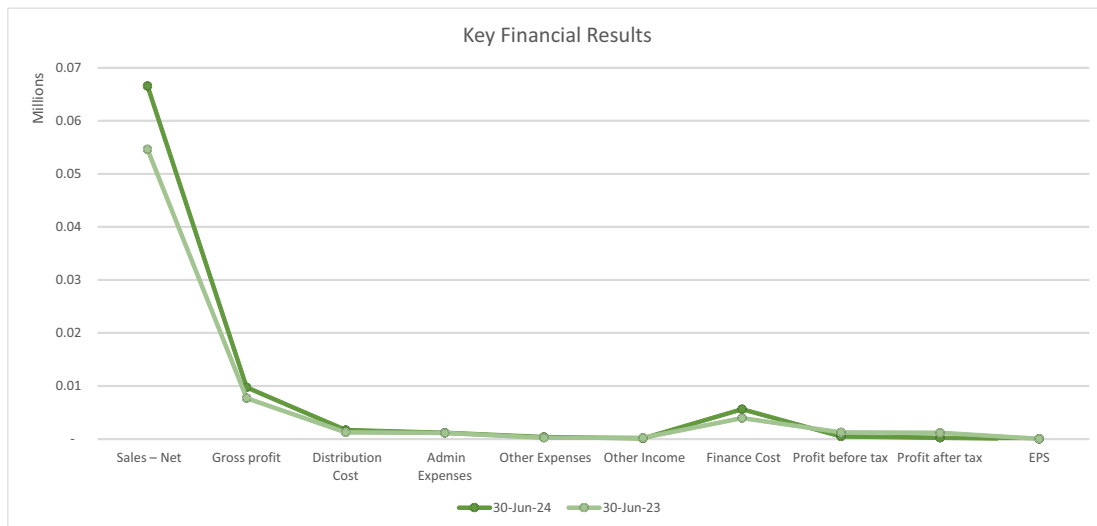
research in cottonseed development, leading to a shift towards other cash crops. Domestic cotton production this year has reached lowest from last year, making substantial imports essential. Challenges in foreign exchange are hindering the import of cotton and other critical export inputs, resulting in higher costs related to demurrage and delays.

These challenges collectively strained the textile industry, affecting both profitability and growth, requiring strategic adjustments to survive and stay competitive in global markets.

KEY FINANCIAL RESULTS:

Despite the significant economic challenges that collectively strained the textile industry and impacted profitability and growth, your company demonstrated notable resilience and strategic growth for the fiscal year ending June 30, 2024. This ability to adapt and thrive in a demanding environment highlights the company's proactive approach and commitment to staying competitive in global markets.

Such a response showcase not only the determination of Mahmood Textile Mills Limited but also underscores the potential for recovery and success within the industry as depicted by this year financial results, which are as follows:



- Net Sales increased impressively by 21.89%, rising from PKR 54,627 million in 2023 to PKR 66,584 million in 2024, demonstrating robust demand for our products and effective sales strategies.
- Gross Profit improved by 26.21%, climbing from PKR 7,708 million in 2023 to PKR 9,729 million in 2024, reflecting enhanced operational efficiency and profitability.
- Distribution Costs rose from PKR 1,263 million to PKR 1,682 million, indicative of increased logistical expenses to support our growing sales and market presence.
- Administrative Expenses remained stable, with a slight increase of 3.57% from last year, showcasing the management's ability to control costs effectively.
- Finance Costs increased from PKR 3,953 million in 2023 to PKR 5,631 million in 2024 due to higher borrowing costs. However, management has proactively implemented financial strategies to optimize cash flow and further avail cheap financing, demonstrating a commitment to maintaining financial stability.
- Sustainable Profitability: Though finance costs have risen, likely due to higher interest rates, the company remains profitable. Profit before tax (PBT) remains at PKR 475 million, though slightly lower than the previous year, reflecting the challenges posed by rising finance costs.
- Profit After Tax: The company achieved a profit after tax of PKR 250 million for the period ending 30th June 2024. Despite a decline from last year's PKR 1,202 million, the company-maintained profitability in a challenging environment. This demonstrates strong operational performance and effective financial management, underscoring the business's resilience and potential for future growth.

Overall, the company demonstrated strong revenue and gross profit growth, while navigating higher finance costs, reduced other income, and increased distribution expenses. The management's proactive efforts and strategic focus position Mahmood Textile Mills Limited for a promising future.

CORPORATE SOCIAL RESPONSIBILITY:

Mahmood Textile Mills Limited, part of Mahmood Group (MG), demonstrates a deep commitment to corporate social responsibility (CSR) by actively contributing to the well-being of the communities it serves. Their CSR initiatives reflect a positive and responsible business approach, focusing on healthcare, education, environmental sustainability, and the empowerment of marginalized communities, all aimed at creating long-lasting societal impact.

KEY CSR INITIATIVES:

Healthcare: Mahmood Textile Limited is dedicated to improving community health, operating free medical dispensaries that cater to around 400 patients daily. The company also extends financial and technical support to healthcare institutions, and provides free meals to hospitals, showcasing a strong commitment to public health.

Water Filtration: The Company is deeply invested in improving access to clean drinking water, having installed 15 water filtration plants that serve approximately 166,000 people daily. This initiative not only promotes health but also enhances living standards in the region.

Education: Company prioritizes education through two self-operated schools and infrastructure support to government schools, benefiting more than 5,000 students. They also offer scholarships and emphasize education for special-needs children, health and hygiene sessions, art competitions, & generating awareness on SDGs underscoring their commitment to building a literate and empowered society.

Environmental Sustainability: We are at the forefront of eco-friendly practices and play our part in combating the climate crisis by actively calculating our greenhouse gas (GHG) inventory for both our apparel and spinning mills, which will help us monitor and reduce our carbon footprint effectively. Furthermore, our GHG emission reduction near term targets have also been validated by SBTis (Science based targets initiative). Moreover, we have prioritized the transition to renewable energy sources, particularly solar power, as a cornerstone of its emission reduction strategy. Currently, our facilities boast a cumulative solar panel capacity of 27 MW.

Multiple units have LEED Gold certification, which indicates a high level of performance in areas such as water efficiency, energy savings, and indoor environmental quality. Meanwhile, MG Apparel has attained LEED Platinum certification, the highest level, reflecting even greater achievements in these areas.

Water management is a cornerstone of our environmental strategy, supported by an advanced Effluent Treatment Plant (ETP) and recycling technologies that ensure responsible water use throughout our operations. A tree-plantation drive is an ongoing activity not just within the facilities and estates but also as city uplift program.

The Company is dedicated to upholding the highest standards of corporate governance, with a strong commitment to Environmental, Social, and Governance (ESG) principles. We have established comprehensive policies and practices to ensure full compliance with ESG regulations mandated by the Securities and Exchange Commission of Pakistan (SECP).

Our environmental efforts center around minimizing our carbon footprint, optimizing resource consumption, and responsibly managing waste. On the social front, we emphasize employee well-being, fostering diversity, and actively engaging with the community. Our governance framework is structured to promote transparency, accountability, and ethical business practices. We continuously assess and refine our ESG strategies to align with global best practices and meet the evolving expectations of our stakeholders.

Women and Youth Empowerment: We take an active role in empowering women, on job and advance training sessions and workshops from renowned institution in Pakistan. Multiple collaborations through councils and international organizations to empower, lead and build capacity on all levels. Besides, more partnerships include uniform production initiative at SOS Village Multan. They also support youth development in Multan via sports academy and through sports sponsorships such as the Gilgit-Baltistan Girls' Football League, Karishma Ali Foundation by promoting inclusivity and skill development across Pakistan.

We have also won Gender Diversity Award in Gender inclusive climate action category for year 2024 by IFC & Pakistan Business Council.

Through these initiatives, Mahmood Textile Mills Limited showcases its dedication to improving society, fostering sustainable development, and empowering communities. The company's CSR efforts highlight its responsible approach to business and its active contribution to the welfare of its people and the environment.

Learning Hub:

The Learning Hub at Apparel division of Mahmood Textile Mills Limited in Multan is an innovative initiative aimed at fostering continuous learning and professional development among employees. This hub emphasizes creating an inclusive environment where individuals can enhance their skills, gain new knowledge, and contribute to the company's growth.

To name a few would be Lighthouse, Nisaab, Beena, Skills Sphere, ReviveHER, Climate2Equal, Engage and Elevate & FINALE.

KEY FEATURES OF THE LEARNING HUB INCLUDE:

Skills Development: Regular training workshops and skill enhancement sessions are conducted to help employees keep up with industry standards and improve their expertise in various areas, including production techniques and management practices.

Supportive Environment: The hub promotes a culture of collaboration and mutual support, allowing employees to share knowledge and best practices with one another. This creates a sense of community and teamwork.

Accessibility: The Learning Hub is designed to be accessible to all employees, irrespective of their positions, encouraging a culture of continuous improvement and lifelong learning.

Focus on Innovation: By integrating modern learning methodologies and digital tools, the hub ensures that employees are well-prepared to face the challenges of the evolving textile industry.

Overall, the Learning Hub reflects Company's commitment to investing in human capital, ensuring that employees are equipped with the necessary skills and knowledge to excel in their roles and contribute effectively to the company's mission of sustainable growth.

HUMAN RESOURCE MANAGEMENT:

Effective human resource planning and management are critical priorities for senior management at the company. To enhance this function, we have established a Human Resources and Remuneration (HR&R) Committee. This committee plays a pivotal role in the selection, evaluation, compensation, and succession planning of key management personnel. Additionally, it is tasked with recommending enhancements to our human resource policies and procedures, along with conducting regular reviews to ensure their continued relevance and effectiveness.

RISK MANAGEMENT:

The Board of Directors at Mahmood Textile Mills Limited recognizes the importance of identifying, assessing, and managing the various risks that can impact the company's operations and financial performance. The Company employs a comprehensive risk management framework that addresses both internal and external factors.

The key risks identified include fluctuations in cotton prices, changes in government policies and taxation, volatile exchange rates, and shifting global demand for textile products. To mitigate these risks, the company has implemented strategic procurement, financial hedging,

and continuous monitoring of market trends. Additionally, Mahmood Textile Mills adheres to strict compliance and regulatory requirements, ensuring that all operations align with industry standards and legal frameworks.

The risk management system is reviewed periodically to adapt to the evolving market environment, ensuring that the company remains resilient and prepared for future challenges. The Board remains committed to effective oversight of the risk management process, supporting sustainable growth and long-term shareholder value.

DIGITALIZATION AND ORACLE FUSION IMPLEMENTATION:

As part of our ongoing commitment to innovation and operational excellence, Mahmood Textile Mills Limited has embraced digitalization and the principles of Industry 4.0. We are proud to announce that the implementation of Oracle Fusion is nearing completion across all segments of our operations. This strategic initiative reflects our dedication to leveraging cutting-edge technology to enhance efficiency, streamline processes, and improve overall productivity.

The integration of Oracle Fusion will not only optimize our internal workflows but also provide real-time data analytics that empower our management team to make informed decisions. This digital transformation aligns with Industry 4.0, which emphasizes automation, data exchange, and the Internet of Things (IoT) in manufacturing. By harnessing these advanced technologies, we are positioning ourselves to respond swiftly to market demands and industry trends, thereby enhancing our competitiveness in the global textile sector.

Importantly, the benefits of this implementation extend to all stakeholders involved with Mahmood Textile Mills Limited. Enhanced operational efficiency will lead to improved product quality, timely delivery, and ultimately greater customer satisfaction. Moreover, our workforce will benefit from streamlined processes and increased collaboration across departments, fostering a culture of continuous improvement and innovation.

In conclusion, the digitalization journey we are undertaking with Oracle Fusion is not just about technological advancement; it is about creating value for our stakeholders and ensuring sustainable growth for the future. We are excited about the transformative potential of this initiative and its positive impact on our business and community.

FUTURE OUTLOOK:

Looking ahead, we remain cautiously optimistic about the economic landscape. The potential shifts in government policy may provide opportunities for structural reforms aimed at stabilizing the economy. Encouraging developments, such as an IMF-supported recovery and

positive forecasts for cotton production, offer hope for the textile sector's revival.

PAKISTAN'S ECONOMY

Pakistan's economy faces a challenging yet hopeful outlook:

- 1. Recovery Potential:** The country is expected to recover gradually from economic setbacks, supported by potential improvements in the agricultural sector and remittances from overseas Pakistanis. However, structural reforms will be necessary to sustain growth.
- 2. Inflation Challenges:** Pakistan has been grappling with high inflation rates, affecting consumer spending and overall economic stability. Efforts to control inflation through policy measures will be crucial.
- 3. Investment in Infrastructure:** Continued investment in infrastructure development, particularly through initiatives like the China-Pakistan Economic Corridor (CPEC), could enhance economic growth prospects and connectivity.

TEXTILE SECTOR IN PAKISTAN:

The textile sector, a cornerstone of Pakistan's economy, is poised for both challenges and opportunities:

1. Policy Support and Incentives

To enhance the competitiveness of the textile sector, the government should implement supportive policies that include financial incentives. This could involve offering subsidies on energy consumption and tax breaks for export activities. By lowering the cost burden on manufacturers, these incentives can help boost profitability and encourage reinvestment in the industry. Additionally, reducing tariffs on imported raw materials will make it easier for local manufacturers to access the resources they need at a lower cost, ultimately leading to improved production capacity and quality.

2. Infrastructure Development

Infrastructure plays a pivotal role in the growth of any industry. The government must prioritize the development of transportation and logistics networks to streamline the supply chain for textile manufacturers. Investments in roads, ports, and freight services will enhance the efficiency of moving raw materials and finished products. Furthermore, addressing the energy crisis by ensuring a stable and affordable energy supply is crucial. Investing in renewable energy sources can not only provide reliable power to textile manufacturers but also align with global sustainability trends.

3. Skill Development and Education

A skilled workforce is essential for the textile industry's advancement. The government should support vocational training programs that equip individuals with the necessary skills to thrive in the sector. Collaborating with industry stakeholders to align educational curricula with market demands can create a more adept workforce. Furthermore, initiatives that promote internships and on-the-job training can help bridge the gap between education and practical skills, ensuring that graduates are job-ready and can meet the evolving needs of the industry.

4. Access to Finance

To stimulate growth within the textile sector, the government must improve access to finance for manufacturers. Establishing programs that facilitate easier loan applications and providing favorable interest rates can encourage investment in modernization and capacity expansion.

5. Export Promotion and Market Diversification

The government should actively engage in promoting exports and diversifying markets for Pakistani textiles. This includes negotiating favorable trade agreements that reduce barriers to entry in new international markets. Additionally, implementing marketing campaigns that showcase the quality and uniqueness of Pakistani textile products can enhance the country's global brand image. By encouraging a more diverse export portfolio, the industry can reduce its dependence on traditional markets and tap into emerging opportunities.

6. Sustainability Initiatives

As sustainability becomes increasingly important in global markets, the government must introduce regulations that promote eco-friendly practices within the textile industry. This includes encouraging the use of sustainable materials and supporting recycling initiatives. By positioning Pakistan as a leader in sustainable textiles, the country can appeal to environmentally conscious consumers and businesses. Furthermore, incentives for companies adopting circular economy practices can foster innovation and lead to a more sustainable textile industry.

Conclusion

The success of Pakistan's textile industry relies on proactive collaboration between the government and industry stakeholders. By implementing supportive policies, investing in infrastructure and education, and prioritizing sustainability, the government can create an environment conducive to growth. These efforts will not only enhance the industry's competitiveness but also contribute to economic development, job creation, and improved living standards in Pakistan.

ACKNOWLEDGEMENT:

On behalf of the Board of Directors of Mahmood Textile Mills Limited, we extend our sincere gratitude to all stakeholders, including our employees, customers, suppliers, and investors, for their unwavering support and dedication during the fiscal year ending June 30, 2024. Your commitment has been instrumental in navigating the challenges faced by the textile industry and the broader economic landscape.

We acknowledge the efforts of our management team and staff, whose hard work and resilience have contributed to our operational successes and strategic growth initiatives. Their adaptability in the face of adversity has been vital to our continued performance in a fluctuating market.

As we move forward, we remain committed to fostering innovation, enhancing our operational capabilities through digitalization, and prioritizing sustainable practices. Together, we aim to create value for all stakeholders while positioning Mahmood Textile Mills Limited for future growth and success. Thank you for your continued trust and partnership.

For and on behalf of the Board



Khawaja Muhammad Ilyas
Chairman




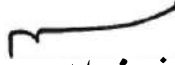
Khawaja Muhammad Younus
Chief Executive Officer

Multan

Dated: 7th October, 2024

کو بروئے کار لاتے ہیں ہم سب ایک ساتھ مل کر محمود ٹیکسٹائل ملز لمیٹڈ کے مستقبل کی ترقی اور کامیابی کے لئے اور ایک اچھی پوزیشن حاصل کرنے کے لئے تمام تر کاوشوں کو قدر کی نگاہ سے دیکھتے ہیں اور آپ کے مسلسل اعتماد اور شراکت داری کے لئے دل سے مشکور ہیں۔


خواجہ محمد الیاس
(چیف ایگزیکٹو آفیسر)


خواجہ محمد الیاس
(چیرمین)

ملتان

تاریخ: 7 اکتوبر 2024ء

رسائی کو بہتر بنانا چاہئے۔ ایسے پروگراموں کا قیام جو قرض کی آسان درخواستوں میں سہولت فراہم کرتے ہیں اور سازگار شرح سود فراہم کرتے ہیں جدید کاری اور صلاحیت میں توسیع اور سرمایہ کاری کی حوصلہ افزائی کر سکتے ہیں۔

5۔ ایکسپورٹ پروموشن اور مارکیٹ میں تنوع:

حکومت کو پاکستانی ٹیکسٹائل کے لئے برآمدات کو فروغ دینے اور منڈیوں کو متنوع بنانے میں سرگرمی سے حصہ لینا چاہئے۔ اس میں سازگار تجارتی معاہدوں پر بات چیت شامل ہے جو نئی بین الاقوامی منڈیوں میں داخلے کی راہ میں حائل رکاوٹوں کو کم کرتے ہیں۔ مزید برآں، پاکستانی ٹیکسٹائل مصنوعات کے معیار اور انفرادیت کو ظاہر کرنے والی مارکیٹنگ مہمات کو نافذ کرنا ملک کے عالمی برانڈ ایج کو بڑھا سکتا ہے۔ مزید متنوع برآمدی پورٹ فولیو کی حوصلہ افزائی کر کے، صنعت، روایتی منڈیوں پر اپنا انحصار کم کر سکتی ہے اور ابھرتے ہوئے مواقع سے فائدہ اٹھا سکتی ہے۔

پائیداری کے اقدامات:

چونکہ عالمی منڈیوں میں پائیداری تیزی سے اہم ہوتی جا رہی ہے، حکومت کو ایسے قوانین متعارف کروانے چاہئیں جو ٹیکسٹائل انڈسٹری کے اندر ماحول دوست طریقوں کو فروغ دیں۔ اس میں پائیدار مواد کے استعمال کی حوصلہ افزائی کرنا اور ری سائیکلنگ کے اقدامات کی حمایت کرنا شامل ہے۔ پاکستان کو پائیدار ٹیکسٹائل میں ایک رہنما کے طور پر پوزیشن دینے سے، یہ ملک ماحولیات کے حوالے سے باشعور صارفین اور کاروباری اداروں سے اپیل کر سکتا ہے۔ مزید برآں سرکلر اکانومی کے طریقوں کو اپنانے والے کمپنیوں کے لئے مراعات، جدت کو فروغ دے سکتی ہیں نیز ٹیکسٹائل کی زیادہ پائیدار صنعت کا باعث بن سکتی ہیں۔

نتیجہ:

پاکستان کی ٹیکسٹائل کی صنعت کی کامیابی حکومت اور صنعت کے اسٹیک ہولڈرز کے درمیان فعال تعاون پر کمان، پالیسیوں کے بنیادی ڈھانچے اور تعلیم میں سرمایہ کاری، اور پائیداری کو ترجیح دے، ترقی کے لئے سازگار ماحول پیدا کرنے کی معاون ہو۔ یہ کوشش نہ کریں کہ صرف صنعت کی مسابقت میں اضافہ کریں بلکہ پاکستان میں معاشی ترقی، روزگار کے مواقع پیدا کرنے اور معیار زندگی کو بہتر بنانے میں بھی معاون ثابت ہوں۔

اعتراف:

محمود ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2024ء کو مالی سال کے دوران تمام اسٹیک ہولڈرز اپنے ملازمین، صارفین، سپورٹرز اور سرمایہ کاروں کے تہ دل سے شکر گزار ہیں۔ ٹیکسٹائل کی صنعت کو درپیش مسائل اور زیادہ ترقی اقتصادی منظر نامے میں عزم صمیم کا اہم کردار رہا ہے۔

ہم اپنی انتظامیہ کی کوششوں کو تسلیم کرتے ہیں جن کی جدوجہد اور عمل ہمارے کوششوں کو کامیاب بنانے اور اسٹیبلٹی ترقی کے احکامات میں حصہ دار رہی ہے۔ اچھی کارکردگی دینے کے لئے انہیں ہمیشہ مشکلات کا سامنا کرنا پڑتا ہے۔

جیسے ہم آگے بڑھتے ہیں، ہم جدت کو فروغ دینے کے لئے اپنی تمام تر صلاحیتوں

ڈیجیٹلائزیشن اور اوریکل فیوژن کا نفاذ:

