

Annual Report

The Thirty-Fifth

2024



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AHMAD HASSAN TEXTILE MILLS LIMITED



35th Annual Report

of

Ahmad Hassan Textile Mills Limited

for the year ended June 30, 2024



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VISION

To be a world class and leading organization continuously providing high quality textile products.

MISSION

To be a model diversified textile organization exceeding expectations of all takeholders. We will achieve this by utilizing best blend of state-of-the-art technologies, excellent business processes, high performing people, and synergetic organizational culture.

CORE VALUES

- Our success will not be a matter of chance but of commitment to the following enduring beliefs and values that are engrained in the way we think and take actions to pursue a climate of excellence:
- **Integrity & Ethics:** Integrity, honesty and high ethical, legal & safe standards are corner stones of our business practices.
- **Quality:** We pursue quality as a way of life. It is an attitude that affects everything we do for relentless pursuit of excellence. Our aim is to achieve and sustain good reputation in both domestic and international market by manufacturing quality yarn / fabric with organized training and implementation of quality system as per our valued customers needs to ensure the achievement of our aim.
- **Social Responsibility:** We believe in respect for the community and preserving the environment for our future generations and keeping National interests paramount in all our action.
- **Learning & Innovations:** We embrace lifelong learning and innovation as an essential catalyst for our future success. We believe in continuous improvement and to seize opportunities inherent in change to shape the future.
- **Team Work:** We believe that competent and satisfied people are the company's heart, muscle and soul. We savors flashes of genius in organization's life by reinforcing attitude of teamwork and knowledge sharing based on mutual respect, trust and openness.
- **Empowerment :** We flourish under and ecosystem of shared understanding founded on the concept of empowerment, accountability and open communication in all directions.

STRATEGIC PLAN

To achieve the above objectives, the Company has made strategic plans to enhance and upgrade its installed capacity to maintain and expand its market. Further plans are to excel in social responsibilities by implementing related projects and community developments.



COMPANY PROFILE

BOARD OF DIRECTORS

Chairperson
Directors

Mrs. Salma Javed
Mian Muhammad Javed
Mr. Muhammad Haris
Mrs. Bushra Ali
Mr. Haseeb Haris Mughal
Mr. Ali Kamal
Mr Nazir Ahmad Khan

Non-Executive Director
Executive Director
Executive Director/Chief Executive
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director

AUDIT COMMITTEE

Chairman
Members

Mr. Nazir Ahmad Khan
Mr. Haseeb Haris Mughal
Mrs. Salma Javed

Independent Director
Non-Executive Director
Non-Executive Director

HR & R COMMITTEE

Chairman
Members

Mr. Nazir Ahmad Khan
Mr. Muhammad Haris
Mrs. Salma Javed

Independent Director
Executive Director
Non-Executive Director

CHIEF FINANCIAL OFFICER

Jamal Ahmed

HEAD OF INTERNAL AUDIT

Rao Saqib Ali

COMPANY SECRETARY

Muhammad Nafees Ahmad Rahi

AUDITORS

M/s Yousuf Adil (Chartered Accountants)

BANKERS

Bank Al-Habib Limited
Allied Bank Limited
Bank Al-Falah Limited
Soneri Bank Limited
National Bank of Pakistan
Dubai Islamic Bank Pakistan Limited

REGISTERED OFFICE

46 - Hassan Parwana Colony,
Multan.

MILLS

M.M. Road, Chowk Sarwar Shaheed,
Distt. Muzaffargarh.

SHARES REGISTRAR

M/s Vision Consulting Limited
5-C, LDA Flats, Lawarnce Road,
Lahore.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the Company will be held at its Registered Office, 46-Hassan Parwana Colony, Multan, on Monday 28th October, 2024, at 11:00 A.M., to transact the following business.

Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on 28th October, 2023.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2024 together with Chairman's Review, Directors' and Auditors' Reports, thereon.
Financial Statements of the Company has been uploaded on the website of the Company, which can be downloaded from the following link / QR Code:

<https://ahtml.com.pk/financial-reports/>



3. To appoint Auditors of the Company for the financial year 2025 and to fix their remuneration. The present Auditors Messrs. Yousuf Adil, Chartered Accountants, retire and being eligible offered themselves for re-appointment.