جدت اور آپریشنل عمدگی کے لئے ہماری جاری وابستگی کے حصے کے طور پر، محمود ٹیکسٹائل ملز لمیٹڈ نے ڈیجیٹلائزیشن اور انڈسٹری 4.0 کے اصولوں کو اپنایا ہے۔ ہمیں یہ اعلان کرتے ہوئے فخر ہے کہ Oracle Fusion کا نفاذ ہمارے آپریشنز کے تمام حصوں میں تکمیل کے قریب ہے۔ یہ اسٹیجنگ اقدام کارکردگی کو بڑھانے، عمل کو ہموار کرنے اور مجموعی پیداواری صلاحیت کو بہتر بنانے کے لئے جدید ٹیکنالوجی سے فائدہ اٹھانے کے لئے ہماری لگن کی عکاسی کرتا ہے۔

اوریکل فیوژن کا انضمام نہ صرف ہمارے اندرونی ورک فلو کو بہتر بنائے گا بلکہ ریٹیل ٹائم ڈیٹا اینالیٹکس بھی فراہم کرے گا جو ہماری انتظامی ٹیم کو باخبر فیصلے کرنے کے لئے اختیار بناتا ہے۔ یہ ڈیجیٹل تبدیلی انڈسٹری 4.0 کے ساتھ مطابقت رکھتی ہے، جو مینوفیکچرنگ میں آٹومیشن، ڈیٹا انکٹیویشن اور انٹرنیٹ آف تھنگز (IoT) پر زور دیتی ہے۔ ان جدید ٹیکنالوجیز کو بروئے کار لاکر، ہم خود کار کیٹ کی طلب اور صنعت کے رجحانات کے لئے تیزی سے جواب دینے کی پوزیشن میں ہیں۔ اس طرح عالمی ٹیکسٹائل سیکٹر میں اپنی مسابقت کو بڑھا رہے ہیں۔

اہم بات یہ ہے کہ اس نفاذ کے فوائد محمود ٹیکسٹائل ملز لمیٹڈ کے ساتھ شامل تمام اسٹیک ہولڈرز تک ہیں۔ بہتر آپریشنل کارکردگی مصنوعات کے معیار میں بہتری، بروقت ترسیل اور بالآخر زیادہ سے زیادہ صارفین کے اطمینان کا باعث بنے گی۔ مزید برآں ہماری افرادی قوت مسلسل بہتری اور جنت گرازی کے کلچر کو فروغ دیتے ہوئے، ہموار عمل اور محکموں میں بڑھتے ہوئے تعاون سے فائدہ اٹھائے گی۔

آخر میں ڈیجیٹلائزیشن کا جو سفر ہم اوریکل فیوژن کے ساتھ شروع کر رہے ہیں۔ وہ صرف تکنیکی ترقی کے بارے میں نہیں ہے۔ یہ ہمارے اسٹیک ہولڈر کے لئے قدر پیدا کرنے اور مستقبل کے لئے پائیدار ترقی کو یقینی بنانے کے بارے میں ہے۔ ہم اس اقدام کی تبدیلی کی صلاحیت اور ہمارے کاروبار اور کمیونٹی پر اس کے مثبت اثرات کے بارے میں پرجوش ہیں۔

مستقبل کا جائزہ:

آگے دیکھتے ہوئے، ہم اقتصادی منظر نامے کے بارے میں محتاط طور پر پرامید ہیں۔ حکومتی پالیسی میں مکمل تبدیلیاں معیشت کو مستحکم کرنے کے مقصد سے ڈھانچے جاتی اصلاحات کے مواقع فراہم کر سکتی ہیں۔ حوصلہ افزاء پیش رفت، جیسا کہ IMF کے تعاون سے ریکوری اور کپاس کی پیداوار کے لئے مثبت پیشگوئیاں، ٹیکسٹائل سیکٹر کی بحالی کی اُمید پیش کرتی ہیں۔

پاکستان کی معیشت:

پاکستان کی معیشت کو ایک مشکل لیکن اُمید افزا نقطہ نظر کا سامنا ہے:

1- بحالی کا امکان: ملک کے معاشی دھچکے سے بتدریج ٹھیک ہونے کی توقع ہے، زرعی شعبے میں مکمل بہتری اور بیرون ملک مقیم پاکستانیوں کی جانب سے ترسیلات زر کی مدد سے، تاہم، ترقی کو برقرار رکھنے کے لئے سخت اصلاحات ضروری ہوں گی۔

2- افراط زر کے چیلنجز: پاکستان افراط زر کی بلند شرحوں سے دوچار ہے، جس سے صارفین کی اخراجات اور مجموعی معاشی استحکام متاثر ہو رہا ہے،

3- پالیسی اقدامات کے ذریعے مہنگائی کو کنٹرول کرنے کی کوششیں اہم ہوں گی۔ انفراسٹرکچر میں سرمایہ کاری: بنیادی ڈھانچے کی ترقی میں مسلسل سرمایہ کاری، خاص طور پر چین پاکستان اقتصادی راہداری (CPEC) جیسے اقدامات کے ذریعے، اقتصادی ترقی کے امکانات اور روابط کو بڑھایا جاسکتا ہے۔ پاکستان میں ٹیکسٹائل سیکٹر: ٹیکسٹائل کا شعبہ، جو پاکستان کی معیشت کا سنگ میل ہے، چیلنجوں اور مواقع دونوں کے لئے تیار ہے۔

1- پالیسی سپورٹ اور مراعات:

ٹیکسٹائل کی مسابقت کو بڑھانے کے لئے حکومت کو ایسی معاون پالیسیاں نافذ کرنی چاہئیں جن میں مالی مراعات شامل ہوں۔ اس میں توانائی کی کھپت پر سبسڈی اور برآمدگی سرگرمیوں کے لئے ٹیکس میں چھوٹ شامل ہو سکتی ہے۔ مینوفیکچررز پر لاگت کے بوجھ کو کم کر کے، یہ ترغیبات منافع کو بڑھانے اور صنعت میں دوبارہ سرمایہ کاری کی حوصلہ افزائی کرنے میں مددگار ہو سکتی ہیں۔ مزید برآں، درآمد شدہ خام مال پر محصولات کو کم کرنے سے مقامی مینوفیکچررز کے لئے کم قیمت پر اپنے مطلوبہ وسائل تک رسائی آسان ہو جائے گی، جو بالآخر پیداواری صلاحیت اور معیار کو بہتر بنانے کا باعث بنے گی۔

2- بنیادی ڈھانچے کی ترقی:

انفراسٹرکچر کسی بھی صنعت کی ترقی میں کلیدی کردار ادا کرتا ہے۔ ٹیکسٹائل مینوفیکچررز کے لئے سپلائی چین کو ہموار رکھنے کے لئے حکومت کو ٹرانسپورٹیشن اور لاگت جٹک نیٹ ورکس کی ترقی کو ترجیح دینی چاہئے۔ سڑکوں، بندرگاہوں اور مال برداری کی خدمات میں سرمایہ کاری خام مال اور تیار مصنوعات کی منتقلی کے لئے کارکردگی میں اضافہ کرے گی۔ مزید برآں، مستحکم اور سستی توانائی کی فراہمی کو یقینی بنا کر توانائی کے بحران سے نمٹنا بہت ضروری ہے۔ قابل تجدید توانائی کے ذرائع میں سرمایہ کاری نہ صرف ٹیکسٹائل مینوفیکچررز کو قابل اعتماد طاقت فراہم کر سکتی ہے بلکہ پائیداری کے عالمی رجحانات سے ہم آہنگ بھی بنا سکتی ہے۔

3- مہارت کا علم و ترقی:

ٹیکسٹائل انڈسٹری کی ترقی کے لئے ہنرمند افرادی قوت ضروری ہے۔ حکومت کو ایسے پیشہ ورانہ تربیتی پروگرامز کی ضرورت کو مدنظر رکھنا چاہئے جو افراد کو اس شعبے میں ترقی کرنے کے لئے ضروری مہارتوں سے آراستہ کریں۔ تعلیمی نصاب کو مارکیٹ کے تقاضوں سے ہم آہنگ کرنے کے لئے صنعت کے اسٹیک ہولڈرز کے ساتھ تعاون ایک زیادہ ماہر افرادی قوت پیدا کر سکتا ہے۔ مزید برآں، ایسے اقدامات جو انٹرن شپ کو فروغ دیتے ہیں اور دوران ملازمت تربیت، تعلیم اور عملی مہارتوں کے درمیان فرق کو ختم کرنے میں مدد کر سکتے ہیں۔ اس بات کو یقینی بناتے ہوئے کہ فارغ التحصیل افراد ملازمت کے لئے تیار ہیں اور صنعت کی ابھرتی ہوئی ضروریات کو پورا کر سکتے ہیں۔

4- فنانس تک رسائی:

ٹیکسٹائل سیکٹر میں ترقی کو تیز کرنے کے لئے حکومت کو مینوفیکچررز کے لئے فنانس تک

دوسرے کے ساتھ علم اور بہترین طریقوں کا اشتراک کرنے کی اجازت ملتی ہے۔ اس سے معاشرے اور ٹیم ورک کا احساس پیدا ہوتا ہے۔

قابل رسائی: لرننگ ہب کو تمام ملازمین کے لئے قابل رسائی ہونے کے لئے ڈیزائن کیا گیا ہے، چاہے ان کے عہدوں سے قطع نظر، مسلسل بہتری اور زندگی بھر سیکھنے کے رجحان کی حوصلہ افزائی ہو۔

جدت پر توجہ مرکوز کریں: جدید سیکھنے کے طریقہ کار اور ڈیجیٹل ٹولز کو یکجا کر کے، یہ مرکز اس بات کو یقینی بناتا ہے کہ ملازمین ٹیکنالوجی کی ابھرتی ہوئی صنعت کے چیلنجوں کا سامنا کرنا کے لئے اچھی طرح سے تیار ہیں۔

مجموعی طور پر، لرننگ ہب انسانی سرمائے میں سرمایہ کاری کرنے کے لئے کمپنی کے عزم کی عکاسی کرتا ہے، اس بات کو یقینی بناتا ہے کہ ملازمین اپنے کردار کو بہتر بنانے اور کمپنی کی پائیدار ترقی کے مشن میں موثر طریقے سے تعاون کرنے کے لئے ضروری مہارتوں اور علم سے لیس ہوں۔

انسانی وسائل کا انتظام:

موثر انسانی وسائل کی منصوبہ بندی اور انتظام کمپنی میں سینئر انتظامیہ کے لئے اہم ترجیحات ہیں۔ اس فنکشن کو بڑھانے کے لئے، ہم نے ہیومن ریسورسز اینڈ ریسورسز مینجمنٹ (HR&R) کمیٹی قائم کی ہے۔ یہ کمیٹی اہم انتظامی اہلکاروں کے انتخاب، ترقی، معاوضے اور جانشینی کی منصوبہ بندی میں اہم کردار ادا کرتی ہے۔ مزید برآں، اسے ہماری انسانی وسائل کی پالیسیوں اور طریقہ کار میں بہتری کی سفارش کرنے کے ساتھ ساتھ ان کی مسلسل مطابقت اور تاثر کو یقینی بنانے کے لئے باقاعدہ جائزے لینے کا کام سونپا گیا ہے۔

رسک مینجمنٹ:

محمود ٹیکسٹائل ملز لمیٹڈ کا بورڈ آف ڈائریکٹرز کمپنی کے آپریشنز اور مالیاتی کارکردگی پر اثر انداز ہونے والے مختلف خطرات کی شناخت، تشخیص اور انتظام کی اہمیت کو تسلیم کرتا ہے، کمپنی ایک جامع رسک مینجمنٹ فریم ورک استعمال کرتی ہے جو اندرونی اور بیرونی دونوں عوامل کو مل کر کرتی ہے۔

جن اہم خطرات کی نشاندہی کی گئی ہے ان میں کمپاس کی قیمتوں کا اتار چڑھاؤ، حکومتی پالیسیوں اور ٹیکسیشن میں تبدیلیاں، غیر مستحکم شرح مبادلہ، اور ٹیکسٹائل مصنوعات کی عالمی مانگ میں تبدیلی شامل ہے۔ ان خطرات کو کم کرنے کے لئے، کمپنی نے اسٹریٹجک پروکیورمنٹ، مالیاتی بیجنگ اور مارکیٹ کے رجحانات کی مسلسل نگرانی کو نافذ کیا ہے۔ مزید برآں، محمود ٹیکسٹائل ملز سخت تعمیل اور ریگولیٹری تقاضوں کی پابندی کرتی ہے، اس بات کو یقینی بناتی ہے کہ تمام آپریشنز انڈسٹری کے معیارات اور قانونی فریم ورک کے مطابق ہوں۔

خطرے کے انتظام کے نظام کا وقتاً فوقتاً جائزہ لیا جاتا ہے تاکہ مارکیٹ کے بدلتے ہوئے ماحول کو اپنا جاسکے، اس بات کو یقینی بناتے ہوئے کہ کمپنی چمک کا مظاہرہ کرے اور مستقبل کے چیلنجوں کے لئے تیار ہے۔ بورڈ خطرے کے انتظام کے عمل کی موثر نگرانی کے لئے پرعزم ہے، پائیدار ترقی اور طویل مدتی شیئر ہولڈرز کی قدر کی حمایت کرتا ہے۔

ہمارے تمام آپریشنز کے دوران ذمہ دارانہ پانی کے استعمال کو یقینی بناتے ہیں، درخت لگانے کی مہم نہ صرف سہولیات اور جائیدادوں کے اندر بلکہ شہر کی ترقی کے پروگرام کے طور پر جاری سرگرمی ہے۔

کمپنی ماحولیاتی، سماجی اور گورننس (ESG) اصولوں کے ساتھ مضبوط عزم کے ساتھ کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لئے وقف ہے۔ ہم نے سکیورٹیز اینڈ ایکسچینج کمیشن کے ذریعے لازمی ESG ضوابط کی مکمل تعمیل کو یقینی بنانے کے لئے جامع پالیسیاں اور طریقہ کار قائم کئے ہیں۔

خواتین اور نوجوانوں کو باختیار بنانا:

ہم خواتین کو باختیار بنانے، ملازمت اور پیشگی تربیتی پروگرام اور پاکستان کے معروف اداروں سے ورکشاپس منعقد کروا کر فعال کردار ادا کر رہے ہیں۔ تمام سطحوں پر باختیار بنانے، قیادت کرنے اور صلاحیت پیدا کرنے کے کونسلوں اور بین الاقوامی تنظیموں کے ذریعے متعدد تعاون، اس کے علاوہ مزید شراکتوں میں SOS ولج ملتان میں یکساں پیداوار کا اقدام شامل ہے۔ وہ ملتان میں سپورٹس اکیڈمی کے ذریعے اور پاکستان میں شمولیت اور مہارت کی ترقی کو فروغ دے کر گلگت بلتستان گرلز فٹ بال لیگ، کرشمہ علی فاؤنڈیشن جیسی اسپورٹس سانسرشپ کے ذریعے نوجوانوں کی ترقی میں معاونت کرتے ہیں۔

ہم نے IIFC اور پاکستان بزنس کونسل کی طرف سے سال 2024ء کے لئے صنفی شمولیت کلامیٹ ایکشن کیٹیگری میں صنفی تنوع کا ایوارڈ بھی حاصل کیا ہے۔

ان اقدامات کے ذریعے، محمود ٹیکسٹائل ملز لمیٹڈ، معاشرے کو بہتر بنانے، پائیدار ترقی کو فروغ دینے، اور معاشروں کو باختیار بنانے کے لئے اپنی لگت کو ظاہر کرتا ہے۔ کمپنی کی CSR کی کوششیں کاروبار کے لئے اس کے ذمہ دارانہ نقطہ نظر اور اس کے لوگوں ماحول کی فلاح و بہبود کے لئے اس کے فعال تعاون کو اجاگر کرتی ہیں۔

سیکھنے کے مراکز:

ملتان میں محمود ٹیکسٹائل ملز لمیٹڈ کے ایپریل ڈویژن میں لرننگ ہب ایک جدید اقدام ہے جس کا مقصد ملازمین میں مسلسل سیکھنے اور پیشہ ورانہ ترقی کو فروغ دینا ہے۔ یہ مرکز ایک جامع ماحول بنانے پر زور دیتا ہے جہاں افراد اپنی صلاحیتوں کو بڑھا سکتے ہیں۔ نئے علوم حاصل کر سکتے ہیں اور کمپنی کی ترقی میں اپنا حصہ ڈال سکتے ہیں۔

چند ایک نام، لائٹ ہاؤس، ال نصاب، پینا، اسکلز اسٹیمپ، ریویو ایچ ای آر، کلائمٹ ٹو ایکول، اینج اینڈ ایلوویٹ اینڈ فائل ہوں گے۔

لرننگ ہب کی اہم خصوصیات میں شامل ہیں:

بہتر ترقی: ملازمین کو صنعتی معیارات پر قائم رہنے اور پیداواری تکنیکوں اور انتظامی طریقوں سمیت مختلف شعبوں میں اپنی مہارت کو بہتر بنانے میں مدد کے لئے باقاعدہ تربیتی ورکشاپس اور ہنر میں اضافے کے پروگراموں کا انعقاد کیا جاتا ہے۔

معاون ماحول:

یہ مرکز تعاون اور باہمی تعاون کے کلچر کو فروغ دیتا ہے، جس سے ملازمین کو ایک

پیدا کرنا ہے۔

کلیدی اقدام:

صحت کی دیکھ بھال:

حمود ٹیکسٹائل لمیٹڈ، معاشرے کی صحت کو بہتر بنانے کے لئے وقف ہے، مفت طبی ڈسپنسریاں چلاتے ہیں جو روزانہ تقریباً 400 مریضوں کی دیکھ بھال کرتی ہیں۔ کپنی صحت عامہ کے اداروں کو مالی اور تکنیکی امداد فراہم کرتی ہے نیز ہسپتالوں کو مفت کھانا فراہم کرتی ہے جس سے صحت عامہ کے لئے مضبوط عزم کا اظہار ہوتا ہے۔

صاف پانی کا فراہمی:

کپنی نے پینے کے صاف پانی تک رسائی کو بہتر بنانے میں بڑی سرمایہ کاری کی ہے۔ اس نے 15 واٹر فلٹریشن پلانٹ نصب کئے ہیں جو روزانہ تقریباً 166,000 افراد کی ڈمٹ کرتے ہیں، یہ اقدام نہ صرف صحت کو فروغ دیتا ہے بلکہ خطے میں معیار زندگی کو بھی بند کرتا ہے۔

تعلیم:

کپنی دو خود کار طریقے سے چلنے والے اسکولوں کے ذریعے تعلیم کو فروغ دے رہی ہے نیز سرکاری اسکولوں کو بنیادی ڈھانچہ فراہم کرنے میں مدد دیتی ہے جس سے 5000 سے زائد طلباء مستفید ہوتے ہیں۔ یہ دکانف بھی مہیا کرتے ہیں اور خصوصی مستحق بچوں کے لئے تعلیم، صحت اور حفظان صحت کے پروگرام، آرٹ کے مقابلوں اور SDGs کے بارے میں بیداری پیدا کرنے پر زور دیتے ہیں جو ایک خواندہ اور باختیار معاشرے کی تعمیر کے لئے اپنے عزم کو واضح کرتے ہیں۔

ماحولیاتی پائیداری/استحکام:

ہم ماحول دوست طریقوں میں پہلی صفوں میں ہیں اور اپنے بلوسات اور اسپننگ ملز دونوں کے لئے اپنی گرین ہاؤس گیس (GHG) انونٹری کا فعال طور پر تخمینہ لگا کر موسمیاتی بحرانوں سے نمٹنے میں اپنا کردار ادا کرتے ہیں، جس سے ہمیں اپنے کاربن فٹ پرنٹ کی نگرانی اور کم کرنے میں موثر طریقے سے مدد ملے گی۔ مزید برآں اہداف کے قریب ہماری GHG کے اخراج میں کمی کو بھی سائنس پر مبنی اہداف کے اقدام (SBTis) کی توثیق کی ہے۔ مزید برآں ہم نے قابل تجدید توانائی کے ذرائع، خاص طور پر شمسی توانائی کی جانب منتقلی کو اس کے اخراج میں کمی کی حکمت عملی کے سبب بنیاد کے طور پر ترجیح دی ہے، فی الحال ہماری ترجیح 27 میگا واٹ کی مجموعی سولر پینل کی صلاحیت کا حامل ہے۔

متعدد یونٹوں میں LEED گولڈ سرٹیفیکیشن ہے، جو پانی کی کارکردگی، توانائی کی بچت، اور اندرونی ماحولیاتی معیار جیسے شعبوں میں اعلیٰ کارکردگی کی نشاندہی کرتا ہے۔ دریں اثناء MG Apparel نے LEED Platinum سرٹیفیکیشن حاصل کر لیا ہے، جو کہ اعلیٰ ترین سطح ہے، جو ان شعبوں میں اور بھی بڑی کامیابیوں کی عکاسی کرتا ہے۔

پانی کا نظم و نسق ہماری ماحولیاتی حکمت عملی کا ایک سبب بنیاد ہے، جس کی مدد ایک اعلیٰ درجے کے ایٹلوونٹ ٹریڈ پلانٹ (ETP) اور ری سائیکلنگ ٹیکنالوجیز سے ہوتی ہے جو

☆ نیٹ سیکلز میں 21.89% کا قابل قدر اضافہ ہوا ہے، جو کہ 2023 میں PKR 54,627 ملین سے بڑھ کر 2024 میں 66,584 ملین روپے ہو گیا، جو ہمارے مصنوعات کی مضبوط مانگ اور موثر سیکلز حکمت عملیوں کا ثبوت ہے۔

☆ گراس پرافٹ میں 26.21% کا اضافہ ہوا، جو 2023 میں 7,708 ملین روپے سے بڑھ کر 2024 میں 9,729 ملین روپے ہو گیا، جس سے آپریشنل افادیت اور منافعت میں بہتری کی عکاسی ہوتی ہے۔

☆ ڈسٹری بیوٹن کاسٹس میں 1,263 ملین روپے سے 1,682 ملین روپے تک کا اضافہ ہوا، جو ہماری بڑھتی ہوئی سیکلز اور مارکیٹ میں موجودگی کو سپورٹ کرنے کے لیے بڑھتے ہوئے لاجسٹیکل اخراجات کی نشاندہی کرتا ہے۔

☆ ایڈمنسٹریٹو اخراجات مستحکم رہے، گزشتہ سال کے مقابلے میں صرف 3.57% کا معمولی اضافہ ہوا، جو انتظامیہ کی موثر طریقے سے اخراجات کو کنٹرول کرنے کی صلاحیت کو ظاہر کرتا ہے۔

☆ فنانس کاسٹس 2023 میں 3,953 ملین سے بڑھ کر 2024 میں 5,631 ملین روپے ہو گئیں، جو زیادہ قرضہ جات کے اخراجات کی وجہ سے ہے۔ تاہم، انتظامیہ نے مالی استحکام کو برقرار رکھنے کے لیے کیش فلکلو بہتر بنانے اور سٹے فنانسنگ کے مواقع سے فائدہ اٹھانے کی مالی حکمت عملیوں کو فعال طور پر نافذ کیا ہے۔

☆ پائیدار منافعت: اگرچہ مالی اخراجات میں اضافہ ہوا ہے، جو ممکنہ طور پر زیادہ شرح سود کی وجہ سے ہے، کپنی منافع بخش رہی۔ ٹیکس سے پہلے کا منافع 475 ملین روپے پر برقرار ہے، جو پچھلے سال سے تھوڑا کم ہے، جو بڑھتے ہوئے مالی اخراجات کے چیلنجز کی عکاسی کرتا ہے۔

☆ ٹیکس کے بعد منافع: کپنی نے 30 جون 2024 کو ختم ہونے والی مدت کے لیے 250 ملین روپے کا ٹیکس کے بعد منافع حاصل کیا۔ پچھلے سال کے 1,202 ملین کے مقابلے میں کمی کے باوجود، کپنی نے چیلنجز حالات میں بھی منافعت کو برقرار رکھا۔ یہ مضبوط آپریشنل کارکردگی اور موثر مالی انتظام کو ظاہر کرتا ہے، جو کاروبار کی مضبوطی اور مستقبل کی ترقی کی صلاحیت کو اجاگر کرتا ہے۔

مجموعی طور پر، کپنی نے مضبوط آمدنی اور مجموعی منافع میں اضافہ کا مظاہرہ کیا، جبکہ مالیاتی اخراجات میں اضافہ، دیگر آمدنی میں کمی، اور تقسیم کے اخراجات میں اضافہ کیا، انتظامیہ کی فعال کاوشوں اور سٹریٹجک فوکس پوزیشن حمود ٹیکسٹائل ملز لمیٹڈ کے امید افزاء مستقبل کی ضامن ہے۔

کارپوریٹ سماجی ذمہ داری:

حمود ٹیکسٹائل ملز لمیٹڈ، جمود گروپ (MG) کا ایک حصہ، کارپوریٹ سماجی ذمہ داری (CSR) کے لئے اپنی خدمات فراہم کرنے والی کمیونیز کی فلاح و بہبود کے لئے فعال طور پر تعاون کرتے ہوئے گہری وابستگی کا مظاہرہ کرتی ہے۔ ان کے CSR اقدامات ایک مثبت اور ذمہ دار کاروبار کی نقطہ نظر کی عکاسی کرتے ہیں، صحت کی دیکھ بھال، تعلیم، ماحولیاتی پائیداری، اور پسماندہ کمیونیز کو بااختیار بنانے پر توجہ مرکوز کرتے ہوئے، ان سب کا مقصد دیرپا سماجی اثرات

ڈائریکٹرز کی رپورٹ

تعارف:

عالمی طلب کی کمزوری، خاص طور پر امریکہ، یورپ جیسی اہم برآمدگی منڈیوں سے، برآمدات کے حجم کو متاثر کرتی ہے۔ ان خطوں میں بلند افراط زر کی وجہ سے صارفین نے ٹیکسٹائل اور ملبوسات پر صوابدیدی اخراجات کم کئے جس سے پاکستانی برآمدات متاثر ہوئیں۔

شدید علاقائی مسابقت:

پاکستان کو بنگلہ دیش، بھارت اور ویتنام جیسے علاقائی ٹیکسٹائل برآمد کنندگان سے سخت مقابلے کا سامنا کرنا پڑا، جنہوں نے کم پیداواری لاگت، بہتر تجارتی معاہدوں اور وائٹائی کی کم رکاوٹوں سے فائدہ اٹھایا۔

بلند شرح سود:

گھریلو افراط زر میں اضافہ ہوا، جس کی وجہ سے جون 2023ء میں اب تک کی بلند ترین پالیسی شرح 22% ہے جو پورے مالی سال جاری رہتی ہے اس سے قوت خرید میں کمی آئی ہے اور صنعتوں کے لئے کام کو برقرار رکھنا مشکل ہو گیا ہے۔

جغرافیائی، سیاسی اور اقتصادی غیر یقینی صورتحال:

پاکستان میں جاری سیاسی عدم استحکام، عالمی جغرافیائی سیاسی تناؤ کے ساتھ مل کر، طویل مدتی کاروباری منصوبہ بندی کے لئے ایک غیر یقینی ماحول پیدا کرتا ہے۔ اس نے سرمایہ کاروں کے اعتماد کو متزلزل کیا اور صلاحیت میں بڑھوتری اور جدید کاری سے متعلق حکمت عملی کے فیصلوں میں تاخیر کی۔

زرعی نقصانات:

آب و ہوا سے متعلقہ چیلنجز نے زرعی پیداوار کو بری طرح متاثر کیا ہے، اس کے ساتھ ساتھ کپاس کے بیجوں کی نشوونما میں تحقیق کی کمی ہے، جس کی وجہ سے دیگر نقد آور فصلوں کی طرف رخ کیا گیا ہے۔ اس سال کپاس کی ملکی پیداوار گزشتہ سال کے مقابلے میں کم ترین سطح پر پہنچ گئی ہے، جس کی وجہ سے کافی درآمدات ضروری ہیں۔ زرمبادلہ میں چیلنجز کاٹن اور دیگر اہم برآمدگی سامان کی درآمد میں رکاوٹ بن رہے ہیں جس کے نتیجے میں ڈیمریٹ اور تاخیر سے متعلق زیادہ لاگت آتی ہے۔

ان چیلنجوں نے ٹیکسٹائل کی صنعت کو اجتماعی طور پر دباؤ میں ڈالا، جس سے منافع اور نمودوں متاثر ہوئے، عالمی منڈیوں میں زندہ رہنے اور مسابقت کے لئے مصالحتی منصوبہ بندی کی ضرورت پیش آئی۔

کلیدی مالیاتی نتائج:

ان اہم اقتصادی چیلنجوں کے باوجود جنہوں نے ٹیکسٹائل کی صنعت کو اجتماعی طور پر متاثر کیا اور منافع و ترقی کو متاثر کیا، آپ کی کمپنی نے 30 جون 2024ء کو ختم ہونے والے مالی سال کے لئے قابل ذکر پیک اور مصالحتی/اسٹریٹجک ترقی کا مظاہرہ کیا اور عالمی منڈیوں میں مسابقتی رہنے کا عزم کیا۔

اس طرح کارڈ عمل نہ صرف محمود ٹیکسٹائل ملز لمیٹڈ کے عزم کو ظاہر کرتا ہے بلکہ صنعت میں بحالی اور کامیابی کے امکانات کو بھی واضح کرتا ہے جیسا کہ اس سال کے مالیاتی نتائج سے ظاہر ہوتا ہے جو درج ذیل ہیں:

محمود ٹیکسٹائل ملز کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2024ء کو ختم ہونے والے مالی سال کے لئے آپ کی کمپنی کے مالیاتی گوشواروں اور ایسے عوامل کا جائزہ پیش کر رہے ہیں جیسا کہ پاکستان کی مجموعی اقتصادی صورتحال، ٹیکسٹائل سیکٹر کی کارکردگی اور چیلنجز ہیں جنہوں نے ہماری کارکردگی کو متاثر کیا ہے۔

عالمی اقتصادی جائزہ:

30 جون 2024ء کو ختم ہونے والے مالی سال نے چیلنجز اور مواقع کی ایک منفرد گلکاری پیش کی ہے جس کی خصوصیت ایک عالمی منظر نامے سے ہے جو اب بھی اقتصادی رکاوٹوں، موسمیاتی تبدیلیوں اور جغرافیائی، سیاسی تناؤ کے جھکوں سے دوچار ہے۔ ان عوامل کے مجموعی اثر نے ایک پیچیدہ ماحول کو تشکیل دیا ہے جس کے لئے تمام شعبوں، خاص طور پر ٹیکسٹائل انڈسٹری، جو پاکستان کی معیشت کا بنیادی ستون ہے، کے کاروبار اداروں کی جانب سے مصالحتی حکمت عملی اور مضبوط ردعمل کی ضرورت ہے۔

جاری عالمی اقتصادی غیر یقینی صورتحال جس کی نشاندہی، سست ترقی اور افراط زر کے دباؤ سے ہوتی ہے۔ جو کہ دنیا بھر کی منڈیوں پر اثر انداز ہو رہی ہے۔

جغرافیائی سیاسی تناؤ کے اثرات کی وجہ سے رسد کے تسلسل کی رکاوٹوں نے مہارت/چیلنجز کو مزید بڑھا دیا ہے۔ توانائی کی قلت اور اجناس کی بڑھتی ہوئی قیمتوں کے تناظر میں، کمپنیاں اپنی استعدادی حکمت عملیوں اور رسد کے تسلسل کا از سر نو جائزہ لینے پر مجبور ہو گئی ہے۔

پاکستان کی ٹیکسٹائل انڈسٹری کو درپیش بڑے چیلنجز:

پاکستان میں اقتصادی منظر نامے کو اندرونی چیلنجوں کی ایک بڑی تعداد نے تشکیل دیا ہے جن میں بلند افراط زر، توانائی کی مسلسل قلت، اور سیاسی عدم استحکام شامل ہیں۔ ہماری صنعت کو کرنسی کی شرح میں اتار چڑھاؤ، حکومت کی متضاد پالیسیوں، زیادہ توانائی اور مالیاتی لاگت کی وجہ سے استعداد کار کی مشکلات کا سامنا کرنا پڑ رہا ہے۔

توانائی کا بحران اور زیادہ لاگت، ٹیکسٹائل کی صنعت کو توانائی کے بحران کی وجہ سے اہم چیلنجوں کا سامنا کرنا پڑا۔ بجلی کے نرخوں میں متواتر تبدیلیاں اور بجلی و گیس کی بڑھتی ہوئی قیمتوں نے پیداوار میں شدید خلل ڈالا، عملی اخراجات میں اضافہ اور بین الاقوامی منڈیوں میں مسابقت میں کمی پیدا کی۔

خام مال کی قلت اور قیمتوں میں اتار چڑھاؤ:

یہ ضروری ہے کہ حکومت ٹیکسٹائل کے شعبے کو ترجیح دے، جو پاکستان کی کل برآمدات کا 60 فیصد سے زائد ہے۔ ملکی پیداوار میں سٹریٹجک تعاون اور سرمایہ کاری کے ذریعے کپاس کی قلت سے متعلق مسائل کو حل کرنے کے لئے ایک مشترکہ کاوش ہماری صنعت کو برقرار رکھنے کے لئے انتہائی ضروری ہے۔ محدود مقامی سپلائی کے منفی اثرات کو کم کرنے کے لئے کپاس کی درآمدات کے لئے غیر ملکی ذخائر کو کم کرنا ضروری ہے۔

عالمی طلب میں سست روی:

SUSTAINABILITY REPORT

At Mahmood Group, our sustainability vision is embodied in our tagline “Sustainable Innovation in Every Thread”, and is all about creating and developing long-term sustainability innovatively in every product, process, and operation.

Mahmood Group has a Corporate Business Affairs Department with dedicated sustainability, CSR and digital media team. This department provides an advisory role in planning long-term corporate goals & strategies and supports the businesses in developing objectives and identification of potential sustainability projects. It also extends its support from time to time in setting targets and making annual reports and performance reviews as per global sustainability targets.

Our Supply Chain

Suppliers are an integral component to meeting customer expectations to effectively provide them with good quality and certified products. Our primary focus when deciding on procurement is to get the best combination of quality, economy, efficiency, and effectiveness while keeping sustainability as a priority. We not only consider cost effectiveness but also provide a positive change to all our stakeholders in bringing ethical and sustainable business choices throughout our procurement process.

At Mahmood Group, we plan and procure our material shipment both locally and imported by being vigilant of our greenhouse gas emissions. We are also working on Green Purchase Policy for procurement of environmentally friendly products and building relationships with suppliers committed to responsible supply chains.

Our Accreditations and Awards

Mahmood Group is a member of multiple industry associations and affiliations and actively supports the cause of sustainability in all its operations. We staunchly support our commitment to the sustainable development goals of the United Nations and we align our business strategies with the latest global rules.

Women empowerment is the core of Mahmood Group's vision. We have been awarded the “Gender Diversity Award” provided by a mutual collaboration of “The International Finance Corporation (World Bank Group), UK Aid, and Pakistan Business Council” in the year 2022.

ENVIRONMENTAL PROTECTION

Greenhouse Gas Emissions

Being an environmentally conscious entity, we at Mahmood Group measure and develops the Greenhouse Gas Inventory (GHG) and evaluate the GHG emissions for

Mahmood Group and is planning to further reduce the emissions by following prominent emission reduction strategies.

Net Zero Coalition Pakistan

Mahmood Group became a signatory of the Net-Zero coalition Pakistan to accelerate their sustainability transition and deliver the goal of net zero by 2050 on August 23, 2021.

Transformation to Renewable Energy

We shifted our focus towards solar energy with a current installation of 23 MW solar capacity. This leads to enhancing the solar capacity with an annual production of 35.58 MWh. Our solar energy is equipped with the latest innovative technology; half-cell PVs, cloud-based monitoring systems and updated structures assisting as major contributors in socioeconomic development.

Tree Plantation

Mahmood Group had done tree plantations in Multan citywide at green belts, roundabouts, and parks. We have developed a Miwaki Garden along with landscaping in industry's area. To maintain the natural habitat, approximately 10,000 trees are planted at various locations in Multan including parks and full-grown trees.

Heat Recovery System

Waste Heat Recovery Boiler (WHRB) has been installed on the Genset exhaust to produce steam.

Effluent Treatment Plant

Two effluent treatment plants have been installed to treat Industrial Effluents of wastewater before releasing it into the main industrial discharge stream, one is conventionally installed at Khawaja Tanneries and one is at Apparel unit complying with the Zero discharge of hazardous chemicals (ZDHC) Aspirational level.

Rainwater Management

We have a tank for rainwater collection, the capacity of the tank is approximately 12,000 GLN. This water is reused for utilities and gardening.

RO Filter

To provide clean drinking water, we have installed Reverse Osmosis (RO) Filters at the Production Plant, capacity of RO filters is 500 liters/hour.

SOCIAL DEVELOPMENT

Our people are the most fundamental aspect of our business. Mahmood Group is leading the initiatives at large and we have combined multiple social, educational, economic, health, and physiological initiatives under the umbrella of social development.

Education

Education is one of the fastest drivers to transform the community. Keeping our vision of "Education for All", Mahmood Group remains one step forward to promoting education in Southern Punjab Region.

Collaboration with Care Foundation

The quality of education is one of the top priorities. Therefore, we collaborated with Care Foundation. We have been financially assisting various government primary, middle & secondary schools since 2013.

In government schools' infrastructure and quality of education have been our key areas. With this initiative, we have catered to more than 5000 students. We have incorporated two Mahmood Group schools having a subsidized model for the Mill workers and community members. We have state-of-the-art buildings having all facilities in the area of Kabir Wala and Muzaffargarh.

Teacher's Training

For the professional development of teachers, a series of training has been arranged. The training from Oxford University Press with the collaboration of Care has been organized based on pedagogical (teaching) techniques.

EdTech

To revolutionize the learning of students, we have collaborated with "Edkasa" in our Mehr Fatima Care school Muzaffargarh, for secondary classes. It is an online learning platform integrated with technology. EdTech not only provides virtual assistance to our students but gives them exposure to the online learning module.

Literacy Training Program for Mill Workers

We have synergized our collaboration with Foster learning Pakistan & Pakistan Professional Women Forum. The basic literacy and soft skills program was designed at the group level for the capacity building of Mill workers. As a result, more than 800 workforces benefitted from the program.

Workshop on Kitchen Gardening

For the economic well-being of women, Mahmood Group conducted kitchen gardening & composting sessions with 60 participants. The focus of the training was to foster the importance of organic food, a healthier lifestyle, kitchen budget management, and entrepreneurship.

Skill Enhancement Program

At Mahmood Group, as most of the female workforce comes from marginalized areas, keeping in view their financial constraints, we have opened the doors of embroidery skill programs for the workers. They will

make women self-sufficient in their lives by creating multiple venues of earning for them.

Health & Hygiene Sessions

We conducted various awareness sessions with the partnership of "Santex" at the Group level and the community level. "October" was celebrated as Pinktober throughout the group. Health and hygiene sessions were organized for women employees and the workforce with the collaboration of Shaukat Khanum Cancer Hospital.

Transport Facility

Mahmood Group further extended its support to accommodate females in terms of conveyance facilities extending from the management level to school staff and all the female workforce.

Smart Village Program

With the collaboration of WWF, the traditional practices of the village have been merged with the global trends. Rural communities of Kabir Wala have been empowered through the implementation of the Smart Village Program, aiming at least 6 villages to conserve natural resources for the sustainability of people and the planet. From the grassroots level series of programs like promoting environmental protection activities through engaging students in school eco-clubs will be done.

Smart Village program is empowering rural communities through skill enhancement, gender empowerment, and conservation of natural resources for socio-economic and environmental resilience.

Sports

Mahmood Group never compromises the well-being of the youth and their employees. Following sports activities are planned to enhance the health and well-being of employees:

- Development of South Punjab Football Club and Academy: 1st phase has been initiated in Multan and Kabirwala, 2nd phase is planned in Khanewal, Bahawalpur, and Muzaffargarh.
- Martial Arts Academy (Judo, Karate, Taekwondo, Woshu) has been planned to establish in Kabirwala and Multan
- Under-19 / Grassroots cricket academy has been planned in Kabirwala
- It is planned to include educational scholarships in all sports, presented to the highest performer and talented athletes in their respective games. (All South Punjab Cities)
- Multan Cycling Club is planned to be established

Community-Wellbeing

Mahmood Group not only considers the well-being of its employees but also of the community it is surrounded with. Major initiatives for community well-being are:

- Large scale Tree plantation drive for a greener, healthier city
- Construction of 15 water filter plants at various locations in Multan- 166 thousand people daily
- Donations to various organizations and financial support to students and families
- Restoration and maintenance of city parks, along with the installation of waste bins for promoting cleanliness, and recycling of waste
- Maintenance of city roads and infrastructure

- Initiation of Baluchistan Cotton Project to support local farmers and help in economic and environmental uplifting.
- Weekly food drives, in partnership with Robin Hood Army for the eradication of Hunger.

MG is the collaborating partner with global nonprofit Organization RHA in Multan. It is serving approximately 400k people eliminating hunger and spreading smiles to the marginalized community. RHA Pakistan has served 11.9M since its inception in 2015.