Special Business

4. To consider and approve the remuneration of the Chief Executive Officer and one (1) working Director of the Company.

Other Business

5. To consider any other matter with the permission of the Chair.

BY ORDER OF THE BOARD OF DIRECTORS

Multan:
Dated : 05.10.2024

(Muhammad Nafees Ahmad Rahi)
Company Secretary



Notes:

- I. The share transfer books of the Company will remain closed from 21st October, 2024 to 28th October, 2024 (both days inclusive).
- II. A Member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. Proxy forms duly completed should reach the Registered Office of the Company at least 48 hours before the time of the meeting.
- III. Any individual Beneficial Owners of CDC, entitled to attend and vote at this meeting, must bring his/her CNIC or Passport to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or passport. Representatives of Corporate members should bring the usual documents required for such purpose.
- IV. Members are requested to notify the change of their address to our Share Registrar, M/s Vision Consulting Limited, immediately.
- V. The Audited Financial Statements for the year ended June 30, 2024 available on website of the Company which can be assessed/downloaded above link and QR enabled Code.

However, if a shareholder, in additional, request for hard copy of Annual Report, the same shall be provided free of cost.

- VI. In term of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with provisions contained under Section 134 (1)(b) of the Act, members of the company may also attend and participate in the AGM through video conference facility in a city other than Multan, if members residing in the vicinity, collectively holding 10% or more shareholding, may demand in writing, to participate in the AGM through video conference (as per the format appended below) at least seven (7) days prior to the date of AGM.

After receiving the consent of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM.

Consent for Video Conference Facility

I/we , _____ of _____, being a member of Ahmad Hassan Textile Mills Limited, holders of _____ ordinary share(s) as per CDC participant ID & sub-account No. _____ hereby opt for video conference facility at _____.

Signature of the Member(s)
(affix company stamp in case of corporate entity)

- VII. Pursuant to Section 242 of the Companies Act, 2017, all listed companies have been mandated to pay dividend only by way of electronic mode, directly into the bank accounts to entitled members designated by them. Accordingly, all shareholders of the Company who have not yet provided their bank account details (including IBAN) to their participant/CDC Investor Account Service which maintains their CDC Account, are requested to provide the same at the earliest but not later than the first day of book closure, otherwise, the Company would be constrained to withhold their amount of dividend, if any, in accordance with the requirements of the Act and the Regulation.
- VIII. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry in a manner as may be specified and from the date notified by Commission. The shareholders have physical shareholding are encouraged to open CDC-Account to place their physical shares into book-entry-form for safe custody. Trading of shares (sale and purchase) also very simple, secure and short time.
- IX. Shareholders can also exercise their right of E-voting subject to the requirement of Section 143-145 of the Companies Act 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations 2018.
- X. Pursuant to the provisions of Income Tax Ordinance, 2001, deduction of income Tax from dividend payment shall be made on basis of filer and non-filers.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

The remuneration of the Chief Executive Officer and one (1) full time working Director need to be revised keeping in view high cost of living. The necessary resolution in this context shall be passed in the meeting accordingly.



Chairman's Review

In the Name of ALLAH, the Most Beneficent, the Merciful

Dear Shareholders

I am pleased to present the annual report of the Company for the year ended 30 June, 2024 to our valued shareholders. Significant aspects of performance of your Company have been shared with you during the course of the financial year 2023-24.

I would like to appreciate overall performance of the Board during this term despite multiple challenges. They have provided strategic directions to the management and always remained available for guidance.

The Board has formed various Committees, like Audit Committee and Human Resource Committee. Through Audit Committee the Board, reviewed the internal controls and financial statements and ensured that the accounts fairly represent the financial position of the Company. While the HR Committee overviews the HR policy framework and recommends selection and compensation of senior management team.

To evaluate the performance of the Board and its Committees, the Board has put in place mechanism for annual evaluation of the performance of the Board of Directors. Accordingly, the Board has completed its annual self-evaluation for the year 2024 and I am pleased to report that the overall performance benchmarked on the basis of set criteria remained satisfactory.

Further, I am pleased to inform that the composition of the Board depicts reasonable balance of executive and non-executive Directors including independent Directors, which possess the requisite skills, core competencies and industry knowledge to lead the Company, whereby all Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements of the Company.

The Board reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, budgets and other reports. The Board has also framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company. Adequate controls and robust systems are in place to ensure effective control environment so compliance of best policies of Corporate Governance are achieved.

Salma Javed
October 5, 2024
Multan



Directors' Report

In the Name of Allah, the Most Beneficent, the Merciful

Dear Shareholders

Directors of Ahmad Hassan Textile Mills Limited ("the Company") are pleased to present 35th annual report of the Company along with the financial statements and auditors' report thereon.