FINANCIAL SUMMARY

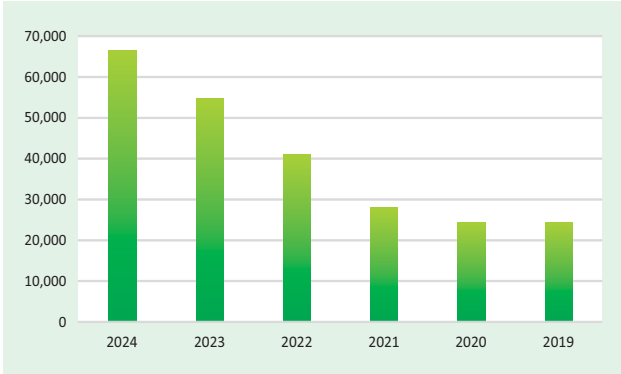
SIX YEARS REVIEW AT A GLANCE

Rupees in Million

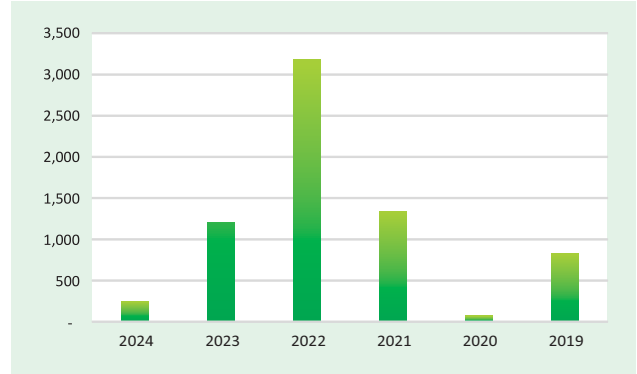
	2024	2023	2022	2021	2020	2019
Assets						
FIXED ASSETS	22,215	17,655	13,939	9,697	8,581	8,941
INVESTMENT PROPERTY	74	163	-	-	-	-
INTANGIBLE ASSET	37	10	7	-	-	-
LONG TERM INVESTMENTS	2,074	5,539	5,114	4,610	4,190	3,889
LONG TERM DEPOSITS	54	54	53	25,015	10	10
CURRENT ASSETS	27,073	27,956	20,680	12,492	12,667	12,426
TOTAL ASSETS	55,033	51,371	39,793	26,825	25,448	25,266
FINANCED BY:						
EQUITY	17,405	13,755	12,651	9,938	8,583	8,484
LONG TERM LIABILITIES	8,375	9,064	7,961	5,834	5,497	3350
LEASE LIABILITIES	22	30	25	13		
DEFERRED LIABILITIES	805	586	558	388	104	80
CURRENT LIABILITIES	28,426	27,937	18,596	10,652	11,264	13,352
TOTAL FUNDS INVESTED	55,033	51,371	39,793	26,825	25,448	25,266
PROFIT AND LOSS:						
SALES - NET	66,584	54,627	40,969	27,934	24,465	24,387
OPERATING PROFIT	6,846	5,279	4,781	2,706	1,280	1,348
PROFIT BEFORE TAXATION	1,371	1,925	3,962	1,875	302	1,062
PROFIT AFTER TAXATION	250	1,202	3,178	1,341	72	831
DIVIDENDS	0%	0%	100%	100%	0%	25%
PROFIT	11,410	11,058	9,927	7,074	5,596	5,491
EPS	8.32	40.06	169.50	71.50	3.82	40.03

GRAPHICAL PRESENTATION

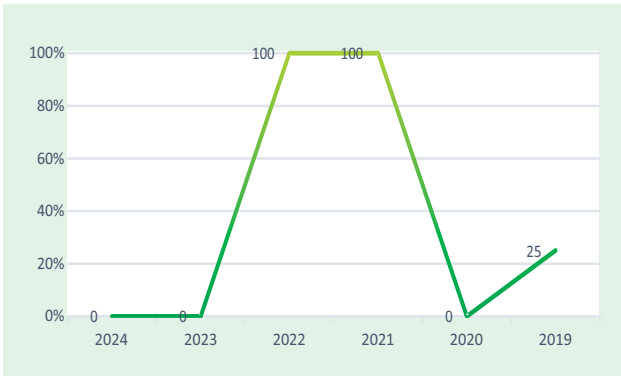
Sales (Rs. in million)



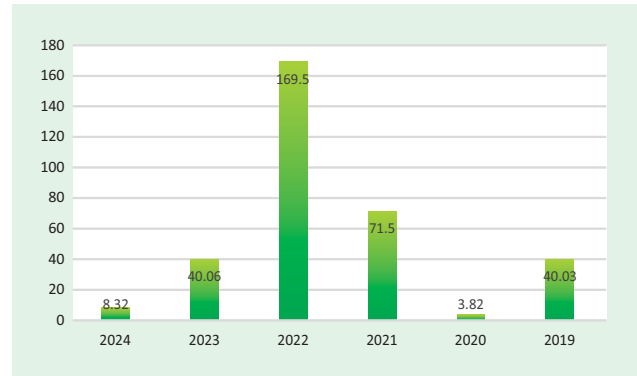
Profit after Taxation (Rs. in million)



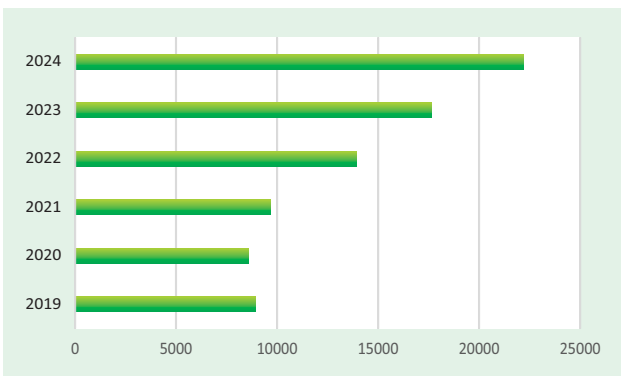
Dividends (Rupees)



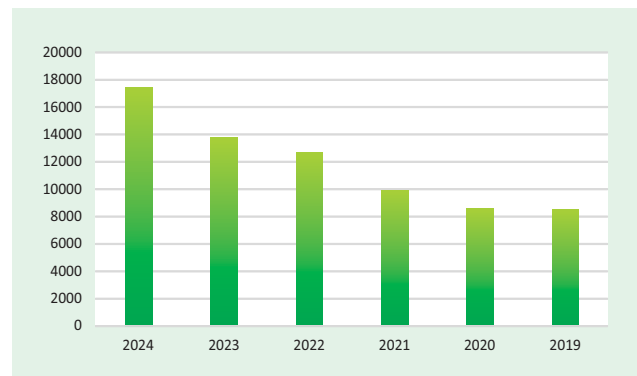
Earning per Share (Rupees)



Fixed Assets (Rs. in million)



Equity (Rs. in million)



BOARD HUMAN RESOURCE COMMITTEE

Composition:

Mr. Abdul Rehman Qureshi	Chairman of the Committee
Khawaja Muhammad Ilyas	Member of the Committee
Khawaja Muhammad Muzaffar Iqbal	Member of the Committee

Terms of Reference

The Committee makes recommendations to the Board for maintaining (i) a sound organizational plan of the Company, (ii) an effective employee development programme and (iii) sound compensation and benefit plans, policies and practices designed to attract and retain high caliber personnel for effective management of business with a view to achieve said objectives.

The Terms of Reference of the Board Human Resource Committee include review and recommendations for the Board's approval, matters relating to:

- (i) Changes in organization, functions and relationships affecting management positions.
- (ii) Establishment of Human Resource plans and procedures.
- (iii) Determination of appropriate limits of authority and approval procedures for personnel matters.
- (iv) Review of employee development system and procedures, early identification and development of key personnel and specific succession plans for senior management positions.
- (v) Review and evaluation of compensation policies, practices and procedures.

BOARD AUDIT COMMITTEE

Composition:

The Board Audit Committee is composed of the following Directors:

Mr. Muhammad Asghar	Chairman of the Committee
Khawaja Muhammad Muzaffar Iqbal	Member of the Committee
Khawaja Muhammad Anees	Member of the Committee

Terms of Reference

The Committee reviews the periodic financial statements and examines the adequacy of financial policies and practices to ensure that an efficient and strong system of internal control is in place. The Committee also reviews the audit reports issued by the Internal Audit Department and compliance status of audit observations.

The Audit Committee is also responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and considers any question of resignation or removal of external auditors, audit fees and provision of any service to the Company by its external auditors in addition to the audit of its financial statements.

The Terms of Reference of the Audit Committee are consistent with those stated in the Code of Corporate Governance and broadly include the following:

- (i) Review of the interim and annual financial statements of the Company prior to approval by the Board of Directors.
- (ii) Discussions with the external auditors of major observations arising from interim and final audits; review of management letter issued by the external auditors and management's response thereto.
- (iii) Review of scope and extent of internal audit ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- (iv) Ascertain adequacy and effectiveness of the internal control system including financial and operational controls, accounting system and reporting structure.
- (v) Determination of compliance with relevant statutory requirements and monitoring compliance with the best practices of corporate governance.
- (vi) Institute special projects or other investigations on any matters specified by the Board of Directors.

The Board Audit Committee met four (4) times during the year with an average participation of all members

02

Corporate Governance

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (Code of Corporate Governance) Regulations, 2019

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

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of board is as follows:

Category	Name
Independent Director	Mr. Abdul Rehman Qureshi Mr. Muhammad Asghar
Executive Directors	Mr. Khawaja Muhammad Younus Mrs. Farah Ilyas (Female Director)
Non-Executive Directors	Mr. Khawaja Muhammad Ilyas Mr. Muhammad Anees Mr. Khawaja Muhammad Muzaffar Iqbal

*The Board comprised of minimum number of members which is seven (7) hence it fulfills the requirement of minimum two (2) independent directors. Further, the existing independent directors have the requisite skills and knowledge to take independent decisions and the company do not need to engage further independent director however; the Board may consider to fraction up in next election of directors.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (Act) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (Regulations);
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board had complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Five out of seven directors are exempt from Directors' Training Program, and remaining two Directors have acquired the prescribed certifications under Directors' Training Program offered by institutions that meet the criteria specified by the Commission;
10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board;
12. The board has formed committees comprising of members given below:

AUDIT COMMITTEE

- | | |
|------------------------------------|----------|
| 1. Mr. Mohammad Asghar | Chairman |
| 2. Khawaja Muhammad Muzaffar Iqbal | Member |
| 3. Mr. Muhammad Anees | Member |

HUMAN RESOURCE & REMUNERATION COMMITTEE

- | | |
|------------------------------------|----------|
| 1. Mr. Abdul Rehman Qureshi | Chairman |
| 2. Khawaja Muhammad Ilyas | Member |
| 3. Khawaja Muhammad Muzaffar Iqbal | Member |

NOMINATION COMMITTEE AND RISK MANAGEMENT COMMITTEE

- | | |
|------------------------------------|----------|
| 1. Khawaja Muhammad Muzaffar Iqbal | Chairman |
| 2. Mr. Muhammad Anees | Member |
| 3. Mr. Mohammad Asghar | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee: 5
 - b) HR and R Committee: 1
15. The board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all of their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that the requirements of regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below: (Not applicable)

For and on behalf of the Board of Directors.

Multan.
Dated: 7th October, 2024


Khawaja Muhammad Ilyas

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2024

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
12	1	100 Shares	564
54	101	500 Shares	15,464
15	501	1,000 Shares	12,089
29	1,001	5,000 Shares	62,582
5	5,001	10,000 Shares	35,267
1	10,001	15,000 Shares	12,012
1	15,001	20,000 Shares	17,828
1	20,001	25,000 Shares	24,035
1	60,001	65,000 Shares	60,537
1	475,001	480,000 Shares	480,000
1	565,001	570,000 Shares	567,908
5	625,001	630,000 Shares	628,366
3	1,190,001	1,195,000 Shares	1,194,772
1	1,215,001	1,220,000 Shares	1,215,524
1	25,670,001	25,675,000 Shares	25,673,052
131			30,000,000

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARE HELD	PERCENTAGE %
Officer & their spouse & minor children	8	5,151,440	17.17%
Associated Companies	1	800	
Under takings & related parties:			
NIT & ICP	3	21,758	0.07
Banks, Development Financial Institutions, Non-Banking Financial Institutions:	1	60,537	0.2
Joint stock companies:	5	1,323,229	4.41
Insurance companies:	-	-	-
Modarabas & Mutual Funds:	-	-	-
Shareholders Holding 10% General Public:	-	-	-
i) Local	113	23,442,236	78.15
ii) Foreign	-	-	-
Others	-	-	-
	131	30,000,000	100

The above two statements include (139) Shareholders holding 5,252,340 Shares through Central Depository Company of Pakistan Limited (CDC)

INFORMATION REQUIRED AS PER CODE OF CORPORATE GOVERNANCE

As At June 30, 2024

SHARE HOLDER'S CATEGORY	Number of Shares Held	Percentage of Shareholding
i) Associated Companies, undertaking & related parties(name wise details): -Roomi Enterprises (Pvt) Limited	800	
ii) Mutual Funds(Name wise details): - NIT & ICP	21,758	0.07%
iii) Directors,Chief Executive and their spouse(s) and minor children(name wise details):		
1- Khawaja Muhammad Ilyas, Director	100,000	
2. Mst. Farrah Ilyas, Female Director	100	
3- Khawaja Muhammad Yunus,Director Mst.Rubina Wadood (Spouse)	1,945,558 628,366	
4- Khawaja Muhammad Muzaffar Iqbal, Director	1,215,524	
5- Khawaja Muhammad Anees, Director	1,256,732	
6- Mr. Abdul Rehman Qureshi, Independent Director	5,000	
7. Mr. Muhammad Asghar,Independent Director	160	
	5,151,440	17.17
iv) Banks, Development Financial Institutions, Non-Banking Financial Institutions: - National Bank of Pakistan	60,537	0.20%
v) Joint Stock Companies:		
- CDC-Trustee National Investment(Unit)Trust	166,444	
- Crescent Group Service(Pvt) Limited	3,841	
- Roomi Fabrics Limited	506,400	
- Masood Fabrics Limited	222,592	
- Mahmood Cotton Ginning, Pressing & Oi Mills (Pvt) Limited	423,952	
	1,323,229	4.41
vi) General Public:		
i) Local:	23,442,236	78.15%
ii) Foreign:	-	
Total:	30,000,000	100%

The above two statements include (174) Shareholders holding 25673052 Shares through Central Depository Company of Pakistan Limitd (CDC)

DIRECTORS ATTENDANCE AT BOARD MEETINGS

From July 1st 2023 to June 30, 2024

Sr. No.	Name	Designation	Meeting Held	Meeting Attended
1.	Khawaja Muhammad Younus	CEO	8	8
2.	Khawaja Muhammad Ilyas	Chairman	8	8
3.	Khawaja Muhammad Muzaffar Iqbal	Director	8	8
4.	Khawaja Muhammad Anees	Director	8	8
5.	Mr. Abdul Rehman Qureshi	Independent Director	8	8
6.	Mr. Muhammad Asghar	Independent Director	8	8
7.	Mrs. Farah Ilyas	Female Director	8	8

03

Financial Statements

FOR THE YEAR ENDED
30 JUNE 2024

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Mahmood Textile Mills Limited ("the Company") for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.


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

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

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

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

Lahore
Dated: October 7, 2024
UDIN: AR202410051Td4kYzQ87


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

S.No	Key audit matters	How the matter was addressed in our audit
1.	Revenue Recognition	
	<p>Refer to notes 3.14 & 31 to the financial statements.</p> <p>The Company has earned revenue of Rs. 66,583.767 million for the year ending June 30, 2024. The Company is primarily engaged in manufacturing of yarn, grey cloth and apparels / garments as well as dealing in cotton. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that it may be subject to misstatement to meet expectations or targets</p>	<ul style="list-style-type: none"> Refer to notes 3.14 & 31 to the financial statements. Obtaining an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, testing the operating effectiveness of those controls. Assessing the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards. Comparing a sample of revenue transactions recorded during the year with customers' orders,

S.No	Key audit matters	How the matter was addressed in our audit
		<p>sales invoices, delivery orders and other relevant underlying documents.</p> <ul style="list-style-type: none"> • Reviewing contracts with customers and comparing the revenue transactions to the relevant sales orders, sales invoices, and other relevant underlying documents to assess whether the revenue was recorded in accordance with the Company's revenue accounting policy and applicable financial reporting framework. • Performing cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Examining the customer receipts for sales made during the year. • Assessing the appropriateness and adequacy of disclosed information in the financial statements in accordance with the relevant accounting and reporting standards.
2.	Stock in Trade	
	<p>Refer to notes 3.10 & 11 to the financial statements.</p> <p>The Company's stock in trade amounts to Rs. 16,830.488 million as at June 30, 2024. Stock in trade is stated at lower of cost and estimated net realizable value.</p> <p>We have considered this area as a key audit matter due to its volume and that determining an appropriate written-down value (NRV) and provisioning of stock in trade involves management judgment and estimation</p>	<p>Our key audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Observing physical inventory count procedures and comparing, on a sample basis, physically counted inventories with valuation sheets provided by the management. • Comparing on a sample basis specific purchases and directly attributable costs with underlying supporting documents. • Checking the accumulation of costs at different stages of production to ascertain the valuation of work in process and finished goods on a sample basis. • Comparing the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. • Assessing the provision for slow moving stocks as of the reporting date and assessing whether it is in accordance with the Company's policies and relevant accounting and reporting standards. • Considering adequacy of the related disclosures and assessing whether these are in accordance with the applicable accounting and financial reporting standards.

S.No	Key audit matters	How the matter was addressed in our audit
3.	<p>Financing obligations and compliance with related covenant requirements</p> <p>Refer to notes 21 and 28 to the financial statements.</p> <p>As at the reporting date, the Company has outstanding long term financing and short-term borrowings of Rs. 10,439.222 million and Rs. 16,421.864 million, respectively which constitute approximately 49% of total liabilities of the Company.</p> <p>The Company's key operating / performance indicators including liquidity, gearing and finance cost are directly influenced by the additions to the portfolio of financing. Further, new financing arrangements entail additional financial and non-financial covenants for the Company to comply with.</p> <p>The significance of new financing obtained during the year along with the sensitivity of compliance with underlying financing covenants are considered a key area of focus during the audit and therefore, we have identified this as a key audit matter.</p>	<p>Our key audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Considering adequacy of the related disclosures and assessing whether these are in accordance with the applicable accounting and financial reporting standards. • Reviewed terms and conditions of financing agreements entered into by the Company with various banks and financial institutions. • Circularized direct balance confirmations to banks and financial institutions and verified receipts and payments from relevant statements. • Reviewed maturity analysis of financing to ascertain the classification of financing as per their remaining maturities. • Assessed the status of compliance with financing covenants and also inquired from the management with regard to their ability to ensure future compliance with the covenants. • Assessed the adequacy of disclosures made in respect of the long-term financing obligations in the financial statements. • Checked on test basis the calculations of finance cost recognized in profit or loss.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;



- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on October 06, 2023.

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

Lahore
Dated: October 7, 2024
UDIN: AR202410051Td4kYzQ87

 
CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non Current Assets			
Property, plant and equipment	5	22,214,635,273	17,648,962,766
Investment property	6	174,038,000	162,687,000
Intangible assets	7	37,931,636	10,544,228
Investments in associates	8	2,073,750,746	5,538,760,850
Long term deposits	9	53,854,135	53,814,135
		24,554,209,790	23,414,768,979
Current Assets			
Stores, spares and loose tools	10	843,263,574	1,357,140,105
Stock in trade	11	16,830,488,745	17,736,240,320
Trade debts	12	6,724,162,180	6,144,970,571
Loans and advances	13	1,058,282,487	925,347,505
Other receivables	14	487,649,414	256,095,983
Short term investments	15	28,771,225	24,795,100
Tax refunds due from the Government	16	1,068,250,317	1,476,972,686
Cash and bank balances	17	31,957,577	34,613,661
		27,072,825,519	27,956,175,931
Assets classified as held for sale	18	3,406,102,791	-
		55,033,138,100	51,370,944,910
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital:			
50,000,000 (2023: 30,000,000) ordinary shares of Rs. 10 each		500,000,000	300,000,000
Issued, subscribed and paid up capital	19	300,000,000	300,000,000
Reserves (2023: Restated)		11,416,991,792	11,064,821,269
Revaluation surplus on property, plant and equipment (2023: Restated)	20	5,688,116,205	2,389,847,221
Shareholders' equity		17,405,107,997	13,754,668,490
Non Current Liabilities			
Long term finances	21	8,375,153,095	9,063,680,537
Lease liabilities	22	22,049,514	29,870,840
Deferred liabilities	23	805,017,769	585,511,779
		9,202,220,378	9,679,063,156
Current Liabilities			
Trade and other payables	24	7,481,900,251	6,350,162,198
Unclaimed dividend		3,680,032	3,699,840
Contract liabilities	25	84,879,145	126,477,024
Accrued mark up	26	1,183,191,316	1,220,860,266
Current portion of non-current liabilities	27	2,173,210,286	1,811,821,166
Short term borrowings	28	16,421,864,632	17,654,509,982
Provision for taxation	29	1,077,084,063	769,682,788
		28,425,809,725	27,937,213,264
Contingencies and Commitments			
	30	-	-
		55,033,138,100	51,370,944,910

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


Kh. Muhammad Ilyas
 Chairman


Kh. Muhammad Younus
 Chief Executive Officer


Yasir Ghaffar
 Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees (Restated)
Sales	31	66,583,767,005	54,627,481,688
Cost of sales	32	(56,855,235,797)	(46,919,000,225)
Gross Profit		9,728,531,208	7,708,481,463
Operating Expenses			
Distribution costs	33	(1,681,786,859)	(1,262,574,605)
Administrative expenses	34	(1,200,833,197)	(1,159,403,842)
		(2,882,620,056)	(2,421,978,447)
Operating Profit		6,845,911,152	5,286,503,016
Finance cost	35	(5,631,381,235)	(3,952,955,522)
Other operating expenses	36	(398,045,195)	(234,471,307)
Other income	37	117,491,225	227,354,192
Share of net profit of associate	8	437,160,247	598,203,352
		(5,474,774,958)	(3,361,869,285)
Profit before Levy and Taxation		1,371,136,194	1,924,633,731
Levy / final taxation	38	(895,789,009)	(663,451,391)
Profit before Taxation		475,347,185	1,261,182,340
Taxation	38	(225,810,594)	(59,233,533)
Net Profit for the Year		249,536,591	1,201,948,807
Earnings per Share - Basic and Diluted	39	8.32	40.06

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



Kh. Muhammad Ilyas
Chairman



Kh. Muhammad Younus
Chief Executive Officer



Yasir Ghaffar
Chief Financial Officer

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Net Profit for the Year	249,536,591	1,201,948,807
Other Comprehensive Income for the Year		
<i>Items that will not be reclassified to profit or loss</i>		
Share in other comprehensive income of associate	-	89,130,000
Revaluation surplus on property, plant and equipment - net	3,400,902,916	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
Other comprehensive income for the year	3,400,902,916	89,130,000
Total Comprehensive Income for the Year	3,650,439,507	1,291,078,807

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



Kh. Muhammad Ilyas
Chairman



Kh. Muhammad Younus
Chief Executive Officer



Yasir Ghaffar
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

Particulars	Reserves				Surplus on	
	Share Capital	Capital Reserves	Revenue Reserves		Revaluation of Property, Plant and Equipment	Total
			Unappropriated Profits	Total		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2022 as Previously Reported	187,500,000	7,120,600	9,926,512,816	9,933,633,416	2,529,956,267	12,651,089,683
Re-classification of share of revaluation surplus from associate	-	-	118,203,899	118,203,899	(118,203,899)	-
Balance as at June 30, 2022 as Restated	187,500,000	7,120,600	10,044,716,715	10,051,837,315	2,411,752,368	12,651,089,683
Net profit for the year	-	-	1,201,948,807	1,201,948,807	-	1,201,948,807
Other comprehensive income for the year	-	-	-	-	89,130,000	89,130,000
Total comprehensive income for the year	-	-	1,201,948,807	1,201,948,807	89,130,000	1,291,078,807
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earning	-	-	111,035,147	111,035,147	(111,035,147)	-
Transaction with owners:						
Cash dividend at the rate of Rs. 10 per ordinary share for the year ended June 30, 2022	-	-	(187,500,000)	(187,500,000)	-	(187,500,000)
Bonus shares issued during the year	112,500,000	-	(112,500,000)	(112,500,000)	-	-
Balance as at June 30, 2023	300,000,000	7,120,600	11,057,700,669	11,064,821,269	2,389,847,221	13,754,668,490
Net profit for the year	-	-	249,536,591	249,536,591	-	249,536,591
Other comprehensive income for the year	-	-	-	-	3,400,902,916	3,400,902,916
Total comprehensive income for the year	-	-	249,536,591	249,536,591	3,400,902,916	3,650,439,507
Incremental depreciation charged on revalued property, plant and equipment transferred to retained earning	-	-	102,633,932	102,633,932	(102,633,932)	-
Balance as at June 30, 2024	300,000,000	7,120,600	11,409,871,192	11,416,991,792	5,688,116,205	17,405,107,997

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


Kh. Muhammad Ilyas
 Chairman


Kh. Muhammad Younus
 Chief Executive Officer


Yasir Ghaffar
 Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
CASH GENERATED FROM OPERATIONS	40	10,029,528,906	1,344,131,618
Income tax paid		(288,442,863)	(543,975,413)
Finance cost paid		(5,416,406,919)	(3,149,947,390)
Dividend paid		(19,808)	(186,851,935)
Workers' (profit) participation fund paid	24.3	(70,397,152)	(92,782,123)
		(5,775,266,742)	(3,973,556,861)
Net Cash Generated from / (Used in) Operating Activities		4,254,262,164	(2,629,425,243)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for acquisition of property, plant and equipment		(3,057,794,813)	(5,115,179,749)
Capital work in progress		-	-
Payment for acquisition of intangibles		(34,260,204)	-
Additions in investment property		-	(67,841,522)
Dividend received from associate during the year		262,008,255	-
Intangible assets acquired		-	-
Proceeds from disposal of property, plant and equipment		45,948,853	125,762,752
Long term deposits		(40,000)	(388,676)
Sale proceeds of short term investments-net		5,422,446	282,015,166
Dividend on investments and mark-up on term finance certificates		-	304,244,630
Net Cash Used in Investing Activities		(2,778,715,463)	(4,471,387,399)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances -net		(237,736,109)	1,638,864,142
Lease liabilities -net		(7,821,326)	6,956,290
Short term borrowings -net		(1,232,645,350)	5,442,700,127
Net Cash (Used in) / Generated from Financing Activities		(1,478,202,785)	7,088,520,559
Net Decrease Cash and Cash Equivalents		(2,656,084)	(12,292,083)
Cash and cash equivalents at the beginning of the year		34,613,661	46,905,744
Cash and Cash Equivalents at the End of the Year		31,957,577	34,613,661

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


Kh. Muhammad Ilyas
 Chairman


Kh. Muhammad Younus
 Chief Executive Officer


Yasir Ghaffar
 Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 1

The Company and its Operations

1.1 Mahmood Textile Mills Limited (the Company) was incorporated in Pakistan on February 25, 1970 as a Public Limited Company under the Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and its principal business is to manufacture and deal in all types of yarn, grey cloth and apparel / garments. The company also manages investments in associated companies engaged in manufacturing and sale of yarn, cotton lint, cotton seed, generation of electricity and sale to power purchaser.

1.2 The Information on geographical location and address of the Company's business is as under :

Business unit	Geographical location
Head / Registered	The Company's registered office is situated at Mehr Manzil, Lohari Gate, Multan
Manufacturing units	Mahmoodabad, Multan Road, Muzaffargarh
	Masoodabad, D.G Khan Road, Muzaffargarh
	Chowk Sarwar Shaheed, District Muzaffargarh, Industrial Estate, Multan

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 Standards) Issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are 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 or the IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of following:

Certain property, plant and equipment	Note 5	Stated at revalued amount
Investment property	Note 6	Stated at fair value
Investment in associate	Note 8	Stated at equity method
Certain investments	Note 15	Stated at fair value
Assets classified as held for sale	Note 18	Stated at fair value

2.3 Functional and presentational currency

These financial statements are prepared and presented in Pak Rupees which is the functional and presentation currency of the Company. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.4 Key judgements and estimates

The preparation of financial statements in conformity with approved accounting standards 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 expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

- Estimation of provisions - Note 3.1
- Provision for employees' retirement benefits - Note 3.2
- Current income tax expense, provision for current tax and recognition of deferred tax - Note 3.3 & 38
- Estimation of contingent liabilities - Note 4.4 & 30
- Useful lives, residual values and depreciation method of property, plant and equipment - Note 3.5 & 5
- Impairment loss of non-financial assets other than inventories - Note 3.6
- Fair value of investment property - Note 3.7 & 6
- Net realisable values of stock-in-trade & store and spares - Notes 3.9, 3.10, 11 & 10
- Provision for expected credit losses - Note 3.16 & 12

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

Certain standards, amendments and interpretations to IFRS 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:

Standard or Interpretation	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	January 1, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
- Amendments to 'IAS 12 Income taxes' - International Tax Reform	January 1, 2023
- Initial Application of 'IFRS 17 Insurance Contracts and IFRS 9 Comparative Information	January 1, 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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 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.

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
- IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback [Amendments]	January 01, 2024
- IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants [Amendments]	January 01, 2024
- IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial instruments disclosures' supplier Finance Arrangements [Amendments]	January 01, 2024
- IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current [Amendments]	January 01, 2024
- IAS 21 'The Effects of Changes in Foreign Exchange Rates' Lack of Exchangeability [Amendments]	January 01, 2025
- IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' Classification and Measurement of Financial Instruments [Amendments]	January 01, 2026
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards'
- IFRS 18 'Presentation and Disclosures in Financial Statements'
- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 - Climate-Related Disclosures

2.5.3 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes

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:

Effect on statement of profit or loss	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees	Rupees	Rupees
For the year ended June 30, 2024			
Taxation - Final taxes		895,789,009	895,789,009
Profit before income tax	1,371,136,194	(895,789,009)	475,347,185
Taxation - Income tax	1,121,599,603	(895,789,009)	225,810,594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Effect on statement of profit or loss	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees	Rupees	Rupees

For the year ended June 30, 2023

Taxation - Final taxes		663,451,391	663,451,391
Profit before income tax	1,924,633,731	(663,451,391)	1,261,182,340
Taxation - Income tax	722,684,924	(663,451,391)	59,233,533

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.

Note 3

Material Accounting Policy Information

Material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

3.1 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of 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.

3.2 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all its eligible employees. Provision is made annually to cover obligation under the scheme. The payable balance of gratuity is fully paid to the employees on annual basis.

3.3 Taxation - Levy and Income tax

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

Levy

In accordance with the Income Tax Ordinance, 2001, computation of levy / 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 the financial statements.

Current

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantively enacted by the end of the reporting period and is based on current rates of taxation being applied on the taxable income for the year, after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the current financial year.

Deferred

The Company accounts for deferred taxation using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged or credited to profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

3.4 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.

3.5 Property, plant and equipment

Owned

Items of property, plant and equipment other than leasehold land, freehold land; buildings on leasehold and freehold land; and capital work in progress are stated at cost less accumulated depreciation and identified impairment losses, if any. Leasehold land, freehold land, building on leasehold and freehold land are stated at revalued amount being the fair value at the date of revaluation less accumulated depreciation and subsequent impairment losses, if any. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Additions, subsequent to revaluation, are stated at cost less any identified impairment loss. Surplus on revaluation of leasehold land, freehold land, buildings on leasehold land, and buildings on freehold land is recognized in equity. On disposal of particular revalued asset, the related revaluation surplus is transferred to unappropriated profits.

Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and includes other costs directly attributable to acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of items of property, plant and equipment. Cost in relation to certain assets may also include cost of borrowing during construction period in respect of loans taken for specific projects.

Depreciation on property, plant and equipment, except freehold land and leasehold land, has been provided for using the reducing balance method at the rates specified in Note 5 and is charged to profit or loss. Depreciation on additions is charged from the date at which the asset is available for use up to the date at which the asset is disposed off. 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.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in profit or loss.

Capital work-in-progress

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

3.6 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 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.

3.7 Investment property

Investment property, which is property held to earn rentals and / or for capital appreciation is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. The change in fair value is recognised in profit or loss. The fair value of investment property is determined at each reporting date using the current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The key assumptions used to determine the fair value of investment properties are provided in Note 6.

3.8 Investment in associate

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in its other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of investment.

3.9 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. The items considered obsolete are written off. Cost of items in transit comprises invoice value plus incidental charges paid thereon.

3.10 Stock in trade

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

Raw materials	- Annual average cost
Material in transit	- Cost comprising invoice value plus incidental charges paid thereon
Work in process	- Estimated average manufacturing cost
Finished goods	- Average manufacturing cost
Wastes	- Net realizable value

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

3.11 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, these comprise cash in hand and cash at bank.

3.12 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.

Financial assets

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

a) 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. 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. The Company currently measures financial assets at amortized cost and its fair value through profit or loss.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at the transaction price.

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to profit or loss.

d) Derecognition

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

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised 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 EIR.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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 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).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to trade debts and the economic environment.

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.

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the 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 profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

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.

3.13 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length basis determined using the comparable uncontrolled price method except in circumstances where it is not in the interest of the Company to do so.

3.14 Revenue recognition

Revenue is recognized when performance obligation is satisfied by applying the 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 recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services provided to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised when goods are dispatched from the mill to customer whereas revenue of export sales is recognized on date of issue of bill of lading.

3.15 Earnings per share - basic and diluted

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

3.16 Trade receivables

Contract assets

A contract asset is the right to receive in exchange for goods transferred to the customer against which no invoice has been raised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Trade receivables

Trade receivables represent 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 review of all outstanding amounts as at the reporting date. Bad debts are written off when identified.

3.17 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Company as a lessee

Recognition and measurement

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss.

Note 4

Summary of Other Accounting Policies

4.1 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

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.

4.2 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak rupees at exchange rates prevailing at the date of transaction. Exchange gains and losses are included in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences in assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

4.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (the Chief Executive Officer of the Company). Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

4.4 Contingent liabilities

A Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by occurrence or non-occurrence of one or more uncertain future events not entirely 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 would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.5 Borrowing costs

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

4.6 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.7 Dividend distribution

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

4.8 Intangibles

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably. Accordingly, the Company has recognized softwares as intangible assets. Cost of intangible assets i.e. engineering software includes purchase cost and directly attributable expenses incidental to bring the software for its intended use.

Costs that are directly associated with identifiable software and have probable economic benefits beyond one year, are recognized as intangible assets. However, costs associated with the maintenance of software are recognized as expenses.

Intangible assets are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to profit or loss using the reducing balance method at the rates specified in Note 7. The amortization period and the amortization method for intangible assets are reviewed, at each reporting date, and adjusted if impact on amortization is significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024		2023	
		Rupees	Rupees	Rupees	Rupees
Owned fixed assets					
Leasehold / right of use assets	5.1	21,034,455,922	16,910,491,705		
Capital work in progress	5.1	945,517,169	401,257,461		
	5.10	234,662,182	337,213,600		
		<u>22,214,635,273</u>	<u>17,648,962,766</u>		

Note 5
Property, Plant and Equipment

Owned fixed assets
Leasehold / right of use assets
Capital work in progress

5.1 Operating fixed assets

	Owned Assets										Leasehold / Right of Use Assets		
	Freehold Land	Buildings on Freehold Land	Buildings on Leasehold Land	Plant and Machinery	Stand-by Equipment / Generators / Electric Installation	Furniture and Fittings	Vehicles	Office Equipment	Computers and Accessories	Total	Leasehold Land	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost / Revalued amount													
Balance as at July 01, 2022	1,154,745,959	2,127,109,406	1,918,322,711	9,345,157,556	2,198,697,389	95,320,285	514,462,900	6,362,376	128,898,806	17,489,077,388	369,776,000	30,424,583	400,200,583
Additions	129,000	1,166,819,154	259,560,382	4,747,352,187	863,570,350	36,885,603	277,198,798	72,100	21,437,416	7,373,024,990	-	13,798,680	13,798,680
Disposals / transfers	(67,822,489)	-	-	(25,606,325)	-	-	(167,672,925)	-	-	(261,101,739)	-	-	-
Balance as at June 30, 2023	1,087,052,470	3,293,928,560	2,177,883,093	14,068,903,418	3,062,267,739	132,205,888	623,988,773	6,434,476	150,336,222	24,601,000,639	369,776,000	44,223,263	413,999,263
Additions	-	224,360,197	-	2,154,325,712	499,872,936	115,031,227	123,280,488	-	43,475,672	3,160,346,231	-	-	-
Disposals	-	-	-	(40,780,997)	-	-	(63,277,127)	-	-	(104,058,124)	-	-	-
Revaluation adjustments	1,247,685,030	1,553,564,712	49,097,174	-	-	-	-	-	-	2,860,346,916	550,556,000	-	550,556,000
	(1,401,156,069)	(1,401,156,069)	(631,965,267)	-	-	-	-	-	-	(1,933,141,336)	-	-	-
Balance as at June 30, 2024	2,334,737,500	3,670,697,400	1,694,995,000	16,180,448,133	3,562,140,674	247,237,115	663,992,134	6,434,476	193,811,894	28,574,494,326	920,332,000	44,223,263	964,555,263
Accumulated depreciation													
Balance as at July 01, 2022	-	902,816,019	313,476,331	4,175,494,188	922,865,416	18,807,713	171,240,851	3,252,175	51,292,329	6,559,245,022	-	5,797,372	5,797,372
Depreciation charged during the year	-	142,743,079	164,404,534	629,107,508	151,030,766	9,618,570	85,074,153	315,634	26,786,565	1,209,080,809	-	6,944,430	6,944,430
Disposals	-	-	-	(22,680,489)	-	-	(55,136,408)	-	-	(77,816,897)	-	-	-
Balance at June 30, 2023	-	1,045,559,098	477,880,865	4,781,921,207	1,073,896,182	28,426,283	201,178,596	3,567,809	78,078,894	7,690,508,934	-	12,741,802	12,741,802
Depreciation charged during the year	-	355,596,971	54,104,402	1,066,246,849	232,284,270	16,797,880	92,966,735	286,667	25,163,709	1,843,447,483	-	6,296,292	6,296,292
Disposals	-	-	-	(31,325,282)	-	-	(29,451,395)	-	-	(60,776,677)	-	-	-
Revaluation adjustments	-	(1,401,156,069)	(631,965,267)	-	-	-	-	-	-	(1,933,141,336)	-	-	-
Balance at June 30, 2024	-	-	-	5,816,842,774	1,306,180,452	45,224,163	264,693,936	3,854,476	103,242,603	7,540,038,404	-	19,038,094	19,038,094
Carrying amount													
As at June 30, 2023	1,087,052,470	2,249,369,462	1,700,002,228	9,284,982,211	1,988,371,557	103,779,605	422,810,177	2,866,667	72,257,328	18,910,491,705	369,776,000	31,481,461	401,257,461
As at June 30, 2024	2,334,737,500	3,670,697,400	1,694,995,000	10,363,605,359	2,255,960,222	202,012,952	419,298,198	2,580,000	90,569,291	21,034,455,922	920,332,000	25,185,169	945,517,169
Rate of depreciation - %	-	10	10	5 - 10	10	10	20	10	30	-	-	20	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.2 Leasehold land represents the leased land allotted in Industrial Estate, Multan for a period of 99 years. This leasehold arrangement shall expire on January 17, 2105.

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

	Note	2024 Rupees	2023 Rupees
Freehold land		72,564,819	72,564,819
Leasehold land		20,755,743	20,755,743
Buildings on freehold land		1,336,024,673	1,380,471,667
Buildings on leasehold land		1,503,300,460	1,541,560,710
		2,932,645,695	3,015,352,939

5.4 Depreciation charge for the year has been allocated as under:

	Note	2024 Rupees	2023 Rupees
Cost of sales	32	1,710,908,624	1,087,285,887
Administrative expenses	34	138,835,151	128,739,352
		1,849,743,775	1,216,025,239

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

Location / Address	Usage of Immovable Property	Total Area
Disrict Muzaffargarh	Freehold land	474 Kanals and 4 Marlas
Industrial Estate, Multan	Leasehold land	131 Kanals and 5 Marlas

5.6 Forced sales value of revalued assets, as determined by the independent valuer, were as follows:

	June 30, 2024 Rupees
Freehold land	1,867,790,000
Leasehold land	736,265,600
Buildings on freehold	2,936,557,920
Buildings leasehold land	1,355,996,000

5.7 Fair value hierarchy

The Company revalued and measured its land and buildings under level 2 of fair value hierarchy. Details of carrying value of such revalued assets as at the reporting date are as follows:

Level 2	Land (Freehold & Leasehold) Rupees	Buildings (On Freehold & Leasehold Land) Rupees
For the year ending June 30, 2024	3,255,069,500	5,365,692,400
For the year ending June 30, 2023	1,456,828,470	3,948,371,690

Assumptions used in fair value calculation are given in note 20 of these financial statements. No other assets are measured / transferred under level 1 and level 3 of the fair value hierarchy during the year.

5.8 Security

The property, plant and equipment of the Company are subject to first, joint pari passu and hypothecation charge as security for certain financing by banks (Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.9 Detail of disposals of property, plant and equipment

The details of property, plant and equipment disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

Particulars of Assets	2024				Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	Cost	Carrying Amount	Sale Price	(Loss) / Gain			
	Rupees	Rupees	Rupees	Rupees			
Plant and Machinery							
Simplex machine	4,764,844	1,433,371	1,229,508	(203,863)	Mr. Malik Hafeez	Negotiation	-
Autocone machine	13,213,165	2,100,841	2,049,180	(51,661)	Mr. Malik Hafeez	Negotiation	-
Murata Autocone machine	10,115,011	801,609	819,674	18,065	Mr. Malik Hafeez	Negotiation	-
Barrel washing machines & Hydro extractor Century steam chiller	4,126,000	3,414,489	1,844,262	(1,570,227)	Mr. Mian Bilal Mushtaq	Negotiation	-
Dual inverter cloth inspection cum rolling machine	4,431,734	710,412	819,672	109,260	Mr. Muhammad Abid	Negotiation	-
Book value not exceeding Rs. 500,000	1,025,000	767,981	286,885	(481,096)	Mr. Malik Hafeez	Negotiation	-
	3,105,243	227,010	819,672	592,662	Numerous Parties	Negotiation	-
	40,780,997	9,455,713	7,868,853	(1,586,860)			
Vehicle							
Honda Civic	4,097,302	2,534,432	3,950,000	1,415,568	M/s UBL Insurers Limited	Negotiation	-
Honda City	3,522,712	2,447,893	2,500,000	52,107	Mr. Qamar Mohu-Ud-Din	Negotiation	-
Toyota Lexus	8,353,750	2,425,602	2,500,000	74,398	Mr. Syed Abdul Wahid	Negotiation	-
Haval H-6	10,272,822	9,268,368	9,500,000	231,632	Mr. Chaudhry Aamir Farooq Bajwa	Negotiation	-
Honda Civic	5,636,250	3,383,632	3,800,000	416,368	Mr. Khawaja Mohsin Masood	Negotiation	Non executive director
Honda Civic	2,805,684	1,198,098	1,350,000	151,902	Mr. Muhammad Wahid	Negotiation	-
Honda BRV	2,405,034	614,704	900,000	285,296	Mr. Khawaja Muhammad Farooq	Negotiation	-
Hyundai Tucson	5,801,934	2,681,783	2,500,000	(181,783)	Mr. Saad Zahid	Negotiation	-
Suzuki Swift	3,376,190	2,532,143	2,600,000	67,857	Mr. Shameer Khalid	Negotiation	-
Corolla Altis	2,438,462	1,210,778	1,250,000	39,222	M/s Anwar Sharif Motors	Negotiation	-
Corolla GLI	2,350,000	835,222	605,000	(230,222)	M/s Anwar Sharif Motors	Negotiation	-
Suzuki Swift	1,580,000	1,448,333	1,475,000	26,667	Mr. Mohsin Rasheed	Negotiation	-
Kia Sportage	5,542,062	2,462,157	2,800,000	337,843	Mr. Abdur Rahman Azhar	Negotiation	-
Book value not exceeding Rs. 500,000	5,094,925	782,589	2,350,000	1,567,411	Numerous Parties	Negotiation	-
	63,277,127	33,825,734	38,080,000	4,254,266			
2024	104,058,124	43,281,447	45,948,853	2,667,406			
2023	193,279,250	115,462,353	125,762,752	10,300,399			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.10 Capital work in progress	Note	2024 Rupees	2023 Rupees
Advances for purchase of freehold land		74,205,000	74,205,000
Buildings	5.10.2	159,115,800	81,420,311
Plant and machinery		1,341,382	181,588,289
		234,662,182	337,213,600

5.10.1 Movement of capital work-in-progress

Opening balance	337,213,600	2,614,555,634
Additions during the year	331,693,136	265,713,600
Capitalized during the year	(434,244,554)	(2,543,055,634)
	234,662,182	337,213,600

5.10.2 This represents a colony being constructed for the employees of the Company.

Note 6

Investment Property

	2024 Rupees	2023 Rupees
Opening balance	162,687,000	-
Transferred from owner-occupied property	-	67,822,489
Additions during the year - renovation	-	67,841,522
Fair value gain on revaluation	11,351,000	27,022,989
Closing balance	174,038,000	162,687,000