PAKISTAN ECONOMY

During FY-2024, Pakistan's economy registered a slight recovery reflected by a GDP growth of 2.38% against previous year's contraction of 0.21%. Agriculture emerged as a main driver of economic growth, registering a growth of 6.25% on the back of double-digit growth in output of major crops. Industrial and services sectors also showed resilience with each posting a growth of 1.21%.

SUMMARIZED FINANCIAL RESULTS:

Particulars	2024 (Rupees)	2023 (Rupees)
Sales-Net	5,078,314,652	4,327,094,699
Gross Profit	306,629,514	369,580,157
Distribution cost	33,025,307	28,472,257
Administrative expenses	75,495,970	78,290,215
Finance cost	132,396,691	86,693,226
Profit before Taxation	101,331,320	160,193,726
Profit after Taxation	40,660,829	92,918,094
G. P. Ratio	6.04%	8.54%
Profit before tax ratio	2.00%	3.70%
Profit after tax ratio	0.80 %	2.15%
EPS	4.80	10.97

During the year under review, sales revenue of the Company increased by 17% but on the other hand gross profit margin ratio decreased from 8.54% to 6.04% which is mainly attributable to increase of yarn & electricity cost. Due to decrease of gross profit coupled with increase of finance cost by 53%, net profit margin before & after tax registered to 2.00% and 0.80% respectively in current year as compared to 3.70% & 2.15% respectively in preceding year. Distribution cost increased due to increase of sales whereas administrative expense almost stood at the same level as recorded in preceding year. Finance cost mainly increased due to increase of Kibor Rate as well as more utilization of credit facilities owing to increase of credit period of fabric in the market. Earnings per share stood at Rs. 4.80 in current financial year as compared to Rs. 10.97 recorded in the preceding year..

BOARD COMPOSITION:

The total number of directors are seven (7) as per the following-

- a. Male: Five
b. Female: Two

i. Independent Directors	Mr. Ali Kamal
	Mr. Nazir Ahmad Khan
ii. Non - executive Directors	Mrs. Salma Javed
	Mrs. Bushra Ali
	Mr. Haseeb Haris Mughal
iii. Executive Director	Mr. Muhammad Haris
	Mr. Mian Muhammad Javed

**The Composition of Committees of the board is as follows:**

1. **AUDIT COMMITTEE**
 - Mr. Nazir Ahmad Khan (Chairman)
 - Mian Muhammad Javed (Member)
 - Mrs. Salma Javed (Member)
2. **HR & R COMMITTEE:**
 - Mr. Nazir Ahmad Khan (Chairman)
 - Mr. Muhammad Haris (Member)
 - Mrs. Salma Javed (Member)

REMUNERATION OF THE DIRECTORS

The non-executive directors and independent director are paid remuneration for only attending the Board/Committee meetings, as per approved policy. The relevant details are disclosed in notes 48 to the financial statements for the year ended June 30, 2024.

NAME OF BOARD OF DIRECTORS/COMMITTEE, MEETINGS AND ATTENDANCE

Name of Board of Directors	Board meeting	Audit Committee meeting	HR & R Committee meeting
		5	4
Mian Muhammad Javed	5	-	-
Mr. Muhammad Haris	5	-	2
Mrs. Salma Javed	5	4	2
Mr s. Bushra Ali	5	-	-
Mr. Haseeb Haris Mughal	5	4	-
Mr. Ali Kamal	5	-	-
Mr. Nazir Ahmad Khan	5	4	2

DIRECTORS TRAINING PROGRAM

Three directors of the Company are exempted from the Directors Training Program on the basis of their level of education and length of experience as provided in the CCG.

INTERNAL CONTROL SYSTEM

An internal control system is designed to provide reasonable assurance that the Company ensures compliance of policies, laws, efficient use of its resources and to provide information to right persons on timely manner. Your management is much focused to comply with all applicable standards and regulations and such compliance are regularly monitored. Further, any non-compliance is timely reported and corrections are made when requires.

CORPORATE SOCIAL RESPONSIBILITIES AND ENVIRONMENTAL CARE

AHTML believes that safe, healthy and comfortable environmental conditions are backbone for quality production. We are also committed to Corporate Social Responsibilities and integrating sound social practices in our day to day business activities. We measure our success not only in terms of financial criteria but also in building customer satisfaction and supporting the communities we have.

Therefore, As a traditional norm, we are continuously providing quality food to our staff at subsidize rates, free medical camps are organized for employees and native populations, Scholarships are provided to talented children of the staff and special events are organized like sports tournaments, aftari and tree plantation campaign etc. for the betterment of the staff and nation as well.