6.1 This refers to a piece of land, classified as investment property, held for capital appreciation. The details of investment properties as of the reporting date are as follows:

Property Type	Location	Area	Independent Valuer	Fair Value Rupees	Forced Sale Value Rupees
Land	Mouza Doaba, Muzaffar Garh	309,004 sq. ft.	K.G. Traders (Private) Limited	174,038,000	139,230,400

6.2 The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

6.3 Fair value measurements

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

Valuation techniques used to derive level 2 fair values

Description	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)
Land	Inquiries in the vicinity of land and also information obtained from the estate dealers of the area.	Price per kanal	Reasonable fair value estimates

6.4 Amount recognised in statement of profit or loss

The change in fair value is presented in statement of profit or loss as "Other income".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 7

Intangible Asset

	Note	2024 Rupees	2023 Rupees
Intangible asset	7.1	16,036,525	4,846,115
Capital work in progress	7.2	21,895,111	5,698,113
		37,931,636	10,544,228

7.1 Intangible Asset

Net Carrying Value			
Net carrying value - opening balance		4,846,115	6,923,021
Additions during the year		18,063,206	-
		22,909,321	6,923,021
Amortization during the year		(6,872,796)	(2,076,906)
Net carrying value as at June 30,		16,036,525	4,846,115
Gross Carrying Value			
Cost		25,163,740	7,100,534
Accumulated amortization		(9,127,215)	(2,254,419)
Net book value		16,036,525	4,846,115
Amortization rate		30%	30%

7.1.1 Amortization charge for the year has been allocated to Administrative Expenses (Note 34).

7.2 Capital work in progress

Advances for implementation of Oracle Fusion Cloud Applications		21,895,111	5,698,113
7.2.1 Movement of capital work-in-progress			
Opening balance		5,698,113	-
Additions during the year		16,196,998	5,698,113
Capitalized during the year		-	-
		21,895,111	5,698,113

Note 8

Investments in Associates

	Note	2024 Rupees	2023 Rupees
Associates - Unquoted at equity method			
Masood Spinning Mills Limited 8,921,692 (2023: 8,921,692) ordinary shares of Rs. 10 each Equity held 29.71% (2023: 29.71%)			
Carrying amount of investment	8.1	2,073,750,746	1,969,127,825
Orient Power Company (Private) Limited 87,335,969 (2023: 87,335,969) ordinary shares of Rs. 10 each Shareholding held 20.96% (2023: 20.967%)			
Carrying amount of investment (Refer to Note 18)	8.2	-	3,569,633,025
		2,073,750,746	5,538,760,850

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

- 8.1** Reconciliation of the above information to the carrying amount of interest in Masood Spinning Mills Limited is as under:

	2024	2023
	Rupees	Rupees
Net assets of the Associate	6,296,365,154	5,944,216,897
Percentage of shareholding in Associate	29.71%	29.71%
Company share	1,870,650,087	1,766,027,166
Goodwill arisen on acquisition of shares	202,935,109	202,935,109
Other adjustments	165,550	165,550
Carrying amount of investment	2,073,750,746	1,969,127,825

The Company accounts for its investment in Masood Spinning Mills Limited (the Associate) under equity method as prescribed in IAS 28 (Investments in Associates). Information extracted from the unaudited financial statements of the Associate is as follows:

Current assets	17,984,893,524	17,643,740,033
Non-current assets	12,219,471,179	10,166,690,075
Current liabilities	(17,984,672,025)	(17,061,411,529)
Non-current liabilities	(5,923,327,524)	(4,804,801,682)
Net assets	6,296,365,154	5,944,216,897
Revenue	35,933,733,395	31,960,308,454
Net profit for the year	129,019,947	330,025,586
Other comprehensive income	237,696,000	300,000,000
Total comprehensive income for the year	366,715,947	630,025,586
Dividends received from associate during the year	-	44,608,460

- 8.2** The Company accounted for its investment in Orient Power Company (Private) Limited (the Associate) under equity method as prescribed in IAS 28 (Investments in Associates). The Company recognized its shares in net assets of the investee company till December 31, 2023. Subsequent to this, the Company has classified this investment as held for sale as per IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (refer Note 18). The Company recognize its share in investee company as under:

	December 2023	June 2023
	Rupees	Rupees
Net assets of the Associate	16,961,943,000	17,025,011,455
Percentage of shareholding in Associate	20.967%	20.967%
Carrying amount of investment	3,556,410,589	3,569,633,025
Current assets	18,383,044,000	18,447,230,180
Non-current assets	8,681,492,000	9,162,143,626
Current liabilities	(10,102,593,000)	(10,516,738,503)
Non-current liabilities	-	(67,623,848)
Net assets	16,961,943,000	17,025,011,455
Revenue	29,300,400,000	23,334,664,886
Net profit for the year	2,802,420,000	2,019,480,694
Other comprehensive income / (loss)	-	-
Total comprehensive income for the year	2,802,420,000	2,019,480,694
Dividends received from associate during the year	262,007,603	218,339,825

Note 9

Long Term Deposits

	2024	2023
	Rupees	Rupees
Multan Electric Power Company (MEPCO)	52,158,325	52,158,325
Sui Northern Gas Pipelines Limited (SNGPL)	1,338,902	1,298,902
Pakistan Telecommunication Company Limited (PTCL)	207,358	207,358
Others	149,550	149,550
	53,854,135	53,814,135

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 10

Stores and Spares

		2024	2023
	Note	Rupees	Rupees
Stores	10.1	817,091,516	1,324,631,421
Spares		25,110,279	31,912,140
Loose tools		1,061,779	596,544
		843,263,574	1,357,140,105

10.1 This includes stores in transit amounting to Rs. 130.113 million (2023: Rs. 638.457 million) as at the reporting date.

Note 11

Stock in Trade

		2024	2023
	Note	Rupees	Rupees
Raw materials	11.1	12,620,683,698	11,363,840,730
Work in process		1,083,325,503	1,354,322,926
Finished goods		3,126,479,544	5,018,076,664
		16,830,488,745	17,736,240,320

11.1 This includes material in transit amounting to Rs. 3,750.258 million (2023: Rs. 3,331.864 million).

Note 12

Trade Debts

		2024	2023
	Note	Rupees	Rupees
Secured			
- Export		3,676,453,056	2,061,803,244
- Local		253,650,089	287,952,283
		3,930,103,145	2,349,755,527
Unsecured			
- Local - considered good		2,794,059,035	3,795,215,044
- Local - considered doubtful		16,328,178	-
		6,740,490,358	6,144,970,571
Less: Allowance for expected credit losses (ECL)	12.1	(16,328,178)	-
		6,724,162,180	6,144,970,571

12.1 Allowance for expected credit losses (ECL)

Opening balance	-	-
Add: Allowance for expected credit loss	16,328,178	-
	16,328,178	-
Less: Reversal of credit loss allowance	-	-
Closing balance	16,328,178	-

12.2 Detail of trade receivables from export sales

Jurisdiction	Export sales during the year	Gross receivables at year end	Default amount	Names of defaulting parties	Legal action taken
	Rupees	Rupees	Rupees		
United States of America	1,761,968,127	696,187,305	-	No default	N/A
China	9,012,576,186	663,830,955	-	No default	N/A
Turkey	2,530,428,772	575,664,060	-	No default	N/A
Japan	2,642,910,829	493,587,791	-	No default	N/A
Denmark	2,373,361,726	292,607,884	-	No default	N/A
Italy	1,554,271,010	280,119,750	-	No default	N/A
Germany	1,103,267,088	199,823,897	-	No default	N/A
Bangladesh	2,063,889,204	103,812,425	-	No default	N/A
Others	32,020,318,252	361,156,083	-	No default	N/A
	55,062,991,194	3,666,790,150	-		

12.3 There are no receivable balances from related parties as at the reporting date (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 13

Loans and Advances

		2024	2023
	Note	Rupees	Rupees
Advances to:			
- Key management personnel		24,523,113	15,810,817
- Employees		3,120,575	27,819,917
- Suppliers and contractors - considered good	13.1	918,299,484	798,707,819
- Suppliers and contractors - considered doubtful		26,907,267	-
Deposits with Sui Northern Gas Pipelines Limited (SNGPL)		75,221,140	75,221,140
Letters of credit		37,118,175	7,787,812
		1,085,189,754	925,347,505
Less: Provision against doubtful loans and advances		26,907,267	-
		1,058,282,487	925,347,505
13.1 Provision against doubtful loans and advances:			
Opening balance		-	-
Add: provision for the year		26,907,267	-
		26,907,267	-
Less: Recovery against doubtful advances		-	-
Closing balance		26,907,267	-

Note 14

Other Receivables

		2024	2023
		Rupees	Rupees
Cotton claims receivables		311,480,096	103,025,617
Insurance claims receivable		79,849,144	63,348,276
Containers' deposits - considered doubtful		1,803,108	1,803,108
Receivable against shares - considered doubtful		356,005	232,344
Bank guarantee margins		90,249,106	86,544,922
Others		6,071,068	1,141,716
		489,808,527	256,095,983
Less: Provision for doubtful advances and other receivables		(2,159,113)	-
		487,649,414	256,095,983

14.1 No amount was due from chief executive, directors and executives as at the reporting date (2023: nil).

14.2 Provision against doubtful other receivables

Opening balance	-	-
Add: provision for the year	2,159,113	-
	2,159,113	-
Less: written off during the year	-	-
Less: Recovery against doubtful advances	-	-
Closing balance	2,159,113	-

Note 15

Short Term Investments

		2024	2023
		Rupees	Rupees
Equity Instruments - Quoted			
Pakistan Stock Exchange Limited			
765,000 (2023: 2,049,500) shares of Rs. 10 each		9,799,658	15,166,300
Ghani Chemical Industries Limited			
1,720,000 (2023: 1,020,000) shares of Rs. 10 each		18,971,567	9,628,800
		28,771,225	24,795,100

15.1 Investments in quoted shares are measured at fair value through profit or loss. The quoted market value in an active market is considered as the fair value of investment. The resulting difference between cost and fair value of investment is taken to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 16

Tax Refunds Due from the Government

	2024	2023
	Rupees	Rupees
Income tax refundable, advance tax and tax deducted at source	396,468,886	580,785,811
Sales tax refundable	671,781,431	896,186,875
	1,068,250,317	1,476,972,686

Note 17

Cash and Bank Balances

		2024	2023
	Note	Rupees	Rupees
Cash in hand		8,708,109	11,775,343
Cash at banks:			
- Current accounts		21,815,728	22,698,479
- Saving accounts	17.1	1,433,740	139,839
		23,249,468	22,838,318
		31,957,577	34,613,661

17.1 This represents amounts in saving accounts yielding profit at rates ranging from 13.00% to 15.36% (2023: 19% to 20%) per annum, approximately.

17.2 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 18

Assets Classified as Held for Sale

		2024	2023
	Note	Rupees	Rupees
Orient Power Company (Private) Limited			
87,335,969 (2023: 87,335,969) ordinary shares of Rs. 10 each			
Shareholding held 20.967% (2023: 20.967%)			
Carrying amount of investment	18.1	3,406,102,791	-

18.1 The Board of Directors has resolved to dispose off the investment in Orient Power Company (Private) Limited. This investment is expected to be sold within next 12 months; has been classified as held for sale in accordance with IFRS-5, "Non-current Assets Held for Sale and Discontinued Operations", measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less cost to sell and presented separately in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 19

Issued, Subscribed and Paid Up Capital

2024		2023		2024	2023
Number of shares				Rupees	Rupees
6,288,800	6,288,800	Ordinary shares of Rs. 10 each fully paid in cash		62,888,000	62,888,000
11,000	11,000	Ordinary shares of Rs. 10 each issued as fully paid against shares of Mahmood Power Generation Limited upon merger		110,000	110,000
23,700,200	23,700,200	Ordinary shares of Rs. 10 each issued as fully paid bonus		237,002,000	237,002,000
30,000,000	30,000,000			300,000,000	300,000,000

19.1 Movement in number of shares issued

Opening balance	300,000,000	187,500,000
Issuance of bonus shares / (shares cancelled)	-	112,500,000
Closing balance	300,000,000	300,000,000

19.2 Shares held by related parties are as follows:

	2024		2023	
	(Percentage)	(Percentage)	(Number of Shares)	(Number of Shares)
Roomi Enterprises (Private) Limited	0.003%	0.003%	800	800
Directors	17.171%	17.720%	5,151,440	5,315,996
			5,152,240	5,316,796

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

19.4 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

19.5 The Board of Directors, during June, 2023, had resolved to capitalise a sum of Rs.112.500 million out of unappropriated profit of the Company to issue at par 11,250,000 ordinary shares of Rs.10 each to be allotted as fully paid bonus shares in proportion of 60 ordinary shares for every 100 ordinary shares held by a shareholder of the Company. The bonus issue rank pari passu in all respect with the existing ordinary shares of the Company as regards to future dividend and in all other respect. No Bonus shares have been issued during the current financial year.

Note 20

Surplus on Revaluation of Property, Plant and Equipment

	2024	2023
	Rupees	Rupees (Restated)
Freehold Land:		
- Opening balance	1,014,487,651	1,014,487,651
- Surplus during the year	1,247,685,030	-
- Closing surplus	2,262,172,681	1,014,487,651
Leasehold Land:		
- Opening balance	349,020,257	349,020,257
- Surplus during the year	550,556,000	-
- Closing surplus	899,576,257	349,020,257
Buildings on Freehold Land:		
- Opening balance	867,897,795	961,328,329
- Surplus during the year	1,553,564,712	-
- Incremental depreciation	(86,789,780)	(93,430,534)
- Closing surplus	2,334,672,727	867,897,795
Buildings on Leasehold Land:		
- Opening balance	158,441,518	176,046,131
- Surplus during the year	49,097,174	-
- Incremental depreciation	(15,844,152)	(17,604,613)
- Closing surplus	191,694,540	158,441,518
	5,688,116,205	2,389,847,221

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

- 20.1** Revaluation of land and building was initially carried out by an independent valuer as at June 30, 2019 that resulted in revaluation surplus of Rs. 2,886.620 million. Latest revaluation of property, plant and equipment was carried out as on June 30, 2024 by an independent valuer that resulted in revaluation surplus of Rs. 3,400.903 million. The following basis were used for revaluation of property, plant and equipment:

Land	Market Value
Buildings	Market Value / Depreciated Value

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

Note 21

Long Term Financing

	Note	2024 Rupees	2023 Rupees
Habib Bank Limited	21.1	1,469,957,501	1,809,624,754
MCB Bank Limited	21.2	226,503,076	275,597,531
Meezan Bank Limited	21.3	1,070,722,981	1,086,002,328
United Bank Limited	21.4	507,535,349	234,420,268
Allied Bank Limited	21.5	923,531,073	846,375,651
Bank Al Habib Limited	21.6	1,082,795,597	1,102,164,839
National Bank of Pakistan	21.7	1,159,039,556	1,478,556,223
Bank Alfalah Limited	21.8	1,403,758,071	1,218,969,626
Soneri Bank Limited	21.9	421,935,981	555,550,000
Askari Bank Limited	21.10	448,006,785	499,999,775
The Bank of Punjab	21.11	661,628,535	661,628,535
Pak Brunei Investment Company Limited	21.12	150,000,000	-
Bank Al Habib Limited - Islamic	21.13	499,999,423	499,999,423
		10,025,413,928	10,268,888,953
Deferred Government Grant:			
Temporary Economic Refinance Facility			
Bank Al Habib Limited	21.6	133,645,609	164,859,411
The Bank of Punjab	21.11	280,162,798	338,351,209
		413,808,407	503,210,620
		10,439,222,335	10,772,099,573
Less: Current portion		(2,064,069,240)	(1,708,419,036)
		8,375,153,095	9,063,680,537

- 21.1** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 1,800 million (2023: Rs. 1,900 million). These facilities carry markup @ 3 months KIBOR plus a spread of upto 100 bps (2023: 3 months KIBOR plus a spread of upto 100 bps) per annum, with some term finance facilities carrying a fixed markup of 3% to 5% (2023: 3% to 5%) per annum. These facilities are payable in quarterly installments, latest by May 2031. These facilities are secured by first pari passu charge of Rs. 2,498 million (2023: Rs. 2,498 million) over all fixed assets of the Company.

- 21.2** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 362 million (2023: Rs. 362 million). These facilities carry markup @ 6 months KIBOR plus 75 bps (2023: 6 months KIBOR plus 75 bps) per annum, with a term finance facility carrying fixed markup @ 2.75% (2023: 2.75%) per annum. These facilities are payable in quarterly installments, latest by March 2033. These facilities are secured by way of hypothecation charge amounting to Rs. 386 million (2023: Rs. 386 million) over present and future fixed assets of the Company.

- 21.3** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 1,531.35 million (2023: Rs. 1,531.35 million). These facilities carry markup @ 6 months KIBOR plus a spread upto 150 bps (2023: 6 months KIBOR plus 100 bps) per annum, with some term finance facilities carrying fixed markup @ SBP rate plus 200 bps (2023: SBP rate plus 200 bps) per annum. The facilities are payable in quarterly installments, latest by June 2032. These facilities are secured by exclusive charge amounting to Rs.1,426 million (2023: Rs.1,426 million) over the fixed assets of the Company, along with ranking charge of Rs.200 million (2023: Nil) over the fixed assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

- 21.4** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to a Rs. 698 million (2023: Rs. 378 million). These facilities carry markup @ SBP rate plus 50 bps (2023: Nil) per annum, with term finance facility carrying fixed markup @ 2.5% (2023: 2.5%) per annum. These facilities are payable in quarterly installments, latest by June 2029. These facilities are secured by way of first joint pari passu charge amounting to Rs. 320 million (2023: Rs. 320 million) over present and future fixed assets of the Company along with ranking charge of Rs. 426 million (2023: Nil) over the present and future fixed assets of the Company.
- 21.5** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 1,381.5 million (2023: Rs. 1,131.5 million). These facilities carry markup @ 6 months KIBOR plus 150 bps (2023: 6 months KIBOR plus 150 bps) per annum, with a term finance facility carrying markup @ SBP rate plus 50 bps (2023: SBP rate plus 50 bps) per annum. These facilities are payable in quarterly installments, latest by November 2028. These facilities are secured by way of first joint pari passu charge amounting to Rs. 1,530 million (2023: Rs. 1,530 million) over present and future fixed assets of the Company.
- 21.6** These represents the numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 1,874.5 million (2023: Rs. 1,439.5 million). These facilities carry markup of 6 months KIBOR plus 100 bps (2023: 6 months KIBOR plus 100 bps) per annum. These facilities are payable in quarterly installments, with the final payment due by November 2031. These facilities are secured by ranking hypothecation charge amounting to Rs. 2,758 million (2023: Rs. 2,758 million) over all present and future assets of the Company.
- 21.7** This facility was availed to meet the requirement of reprofiling the balance sheet by paying off short-term loans from various banks. The sanctioned limit for this facility amounted to Rs. 2,000 million (2023: Rs. 2,000 million). This facility is repayable in 12 equal half-yearly installments and carries markup @ 6 months KIBOR plus 150 bps (2023: 6 months KIBOR plus 150 bps). This facility is secured by way of hypothecation charge over all present and future movable fixed assets of the Company along with first joint pari passu charge amounting to Rs. 2,000 million (2023: Rs. 2,000 million) over the present and future fixed assets of the Company.
- 21.8** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 1,608 million (2023: Rs. 1,608 million). These facilities carry markup @ 6 months KIBOR plus 200 bps (2023: 6 months KIBOR plus 200 bps) per annum, with a term finance facility carrying markup @ SBP rate plus 200 bps (2023: SBP rate plus 200 bps) per annum. These facilities are payable in quarterly installments, latest by February 2031. These facilities are secured by first joint pari passu charge amounting to Rs. 2,094 million (2023: Rs. 2,094 million) over the present and future fixed assets of the Company.
- 21.9** This term finance facility was availed to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 668 million (2023: Rs. 668 million). This facility is repayable in 20 equal quarterly installments, latest by September 2027, and carries markup @ 3 months KIBOR plus 80 bps (2023: 3 months KIBOR plus 80 bps). This facility is secured by first joint pari passu charge amounting to Rs. 747 million (2023: Rs. 747 million) over the present and future fixed assets of the Company.
- 21.10** These represent numerous facilities availed to meet the capital expenditure requirements of the Company. The sanctioned limit for these facilities amounted to Rs. 500 million (2023: Rs. 500 million). One of these facilities carry markup @ 6 months KIBOR plus 250 bps (2023: 6 months KIBOR plus 250 bps) per annum, with the other facility carrying markup @ SBP rate plus 200 bps (2023: SBP rate plus 200 bps) per annum. These facilities are payable in quarterly installments, latest by February 2032. These facilities are secured by first joint pari passu charge amounting to Rs. 667 million (2023: Rs. 667 million) over the present and future fixed assets of the Company.
- 21.11** This term finance facility was availed to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 1,000 million (2023: Rs. 1,000 million). This facility is repayable in 16 equal half-yearly installments, latest by January 2032, and carries markup @ 3.5% per annum (2023: 3.5% per annum), payable on quarterly basis. This facility is secured by an existing ranking charge amounting to Rs. 1,334 million (2023: Rs. 1,334 million) over the present and future fixed assets of the Company.
- 21.12** This term finance facility was availed during the year to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 200 million (2023: Rs. Nil). This facility is repayable in 20 installments, latest by June 2029, and carries markup @ 6 months KIBOR plus 125 bps (2023: Nil). This facility is secured by ranking charge amounting to Rs. 267 million (2023: Nil) over the present and future fixed assets of the Company.
- 21.13** This term finance facility was availed to meet the capital expenditure requirements of the Company. The sanctioned limit for this facility amounted to Rs. 500 million (2023: Rs. 500 million). This facility is repayable in 16 equal half-yearly installments, latest by February 2033, and carries markup @ 6 months KIBOR plus 100 bps (2023: 6 months KIBOR plus 100 bps). This facility is secured by first joint pari passu charge amounting to Rs. 667 million (2023: Rs. 667 million) over the present and future fixed assets of the Company, along with ranking hypothecation charge over all present and future current assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 22

Lease Liabilities

	2024	2023
	Rupees	Rupees
Lease Liability	30,044,585	38,431,599
Less: Current portion	(7,995,071)	(8,560,759)
	22,049,514	29,870,840

22.1 Summary of amounts relating to leases charged in different line items of the financial statements is as follows:

	Included in	Note		
Carrying amount of Right of use assets	Statement of financial position	5	945,517,169	401,257,461
Depreciation charge	Statement of profit or loss	5	6,296,292	6,944,430
Finance cost	Statement of profit or loss	35	8,000,294	6,078,710
Payments made	Statement of cash flows		(7,821,326)	6,956,290

Maturity analysis of lease liabilities

	Within One Year	Between Two to Five Years	Later than Five Years	Total
	Rupees	Rupees	Rupees	Rupees
Undiscounted cash flows	11,711,000	18,333,585	-	30,044,585
Discounted cash flows	7,995,071	10,797,560	-	18,792,631

22.2 The Company has entered into lease agreement with Bank Al-Habib Limited to acquire vehicles. Total limit available during the current financial year was Rs. 100 million (2023: Rs. 100 million). These lease finance facilities are secured against the title of the leased vehicles in the name of bank.

22.3 The minimum lease payments have been discounted at implicit rate of 6 months KIBOR plus 1%. Lease rentals are payable in equal monthly instalments.

Note 23

Deferred Liabilities

	Note	2024	2023
		Rupees	Rupees
Deferred tax liability	23.1	805,017,769	579,207,175
Long term portion of GIDC	23.4	-	6,304,604
		805,017,769	585,511,779

23.1 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	
On taxable temporary difference				
Investments in associate	805,017,769	579,207,175	225,810,594	59,233,533

23.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 10.625% (2023: 7.625%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees	Rupees
23.3 Reconciliation of deferred tax liabilities - net		
Opening balance	579,207,175	519,973,642
Recognized in statement of profit or loss	225,810,594	59,233,533
Recognized in other comprehensive income	-	-
Closing balance	805,017,769	579,207,175

23.4 This represented Gas Infrastructure Development Cess (GIDC) payable by the Company to Sui Northern Gas Pipelines Limited (SNGPL) in 48 monthly instalments in accordance with the Supreme Court of Pakistan's decision dated August 13, 2020. The Company calculated its present value at its borrowing cost and the resultant difference was charged to profit or loss. The entire amount of GIDC payable is shown as current liability (refer to Note 27).

Note 24

Trade and Other Payables

		2024	2023
	Note	Rupees	Rupees
Creditors		2,554,444,408	2,369,562,917
Bills payable - secured	24.1	2,900,940,985	1,973,860,259
Due to related party	24.2	-	396,371
Accrued expenses		1,592,589,252	1,728,159,384
Tax deducted at source		192,256,200	70,323,650
Workers' (profit) participation fund	24.3	60,836,241	63,406,734
Workers' welfare fund	24.4	160,050,494	128,189,518
Others		20,782,671	16,263,365
		7,481,900,251	6,350,162,198

24.1 These bills are secured against securities.

24.2 This represented amount payable to M/s Khawaja Muzaffar Mahmood Muhammad (an Associated Undertaking) of the Company. The maximum amount outstanding during the year was Rs.0.396 million (2023: 61.503 million).

24.3 Workers' (profit) participation fund

Opening balance		63,406,734	86,494,981
Expense recognised during the year	36	60,836,241	63,406,734
Interest on workers' (profit) participation fund		6,990,418	6,287,142
		131,233,393	156,188,857
Payments made during the year		(70,397,152)	(92,782,123)
Closing balance		60,836,241	63,406,734

24.4 Workers' welfare fund

Opening balance		128,189,518	88,911,279
Expense recognised during the year	36	31,860,976	39,278,239
		160,050,494	128,189,518
Payments made during the year		-	-
Closing balance		160,050,494	128,189,518

Note 25

Contract Liabilities

	2024	2023
	Rupees	Rupees
Advances from customers		
- Local	76,664,453	83,372,121
- Foreign	8,214,692	43,104,903
	84,879,145	126,477,024

25.1 This represents consideration received in advance from customers for future sale of goods. Revenue recognized from amounts included in contract liabilities at the beginning of the year amounted to Rs. 126.48 million (2023: Rs. 73.18 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 26

Accrued Mark-up

	2024	2023
	Rupees	Rupees
Long term financing	404,125,863	330,319,821
Short term borrowings	779,065,453	873,256,325
Provision against GIDC	-	17,284,120
	1,183,191,316	1,220,860,266

Note 27

Current Portion of Non-Current Liabilities

	2024	2023
	Rupees	Rupees
Long term financing	2,064,069,240	1,708,419,036
Lease liabilities	7,995,071	8,560,759
Provisions against GIDC	101,145,975	94,841,371
	2,173,210,286	1,811,821,166

Note 28

Short Term Borrowings

		2024	2023
		Rupees	Rupees
Banking Companies (Secured)	Note		
Short-term borrowings - secured	28.1	13,653,615,387	4,948,061,747
Short-term running finances - secured	28.2	155,167,504	9,422,563,041
Islamic mode of financing (secured)			
Islamic finance	28.3	2,613,081,741	3,226,611,266
		16,421,864,632	17,597,236,054
Temporary bank overdrafts - unsecured		-	57,273,928
		16,421,864,632	17,654,509,982

- 28.1** Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 25,550 million (2023: Rs. 19,150 million). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 20.85% to 22.53% (2023: 14.91% to 23.29%) per annum, effectively. The aggregate finance facilities are secured against charge over the Company's current assets, lien over export bills and banks' lien over letters of credit. These facilities shall expiring on various dates, latest by July 31, 2025.
- 28.2** Facilities available for opening letters of credit and guarantee from various commercial banks aggregate Rs. 6,502 million (2023: Rs. 10,269 million). Out of the available facilities, facilities aggregating to Rs. 2,975 million (2023: Rs. 5,628 million) remained unutilized as at the reporting date. These facilities are secured against lien over import documents and charge over current assets of the Company. These facilities shall expire on various dates latest by July 31, 2025.
- 28.3** This represents various Islamic financing facilities availed from different Islamic banks / Islamic window of conventional banks having cumulative sanctioned limit amounting to Rs.7,400 million (2023: 3,500 million). Profit on these facilities ranges from 20.99% to 24.02% (2023: 16.15% to 23.77%). The aggregate finance facilities are secured against charge over the Company's current assets, lien over export bills and banks lien over letters of credit. These facilities shall expiring on various dates, latest by July 31, 2025.

Note 29

Provision for Taxation

	2024	2023
	Rupees	Rupees
Opening balance	769,682,788	594,171,521
Add: provision made during the year		
- Current tax	687,163,425	584,248,837
- Super tax	256,377,632	87,930,041
- Prior year adjustments	(47,752,048)	(8,727,487)
Tax expense for the year	895,789,009	663,451,391
	1,665,471,797	1,257,622,912
Less: payments / adjustments made during the year	(588,387,734)	(487,940,124)
	1,077,084,063	769,682,788

- 29.1** Income tax assessments of the Company have been finalized by the Income Tax Department or deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (the Ordinance) upto the financial year ended June 30, 2023 (tax year 2023).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 30

Contingencies and Commitments

30.1 Contingencies

- 30.1.1** Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs. 1,452.167 million as at June 30, 2024 (2023: Rs. 1,168.974 million).
- 30.1.2** Sui Northern Gas Pipelines Ltd. (SNGPL) had raised an arrears demand aggregating to Rs. 75.221 million (2023: Rs. 75.221 million) from the Company against the charge that the Company's gas meter was not working properly. The Company challenged the said demand by filing a petition before the General Manager, SNGPL, Lahore (the GM). Now, the case has been referred to the Gas Utility Court (the Court) as per the requirement of the Gas (Theft Control and Recovery) Act, 2016. As per the direction of the Court, the Company has deposited Rs. 75.221 million under protest and grouped this amount under loans and advances (note 13). If the case is decided in the Company's favor, the Company will receive back the demand paid under protest. The case is still pending before the Court. The Company has challenged the decision and wants to provide the record of curtailment days (the period for which gas was not supplied to it). The next date of hearing is October 17, 2024.
- 30.1.3** The Company has filed a petition before the Civil Court of Multan against SNGPL, which has alleged that the Company's gas meter was malfunctioning during the period from May 2012 to September 2013. SNGPL has raised a demand of Rs. 1.101 million. The Company's petition is currently pending adjudication.
- 30.1.4** The Company had challenged the imposition of infrastructure cess by the Directorate of Excise & Taxation, Karachi (the Directorate) at the rate of 0.85% of the value of imported goods by filing a suit before the High Court of Sindh at Karachi (the Court). The Court had directed the Company to furnish a bank guarantee covering the disputed amount of cess. The Company, during the period from December 28, 2006 to May 30, 2011, had utilised bank guarantees to the tune of Rs. 32.489 million. The Directorate, vide its letter dated July 13, 2011, had requested the Company to furnish a bank guarantee of 50% of the aforementioned amount along with a demand draft for the balance 50% of the aforementioned amount in order to return of the previous bank guarantees.

The Company had submitted a bank draft amounting Rs. 16.245 million to the Directorate during September, 2011, which was grouped under loans and advances. Habib Bank Limited, on behalf of the Company in consideration of allowing the release of consignments imported from time to time for the purpose of carriage of goods by road within the province of Sindh, has undertaken and guaranteed to pay an amount of Rs. 16.245 million to the Directorate in case if the Court decides that the cess imposed under the Sindh Finance Act, 1994 is lawful and validly imposed. The bank guarantee is valid upto August 15, 2024. The management, during year ended June 30, 2013, had expensed the advance of Rs. 16.245 million.

- 30.1.5** Foreign and local bills discounted outstanding as at June 30, 2024 aggregated Rs. 5,235.873 million (2023: Rs. 7,378.998 million) and Rs. 1,195.985 million (2023: Rs. 132.315 million) respectively.

30.2 Commitments

	2024	2023
	Rupees in millions	
Commitments for irrevocable letters of credit:		
- Capital expenditure	5.773	58.634
- Others others	2,069.365	3,413.100
	2,075.138	3,471.734

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 31

Sales

	2024	2023
	Rupees	Rupees
Yarn sales		
- Local	4,256,077,868	8,786,478,536
- Export	32,018,463,013	24,858,045,244
Cloth sales		
- Local	4,939,435,805	3,484,053,775
- Export	16,256,053,059	14,597,187,716
Waste sales		
- Local	2,373,121,015	2,308,279,410
- Export	152,777,693	247,959,610
Doubling/sizing income		
- Local	101,384,241	371,992,287
- Export	-	1,402,733,654
Apparel		
- Local	92,726,416	221,157,903
- Export	6,635,697,429	2,964,391,080
Cotton sales		
- Local	4,224,335,347	487,497,370
	71,050,071,886	59,729,776,585
Sales tax	(4,466,304,881)	(5,102,294,897)
	66,583,767,005	54,627,481,688

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

31.2 This represents the revenue earned from shariah compliant activities.

31.3 There is no individual customer to whom sales are more than 10% of total revenue (2023: Nil).

Note 32

Cost of Sales

	Note	2024	2023
		Rupees	Rupees
Raw materials consumed		42,919,620,941	41,848,823,132
Stores and spares consumed		1,321,198,452	1,129,254,893
Packing materials consumed		459,102,157	405,819,971
Salaries, wages and benefits	32.1	2,989,090,034	2,292,891,621
Power and fuel		4,886,148,256	3,647,102,957
Repairs and maintenance		60,131,526	85,847,677
Depreciation	5.4	1,710,908,624	1,087,285,887
Insurance		229,197,189	154,347,910
Doubling charges		117,244,075	213,454,484
		54,692,641,254	50,864,828,532
Work-in-process			
- Opening		1,354,322,926	536,583,794
- Closing		(1,083,325,503)	(1,354,322,926)
		270,997,423	(817,739,132)
Cost of goods manufactured		54,963,638,677	50,047,089,400
Finished goods			
- Opening stock		5,018,076,664	1,889,987,489
- Closing stock		(3,126,479,544)	(5,018,076,664)
		1,891,597,120	(3,128,089,175)
		56,855,235,797	46,919,000,225

32.1 This includes staff retirement benefits amounting to Rs. 105.524 million (2023: Rs. 104.648 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 33

Distribution Cost

	2024	2023
	Rupees	Rupees
Advertisement	12,869,578	3,676,627
Export expenses	441,065,538	475,955,686
Commission	878,205,323	493,761,645
Export development surcharge	62,343,032	55,322,645
Freight and other expenses	287,303,388	233,858,002
	1,681,786,859	1,262,574,605

Note 34

Administrative Expenses

		2024	2023
	Note	Rupees	Rupees
Salaries and benefits	34.1	477,161,789	441,442,536
Travelling and conveyance	34.2	177,944,204	182,083,222
Rent, rates and taxes		4,738,576	3,862,324
Entertainment		74,598,020	67,363,257
Utilities		30,903,125	23,565,529
Communication		52,313,382	64,654,450
Printing and stationery		28,749,438	23,277,690
Insurance		17,051,908	2,220,139
Repairs and maintenance		63,032,502	57,439,631
Vehicles running and maintenance		60,669,918	56,648,189
Subscription and licensing fees		48,444,662	79,128,170
Auditors' remuneration		2,350,000	1,673,750
Legal and professional charges		6,855,088	8,231,386
Depreciation	5.4	138,835,151	128,739,352
Amortization		6,872,796	2,076,906
General		10,312,638	16,997,311
		1,200,833,197	1,159,403,842

34.1 This includes staff retirement benefits - amounting Rs. 16.413 million (2023: Rs. 15.980 million).

34.2 This includes directors' travelling expenses aggregating Rs. 26.793 million (2023: Rs. 77.059 million).

34.3 Auditors' remuneration

- Audit fee	1,850,000	1,408,750
- Half yearly review fee	350,000	265,000
- Certification fee	150,000	
	2,350,000	1,673,750

Note 35

Finance Cost

	2024	2023
	Rupees	Rupees
Mark-up on:		
- Long term financing	1,604,714,977	912,282,487
- Short term borrowings	3,766,022,698	2,855,763,047
- Lease liabilities	8,000,294	6,078,710
- Provision against GIDC	-	2,835,156
Interest on workers' (profit) participation fund	6,990,418	6,287,142
Bank charges and commission	245,652,848	169,708,980
	5,631,381,235	3,952,955,522

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 36

Other Expenses

		2024	2023
	Note	Rupees	Rupees
Donations	36.1	25,894,115	66,420,191
Loss on valuation of assets held for sale		234,059,305	-
Loss on sale of short-term investments - net		-	65,366,143
Allowance for expected credit losses (ECL)		16,328,178	-
Provision for doubtful loan and advances		26,907,267	-
Provision for doubtful other receivables		2,159,113	-
Workers' (profit) participation fund		60,836,241	63,406,734
Workers' welfare fund		31,860,976	39,278,239
		398,045,195	234,471,307

36.1 Details of donations to a single party exceeding the higher of Rs. 500,000 or 10% of the Company's total donation amount are as follows:

Punjab Social Security Health Management Company	1,865,000	2,357,646
APTMA food relief activities of the Government	500,563	10,000,000
Patyala Drug House	-	1,286,024
Care Model School	2,148,000	1,622,880
Madarasa Mehr Fatima	3,600,000	3,586,350
Al-Khidmat Foundation	800,000	1,200,000
The Patients Behbud Society	1,500,000	1,500,000
Lahore Garrison Shooting Gallery	1,000,000	-
ADM Fund	-	4,000,000
Empowering Ruler Communities	4,200,000	3,724,895
Kehkashan Welfare Society	825,000	-
Baluchistan Flood Relief	-	1,000,000
	16,438,563	30,277,795

None of the directors has any interest in the donees.

Note 37

Other Income

	2024	2023
	Rupees	Rupees
Income from financial assets		
Dividends	-	397,948
Mark-up on term finance certificates	-	40,898,397
Gain on disposal of short-term investments - net	3,109,006	-
Unrealised gain on remeasurement of short-term investments - net	6,289,565	47,402,028
Exchange gain	4,672,035	34,741,317
Amortization of deferred grant	89,402,213	65,583,740
Income from non-financial assets		
Fair value gain on investment property	11,351,000	27,022,989
Export rebate	-	1,007,374
Gain on disposal of operating fixed assets - net	2,667,406	10,300,399
	117,491,225	227,354,192

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 38

Taxation

	2024	2023
	Rupees	Rupees
Current tax	-	-
Deferred tax	225,810,594	59,233,533
	225,810,594	59,233,533
38.1 Reconciliation of Final tax and Income tax under IAS 12:		
Current tax liability as per applicable tax laws	895,789,009	663,451,391
Portion of current tax liability representing income tax as per IAS-12	-	-
Portion of final tax liability representing final taxation as per IFRIC-21 / IAS-37	(895,789,009)	(663,451,391)
Difference	-	-

38.2 Levy represents tax under final tax regime under section 154 of the Income Tax Ordinance, 2001 and requirements of IFRIC 21 / IAS 37. Final tax regime is not available for set off against normal tax liability arising in future years.

38.3 The current tax expense for the year is calculated using final tax rate of 1% (2023: 1%) and super tax at 10% (2023: 4%). Deferred tax assets and liabilities on temporary differences are measured at effective rate of 10.625% (2023: 7.625%).

Note 39

Earnings per Share

		2024	2023
Profit after taxation attributable to ordinary shareholders	Rupees	249,536,591	1,201,948,807
Weighted average number of ordinary shares outstanding during the year	Numbers	30,000,000	30,000,000
Earnings per share	Rupees	8.32	40.06

39.1 Diluted Earnings per Share

There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at the reporting date (2023: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 40

Cash Generated from Operations

		2024	2023
	Note	Rupees	Rupees
Cash Flows from Operating Activities			
Profit before levy and taxation		1,371,136,194	1,924,633,731
Adjustments for:			
- Depreciation	5.4	1,849,743,775	1,216,025,239
- Share of net profit of associate	8	(437,160,247)	(598,203,352)
- Amortisation	34	6,872,796	2,076,906
- Gain on disposal of property, plant and equipment - Net	37	(2,667,406)	(10,300,399)
- (Gain) / loss on sale of short-term investments	37	(3,109,006)	65,366,143
- Amortization of deferred grant	37	(89,402,213)	(65,583,740)
- Fair value gain on re-measurement of short-term investments	37	(6,289,565)	(47,402,028)
- Fair value gain on investment property	37	(11,351,000)	(27,022,989)
- Loss on valuation of asset held for sale	36	234,059,305	-
- Dividend income and mark-up on term finance certificates	37	-	(41,296,345)
- Interest on workers' (profit) participation fund	35	6,990,418	6,287,142
- Provision of workers' (profit) participation fund	36	60,836,241	63,406,734
- Provision of Workers' welfare fund	36	31,860,976	39,278,239
- Markup on provision against GIDC	35	-	2,835,156
- Allowance for expected credit losses (ECL)	36	16,328,178	-
- Provision for doubtful loan and advances	36	26,907,267	-
- Provision for doubtful other receivables	36	2,159,113	-
- Finance cost		5,378,737,969	3,943,833,224
		7,064,516,601	4,549,299,930
Operating profit before working capital changes		8,435,652,795	6,473,933,661
Decrease / (increase) in current assets:			
- Stores, spares and loose tools		513,876,531	(962,498,553)
- Stock in trade		905,751,575	(6,097,822,601)
- Trade debts		(595,519,787)	136,060,315
- Loans and advances		(159,842,249)	(223,156,590)
- Other receivables		(233,712,544)	(92,948,043)
- Sales tax refunds		224,405,444	(292,451,014)
Increase / (decrease) in current liabilities:			
- Trade and other payables		980,515,020	2,403,014,443
- Contract liabilities		(41,597,879)	
		1,593,876,111	(5,129,802,043)
Cash Generated from Operations		10,029,528,906	1,344,131,618

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 41

Balances and Transactions with Related Parties

Related parties comprise associated company, 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. Significant balances and transactions with related parties are as follows:

Transactions during the year

Related party	Basis of Relationship	Aggregate Shareholding	Nature of Transaction	2024 Rupees	2023 Rupees
Masood Spinning Mills Limited	Common Directorship	29.71%	Sale of goods	1,133,153,005	373,586,980
			Purchase of goods	1,691,059,589	1,580,269,681
			Doubling charges	-	3,328,425
			Doubling revenue	92,165,910	42,891,310
			Dividend income	-	44,608,460
Multan Fabrics (Private) Limited	Common directorship		Sale of vehicles	-	9,700,768
			Sale of goods	94,941,784	-
			Doubling revenue	332,684	-
Roomi Enterprises (Private) Limited	Common directorship		Sale of shares	-	34,538,778
			Doubling revenue	-	204,200
Orient Power Company (Private) Limited	Shareholding	20.97%	Dividend income	262,007,929	218,339,925

41.1 There are no outstanding balances payable / receivable from related parties as at June 30, 2024 (2023: Nil).

41.2 There were no transactions with key management personnel other than those undertaken as per terms of their employment that have been disclosed in Note 42.

41.3 Sales and purchase transactions have been carried out on commercial terms and conditions under comparable uncontrolled price method.