FUTURE OUTLOOK

The textile sector faces medium-term risks due to weak macroeconomic environment both globally and locally, high-interest rates, inflationary pressures, rising raw material costs, ongoing energy crisis in the country and a global slump in the demand.

Despite these challenging circumstances, Pakistan's textile and garments industry has delivered a positive year on account of export performance. Although the dollar value of exports remained stagnant over the previous year, yet the quantum of exports grew across the board.

In spite of encouraging textile sector to increase further exports, Finance Act, 2024 imposed additional financial burden on the textile industry. Withdrawal of zero rating on local inputs for export manufacturing, imposition of 2% withholding tax on export proceeds, levy of 29% income tax on export income will create havoc for the Pakistani manufacturers who are already operating at a severe competitive disadvantage due to the highest tax rates, energy prices and other operational costs in the region.

It is envisaged that Government has made principal agreement with IMF for discontinuation of supply of gas to the Captive Power Producers which in case of finalization is likely to enhance dependency of the textile mills on the government coupled with further increase in the cost of electricity.

Keeping in view of current economic scenario, management of your company has been acting proactively to reduce controllable costs. Your Company is focusing on cheaper source of electricity generation available in market with minimal financial cost. In pursuance thereto, your Company has already commissioned solar project having rated capacity of 1,881.7 Kw in the last two years and is currently planning to further increase capacity of solar system..

CORPORATE GOVERNANCE

The directors of your company state further that:

- 1- The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- 2- Proper books of account of the listed company have been maintained.
- 3- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- 5- The system of internal control is sound in design and has been effectively implemented and monitored.
- 6- There are no significant doubts upon the listed company's ability to continue as a going concern.
- 7- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- 8- Outstanding duties and taxes, if any, have been disclosed in the financial statements.
- 9- We have an Audit Committee, the members of which are from the Board of Directors and the Chairman is an independent director.
- 10- The Board has adopted a Mission Statement and a Statement of Overall Corporate Strategy.
- 11- The Company's Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 is attached..

AUDITORS

MM/s Yousuf Adil, Chartered Accountants, being eligible and offering themselves for re-appointment, are recommended for re-appointment as Auditors of the Company for a term of one year as suggested by the Audit Committee.



AUDITORS' QUALIFICATION

Auditors of the Company have expressed qualified opinion on the issue of payment of gratuity to employees on annual basis in contravention with the requirement of clause 12(6) of the Schedule to the Industrial and Commercial Employment (Standing Orders) Ordinance, 1968. Provisions of afore-said law requires payment of gratuity on resignation or termination of employee. The Company is engaged in the practice of making payment of gratuity to the employees who tender resignation for encashment of gratuity as per their needs which is in consistent with the provision of afore-said law.

PATTERN OF SHAREHOLDING

Pattern of holding of shares by the shareholders of the Company as on June 30, 2024 is enclosed.

DIVIDEND

In view of the financial performance of the Company. The Board of Directors recommended to pay nil dividend for the financial year ended June 30, 2024.

ACKNOWLEDGMENT

Your Directors place on record their deep appreciation for the efforts made by the workers and staff of the Company for their deep devotion to their work. Your Directors would also like to express their thanks to the Shareholders and Financial Institutions, especially Bank Al Habib Ltd, National Bank of Pakistan, Soneri Bank Ltd, Allied Bank Ltd, Bank Al Falah Ltd and Dubai Islamic Bank Pakistan Ltd for their support and assistance.

On behalf of the Board of Directors

CHIEF EXECUTIVE

DIRECTOR

Multan

Dated: October 05, 2024

ڈائریکٹرز کی جائزہ رپورٹ

شروع اللہ کے نام سے جو نہایت رحم کرنے والا بے حد مہربان ہے

پیارے شیئر ہولڈرز

احمد حسن ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز مالیاتی گوشواروں اور آڈیٹرز کی رپورٹ کے ساتھ کمپنی کی 35 ویں سالانہ رپورٹ پیش کرنے پر خوش ہیں۔

پاکستان کی معیشت

مالی سال 2024 کے دوران، پاکستان کی معیشت نے معمولی بحالی درج کی جس کی عکاسی گزشتہ سال کے 0.21 فیصد کے سکڑاؤ کے مقابلے میں 2.38 فیصد کی GDP نمو سے ہوتی ہے۔ زراعت اقتصادی ترقی کے ایک اہم محرک کے طور پر ابھری، جس نے بڑی فصلوں کی پیداوار میں دوہرے ہندسوں کی ترقی کی پشت پر 6.25 فیصد کی نمو درج کی۔ صنعتی اور خدمات کے شعبوں نے بھی چمک کا مظاہرہ کیا جس میں ہر ایک نے 1.21 فیصد اضافہ کیا۔