Note 42

Chief Executive's Officer, Directors' and Executives' Remuneration

Aggregate amounts charged in the financial statements for the year as remuneration and benefits to the Chief Executive Officer, Directors and Executives of the Company are as follows:

	2024			2023		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	8,065,200	7,114,800	107,984,836	7,332,000	6,468,000	98,178,593
Staff retirement benefits	-	-	8,995,137	-	-	7,957,800
Meeting fee	-	200,000	-	-	200,000	-
	8,065,200	7,314,800	116,979,973	7,332,000	6,668,000	106,136,393
Number of persons	1	3	54	1	3	42

42.1 In addition to above, the Chief Executive Officer, Directors, and Executives are provided with free use of the Company maintained vehicles in accordance with the Company's policy.

42.2 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 43

Segment Information

For management purposes, the activities of the Company are recognized into three operating segments, i.e. spinning, weaving and apparel. The Company operates in the said reportable operating segments based on the nature of the product, risk and return, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements relate to the Company's reportable segments of spinning, weaving and apparel. Entity-wide disclosures regarding reportable segments are as follows:

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
43.1 Segment Results for the period ended June 30, 2024				
Segment results	43,857,579	16,010,677	6,715,511	66,583,767
Operating profit	5,786,239	480,036	579,636	6,845,911
Finance cost - unallocated				(5,631,381)
Other operating expense				(398,045)
Other income				117,491
Share of net profit from associate				437,160
Profit before levy and taxation				475,347

Segment Results for the period ended June 30, 2023

Revenue	37,514,450	13,878,160	3,234,872	54,627,482
Segment results	4,643,198	424,237	219,068	5,286,503
Finance cost - unallocated				(3,952,956)
Other operating expense				(234,471)
Other income				227,354
Share of net profit from associate				598,203
Profit before levy and taxation				1,261,182

43.2 Segment financial position for the year ended June 30, 2024

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Assets	30,219,555	6,340,852	13,966,421	50,526,828
Unallocated Assets				
Tax refunds due from the Government				1,068,250
Cash and bank balances				31,958
Assets classified as held for sale				3,406,103
Total assets				55,033,138
Liabilities	25,895,607	1,931,416	7,784,034	35,611,057
Unallocated liabilities				
Unclaimed dividend				3,681
Provision for taxation				1,077,084
Lease liabilities				30,045
Deferred taxation				805,018
GIDC payable				101,146
Total liabilities				37,628,030

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Segment financial position for the year ended June 30, 2023

	Spinning	Weaving	Apparel	Total
	Rupees in Thousand			
Assets	32,695,352	6,088,511	11,075,495	49,859,359
Unallocated Assets				
Tax refunds due from the Government				1,476,973
Cash and bank balances				34,613
Total assets				51,370,945
Liabilities	25,695,569	1,937,627	8,490,912	36,124,109
Unallocated liabilities				
Unclaimed dividend				3,700
Provision for taxation				769,683
Lease liabilities				38,432
Deferred taxation				579,207
GIDC payable				101,146
Total liabilities				37,616,276

43.3 Major customers:

There is no individual customer to whom sales are more than 10% of total revenue.

43.4 Geographical Information:

The Company's revenue from external customers and geographical location is given as under:

	2024	2023
	Rupees in thousand	
Pakistan	11,520,776	10,557,164
United States	1,761,968	1,705,485
China	9,012,576	9,911,374
Turkey	2,530,429	3,343,590
Others	41,758,018	29,109,869
	66,583,767	54,627,482

43.5 All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

Note 44

Plant Capacity and Production

	2024	2023
Yarn		
Number of spindles installed	158,064	150,768
Number of spindles-shifts worked	169,467,392	152,801,554
Production capacity at 20's count 1,097 shifts (2023: 1,094 shifts) Kgs.	65,192,474	58,503,194
Actual production converted into 20's count	63,822,963	56,476,349
Cloth		
Number of looms installed	228	228
Number of looms-shifts worked	250,116	223,860
Installed capacity at 60 picks 1,097 shifts (2023: 1,094 shifts) (Meters)	58,325,450	55,391,208
Actual production converted into 60 picks (Meters)	52,435,753	49,497,953
Apparel		
Installed capacity (Pieces)	5,454,000	3,939,000
Actual production (Pieces)	3,456,697	1,957,058
Power House		
Number of generators installed	19	19
Number of shifts worked	1,097	1,097
Generation capacity in Mega Watts	27	27
Actual generation in Mega Watts	14	14

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

44.1 Reasons attributable to under utilization of optimal production capacity are mainly due to various factors such as spindles speed, twist, maintenance of machinery, power shutdown, demand etc.

44.2 It is difficult to describe precisely the production capacity in spinning / weaving mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles' speed, twist, the width and construction of fabric woven, etc. It also varies according to the pattern of production adopted in a particular year.

Note 45

Credit Facilities Available to the Company

	2024			2023		
	Available Limit	Utilized Credit	Unavailed Credit	Available Limit	Utilized Credit	Unavailed credit
	----- Rupees in million -----			----- Rupees in million -----		
Funded facilities						
Conventional mode of finance	18,150	12,711	5,439	15,650	15,354	296
Islamic financing	7,400	3,711	3,689	3,500	2,300	1,200
	25,550	16,422	9,128	19,150	17,654	1,496
Unfunded facilities						
Letters of credits	5,050	2,075	2,975	9,100	3,472	5,628
Letters of guarantees	1,452	1,452	-	1,169	1,169	-
	6,502	3,527	2,975	10,269	4,641	5,628

Note 46

Financial Risk Management

46.1 Financial risk factors

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(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 foreign currency risk on import of plant & machinery, raw materials, stores & spares and export of goods mainly denominated in U.S Dollars (US \$), Euro, Japanese Yen (JPY), Swiss Franc (CHF) and Chinese Yuan (CNY). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. As at the reporting date, the Company's exposure to currency risk was as follows:

2024						
	Rupees	USD	Euro	JPY	CHF	CNY
On balance sheet:						
Foreign debtors	(3,676,453,056)	(13,172,103)	(1,569)	-	-	-
Bills payable	2,900,940,985	10,392,156	28,178	-	4,680	-
	(775,512,071)	(2,779,947)	26,609	-	4,680	-
Off balance sheet:						
Outstanding commitments against letters of credit	2,075,138,000	7,173,238	253,659	1,749,814	-	-
	1,299,625,929	4,393,291	280,268	1,749,814	4,680	-
2023						
	Rupees	USD	Euro	JPY	CHF	CNY
On balance sheet:						
Foreign debtors	(2,061,803,244)	(6,805,408)	-	-	-	(1,724,232)
Bills payable	1,973,860,259	6,810,375	-	-	-	-
	(87,942,985)	4,967	-	-	-	(1,724,232)
Off balance sheet:						
Outstanding commitments against letters of credit	3,471,734,000	10,218,876	357,320	4,575,198	180,898	-
	3,383,791,015	10,223,843	357,320	4,575,198	180,898	(1,724,232)

Exchange rate applied during the year

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	2024	2023	2024	2023
USD to PKR	282.17	245.42	278.34	285.99
Euro to PKR	305.31	263.37	297.69	312.93
JPY to PKR	1.86	1.75	1.73	1.99
CHF to PKR	314.59	267.07	309.41	319.76
CNY to PKR	38.99	35.13	38.31	39.67

Sensitivity analysis

As at the reporting date, if the PKR had strengthened by 1% against the foreign currencies with all other variables held constant, profit before tax for the year would have been higher / (lower) by Rs. 7.094 million (2023: 12.612 million), mainly as a result of net foreign exchange gain / (loss) on translation of foreign debtors and foreign currency bank account.

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on profit before tax.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(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 instruments or its issuer or factors affecting all similar financial instruments traded in the market. Price risk arises from the Company's investments in ordinary shares of listed companies. To manage the price risk arising from the aforesaid investments, the Company actively monitors the key factors that affect stock price movement.

(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.

As at the reporting date the interest rate profile of the Company's interest bearing financial instruments are as follows:

	2024	2023
	Carrying Amount	
	Rupees in thousands	
Fixed rate instruments - Financial liabilities		
Long term financing	5,031,584	5,679,608
Floating rate instruments - Financial liabilities		
Long term financing	5,407,638	5,092,492
Lease Liabilities	18,793	38,432
Short term borrowings	16,421,865	17,654,510
Floating rate instruments - Financial assets		
Bank balances in saving's account	1,434	140
Sensitivity analysis for fixed rate instruments		
The Company has certain financial liabilities and financial assets at fixed rate. Therefore, no impact on profit or loss of the Company is expected.		
Cash flow sensitivity analysis for variable rate instruments		
If mark-up rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 218,483 million (2023: Rs. 227.846 million) lower / higher, mainly as a result of higher / lower mark-up expense on variable rate financial liabilities.		
Effect on profit or loss	218,281	227,853

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	Rupees in thousand	
Investment in associates	2,073,751	5,538,761
Trade debts	6,724,162	6,144,971
Loan and advances	-	-
Other receivables	487,649	256,096
Short term investments	28,771	24,795
Bank balances	23,249	22,838
The aging of trade debts as at the reporting date is as follows:		
Not past due	4,664,429	5,973,495
Past due less than 3 months	988,900	111,008
Past due less than 6 months	699,155	14,791
past due more than 6 months	371,678	45,677
	6,724,162	6,144,971

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 trade debts that are past due as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

The credit quality of financial assets 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:

	Credit Rating		Rating Agency	2024	2023
	Short term	Long term			
Rupees in thousand					
Bank Al-Habib Limited	A-1+	AAA	PACRA	2,151,886	5,828
Bank Islami Pakistan Limited	A1	A+	PACRA	5,633,611	2,878,132
Habib Bank Limited	A-1+	AAA	VIS	1,650,765	597,479
MCB Bank Limited	A-1+	AAA	PACRA	1,019,707	1,167,565
National Bank of Pakistan	A-1+	AAA	PACRA	1,761,403	3,721,092
Soneri Bank Limited	A-1+	AA-	PACRA	2,673,179	3,232,264
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	240,469	240,469
The Bank of Punjab	A-1+	AA+	PACRA	1,803,543	3,801,589
United Bank Limited	A-1+	AAA	PACRA	89,381	106,008
Askari Bank Limited	A-1+	AA+	PACRA	2,254,309	-
The Bank of Khyber	A-1	A+	VIS	530,515	4,824,207
Faysal Bank Limited	A-1+	AA	PACRA	1,213,036	1,770,123
Allied Bank Limited	A-1+	AAA	PACRA	334,470	62,610
JS Bank Limited	A-1+	AA	PACRA	-	195,000
Silk Bank Limited	A-	A2	VIS	89,891	229,730
Summit Bank Limited	A+	A1	VIS	6,222	6,222
Bank Alfalah Limited	A-1+	AA-	PACRA	1,100,000	-
Albaraka Bank Limited	A1	A+	VIS	678,495	-
Industrial and Commercial Bank of China Limited	F1+	A-	Fitch Ratings	18,586	-
				23,249,468	22,838,318

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 is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Following are the contractual maturities of financial liabilities:

Contractual maturities of financial liabilities as at June 30, 2024:

	Carrying Amount	Contractual cash flows	Less than 1 year	1-5 Years	More than 5 years
----- Rupees in thousand -----					
Long term financing	10,439,222	14,441,662	3,146,032	8,096,981	3,198,649
Lease Liabilities	30,045	30,045	11,711	18,334	-
Short term borrowings	16,421,865	16,421,865	16,421,865	-	-
Trade and other payables	7,068,757	7,068,757	7,068,757	-	-
Unclaimed dividend	3,680	3,680	3,680	-	-
Accrued mark-up	1,183,191	1,183,191	1,183,191.00	-	-
	35,146,760	39,149,200	27,835,236	8,115,315	3,198,649

Contractual maturities of financial liabilities as at June 30, 2023:

	Carrying Amount	Contractual cash flows	Less than 1 year	1-5 Years	More than 5 years
----- Rupees in thousand -----					
Long term financing	10,772,100	11,985,491	1,841,661	8,193,909	1,949,921
Lease Liabilities	38,432	54,785	15,617	39,168.00	-
Short term borrowings	17,654,510	19,745,403	19,745,403	-	-
Trade and other payables	6,088,242	6,088,242	6,088,242	-	-
Unclaimed dividend	3,700	3,700	3,700	-	-
Accrued mark-up	1,220,860	1,220,860	1,220,860	-	-
	35,777,844	39,098,481	28,915,483	8,233,077	1,949,921

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(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 the reporting date, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The fair values of all other 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)

	June 30, 2024			June 30, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Rupees in thousand					
Property, Plant and Equipment	-	21,034,456	-	-	16,910,492	-
Short term Investments	28,771	-	-	24,795	-	-
	28,771	21,034,456	-	24,795	16,910,492	-

46.2 Financial instruments by categories

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
	Rupees in thousand			
Financial assets as at June 30, 2024				
Short term investments	28,771	-	-	28,771
Investment in associates	-	-	2,073,751	2,073,751
Trade debts	-	6,724,162	-	6,724,162
Other receivables	-	487,649	-	487,649
Bank balances	-	31,958	-	31,958
	28,771	7,243,769	2,073,751	9,346,291

Financial assets as at June 30, 2023

Short term investments	24,795	-	-	24,795
Investment in associates	-	-	5,538,761	5,538,761
Trade debts	-	6,144,971	-	6,144,971
Other receivables	-	256,096	-	256,096
Bank balances	-	34,614	-	34,614
	24,795	6,435,681	5,538,761	11,999,237

Financial liabilities at amortized cost

	2024	2023
	Rupees in thousand	
Long term financing	10,439,222	10,772,100
Lease liabilities	30,045	38,432
Deferred liabilities (GIDC)	906,164	101,146
Trade and other payables	7,068,757	6,088,242
Unclaimed dividends	3,680	3,699
Accrued mark-up	1,183,191	1,220,860
Short term borrowings	16,421,865	17,654,510
	36,052,924	35,878,989

46.3 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 47

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 viz. 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 employed. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital employed is calculated as equity as shown in the statement of financial position plus net debt.

		2024	2023
		Rupees in thousand	
As at the reporting date, the gearing ratio of the Company was as under:	Note		
Total borrowings	7 & 11	26,970,228	28,530,012
Cash and bank balances		(31,958)	(34,614)
Net Debt		26,938,270	28,495,398
Equity		17,405,108	13,754,668
Total capital employed		44,343,378	42,250,066
Gearing Ratio		60.75%	67.44%

Note 48

Shariah Screening Disclosures

		2024	2023
		Rupees in thousand	
Loans / advances obtained as per Islamic mode	Note 28	2,613,082	3,226,611
Shariah compliant bank deposits / bank balances	17	1,434	140
Profit earned from shariah compliant bank deposits / bank balances		1,690	-
Revenue earned from a shariah compliant business segment		66,583,767	54,627,482
Gain / loss or dividend earned from shariah compliant investments		-	-
Shariah compliant exchange gain earned		-	-
Mark up paid on Islamic mode of financing		927,827	364,423
Profits earned on any conventional loan or advance		-	-
Interest paid on any conventional loan or advance		4,450,911	3,409,701

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Relationship with shariah compliant financial institute:

Bank	Nature of Transaction	2024	2023
		Rupees in thousand	
Bank Islami Pakistan Limited	Bank Balance - Closing	2,151,886	5,828
	Loan Obtained -	374,885	500,000
	Markup paid on islamic mode of financing	102,736	74,115
Meezan Bank Limited	Loan Obtained -	148,857	1,352,909
	Markup paid on islamic mode of financing	398,665	227,745
Bank Al Habib Islamic	Bank Balance - Closing	2,151,886	5,828
	Loan Obtained -	501,066	1,500,000
	Profit earned on bank		
	Markup paid on islamic mode of financing	306,936	57,701
Al Baraka Bank Limited	Bank Balance - Closing	678,495	-
	Loan Obtained -	400,000	-
	Profit earned on bank		
	Markup paid on islamic mode of financing	22,433	-
National Bank of Pakistan	Bank Balance - Closing	1,761,403	3,721,092
	Loan Obtained -	249,963	-
	Markup paid on islamic mode of financing	4,988	-
The Bank of Khyber	Bank Balance - Closing	530,515	4,824,207
	Loan Obtained -	400,000	400,000
	Markup paid on islamic mode of financing	92,069	4,862

Note 49

Number of Employees

	2024	2023
	Number	Number
Total number of employees as at June 30,		
Permanent	8,334	6,017
Contractual	1,428	764
Average number of employees during the year		
Permanent	7,176	5,847
Contractual	1,096	714

Note 50

Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on October 07, 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Note 51

General

Corresponding figures are rearranged / reclassified for better presentation and comparison. Following re-arrangements have been made in these financial statements that does not have any impact on the statement of financial position and profitability of the Company.

Nature	From	To	<u>2023</u> Rupees
Statement Of financial position			
Capital work in progress	Property, plant and equipment (Note 5.10)	Intangible assets (Note 7.2)	5,698,113
Share in associate's revaluation surplus	Revaluation surplus on property, plant and equipment (Note 20)	Reserves (Statement of Changes in Equity)	 118,203,899



Kh. Muhammad Ilyas
Chairman



Kh. Muhammad Younus
Chief Executive Officer



Yasir Ghaffar
Chief Financial Officer



03

Legal Forms

FORM OF PROXY

I/We _____
 of _____
 being a member(s) of Mahmood Textile Mills Limited hold _____
 Ordinary Shares hereby appoint Mr. / Mrs. / Miss _____
 of _____ or falling him / her _____
 of _____ as my / our proxy in my / our absence to attend and vote for me / us and on
 my / our behalf at the 54th Annual General Meeting of the Company to be held on Saturday, October 07 2024
 at Company's Registered Office, Mehr Manzil Lohari Gate, Multan. and / or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2024.

Signature of Member _____

in the presence of

Signatures _____

Signatures _____

Name _____

Name _____

Address _____

Address _____

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

Signature on
Revenue Stamp

The Signature should
agree with the
specimen registered
with the Company

Notes:

- Proxies, in order to be effective, must be received at the Company's Registered Office Mehr Manzil, Lohari Gate, Multan not later than 48 hours before the time for the meeting and must be duly stamped, signed and witnessed.
- Any individual beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his/her CNIC or Passport, to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her NIC or Passport, Representatives of corporate members should bring the usual documents required for such purpose.

In addition to the above the following requirements have to be met.

- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the meeting.
- In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier alongwith proxy form to the Company).

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

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

My secured email address is _____, please send login details, password and other requirements through email.

Signed under my/our hand this _____ day of _____ 20_____.

Signature of Member

Signed in the presence of:

Signature of Witness

Signature of Witness

Name: _____ Name: _____

CNIC/Passport No: _____ CNIC/Passport No: _____

Address: _____ Address: _____

E-voting برطابق E-voting ریگولیشنز

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

میرا محفوظ کردہ E-mail ایڈریس ہے۔

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

میرے/ہمارے دستخط مورخہ سال

ممبر کے دستخط

گواہ کے دستخط

گواہ کے دستخط

..... نام

..... نام

..... CNIC / پاسپورٹ نمبر

..... CNIC / پاسپورٹ نمبر

..... ایڈریس

..... ایڈریس

DIVIDEND MANDATE FORM

Dear members

It is to inform you that U/s 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, direct the company to pay dividend through his/ her/ its bank Account.

In pursuance of directions given by the SECP Vide circular No. SMD/CIW/Misc/19/2009 dated June 05, 2012 we request Mr./Mrs./Ms. _____

S/o/D/o W/o _____ (where applicable) being the registered shareholder of Mahmood Textile Mills Ltd holding _____ shares having F.No./CDC A/c No. _____ hereby given the opportunity to authorize the company to directly credit in your bank account cash dividend (if any declared by the company in future.

Note:- (Please note that Dividend Mandate is optional & not compulsory, in case you don't wish your dividend to be directly credited into your bank A/c then the same shall be paid to you through Dividend Warrant.)

Do you wish the cash dividend declared by the company, if any, is directly credited in your bank account, instead of issue of Dividend warrants. Please tick any one of the following.

YES

NO

If yes then please provide the following information.

Transfer Detail

1) IBAN number	
2) Title of Bank Account;	
3) Bank Account number;	
4) Bank Code and Branch; Code	
5) Bank Name, Branch Name and Address;	
6) Cell/Landline Number;	
7) CNIC number; and	
8) Email Address.	

INCOME TAX RETURN FILING STATUS

Confirmation for filing status of Income Tax return for application of revised rates pursuant to the provisions of Finance Act, 2018

The Company Secretary
Mahmood Textile Mills Limited
Mehr Manzil, Lohari Gate,
Multan.

Dear Sir

I, Mr./Mrs./Ms _____ S/O, D/O, W/O _____
hereby confirm that I am registered as National Tax Payer and my relevant detail is given below:-

Folio No./CDC A/c No.	Name	NTN No.	CNIC # in case of Individual & CUIN in case of Company	Income Tax return for the year _____ filed

It is stated that the above mentioned information is correct.

Signatures of Shareholder

Note:

- Shareholders are also requested to communicate aforesaid information to relevant members of Stock Exchange & CDC (in case of CDC Account holders).
- Please attach attested copy of CNIC and receipt of Income Tax return filed

INVESTORS' EDUCATION

In compliance with the Securities and Exchange Commission of Pakistan's SRO 924(1)/2015 dated September 9, 2015, Investors' attention is invited to the following information message:

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-  Risk profiler*
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-  Online Quizzes



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MAHMOOD GROUP

Mahmood Textile Mills Limited

📍 Head Office: Mehr Manzil, O/s Lohari Gate,

📄 P.O. Box 28, Multan - Pakistan.

☎ (92 61) 111 181 181

📠 (92 61) 4511262, 4549711

✉ mtm@mahmoodgroup.com

🌐 www.mahmoodgroup.com