خلاصہ مالیاتی نتائج

تفصیل	2024 (روپیہ)	2023 (روپیہ)
نیٹ سیلز	5,078,314,652	4,327,094,699
گراس پرافٹ	306,629,514	369,580,157
تقسیم کی لاگت	33,025,307	28,472,257
انتظامی اخراجات	75,495,970	78,290,215
مالیاتی لاگت	132,396,691	86,693,226
ٹیکسیشن سے قبل پرافٹ	101,331,320	160,193,726
ٹیکسیشن کے بعد پرافٹ	40,660,829	92,918,094
پرافٹ قبل از ٹیکس تناسب	6.04%	8.54%
جی پی تناسب	2.00%	3.70%
پرافٹ بعد از ٹیکس تناسب	0.80%	2.15%
منافع فی شیئر	4.80	10.97

زیر نظر سال کے دوران، کمپنی کی سیلز ریویو میں 17% کا اضافہ ہوا لیکن دوسری طرف مجموعی منافع مارجن کا تناسب 8.54% سے کم ہو کر 6.04% ہو گیا جو بنیادی طور پر یارن اور بجلی کی لاگت میں اضافے سے منسوب ہے۔ مجموعی منافع میں کمی کے ساتھ مالیاتی لاگت میں 53% اضافہ ہونے کی وجہ سے، ٹیکس سے پہلے اور بعد میں خالص منافع مارجن پچھلے سال کے بالترتیب 3.70% اور 2.15% کے مقابلے میں موجودہ سال میں بالترتیب 2.00% اور 0.80% پر رجسٹر ہوا۔ فروخت میں اضافے کی وجہ سے تقسیم کی لاگت میں اضافہ ہوا جبکہ انتظامی اخراجات تقریباً اسی سطح پر رہے جو پچھلے سال میں ریکارڈ کیے گئے تھے۔

مالیاتی لاگت بنیادی طور پر کوریٹ میں اضافے کے ساتھ ساتھ مارکیٹ میں فیہرک کی کریڈٹ مدت میں اضافے کی وجہ سے کریڈٹ سہولیات کے زیادہ استعمال کی وجہ سے بڑھی۔ نی حصص آمدنی روپے روپے رہی۔ موجودہ مالی سال میں 4.80 روپے کے مقابلے میں پچھلے سال میں 10.97 ریکارڈ کیا گیا۔

بورڈ کی تشکیل

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے۔

اے	مرد	پانچ
بی	عورت	دو

i آزاد ڈائریکٹر
جناب علی کمال
جناب نذیر احمد خان

ii	نان ایگزیکٹو ڈائریکٹر	مسز سلمیٰ جاوید
		مسز بشری علی
		جناب حبیب حارث مغل
iii	ایگزیکٹو ڈائریکٹر	جناب محمد حارث
		جناب میاں محمد جاوید

بورڈ کی کمیٹیوں کی تشکیل حسب ذیل ہے

- 1 آڈٹ کمیٹی**
 جناب نذیر احمد خان (چیئرمین)
 جناب میاں محمد جاوید (ممبر)
 مسز سلمیٰ جاوید (ممبر)
- 2 ایچ آر اینڈ آر کمیٹی**
 جناب نذیر احمد خان (چیئرمین)
 جناب محمد حارث (ممبر)
 مسز سلمیٰ جاوید (ممبر)

ڈائریکٹرز کا معاوضہ

منظور شدہ پالیسی کے مطابق نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹر کو صرف بورڈ کمیٹی کے اجلاسوں میں شرکت کے لیے معاوضہ دیا جاتا ہے۔ متعلقہ تفصیلات 30 جون 2024 کو ختم ہونے والے سال کے مالیاتی گوشواروں میں نوٹ 48 میں ظاہر کی گئی ہیں۔

بورڈ آف ڈائریکٹرز/کمیٹی کا نام، مینٹنگز اور حاضری

بورڈ آف ڈائریکٹرز کے نام	بورڈ مینٹنگ	آڈٹ کمیٹی مینٹنگ	ہیومن ریسورس اینڈ ریپریشن کمیٹی
مینٹنگز کی کل تعداد	5	4	2
میاں محمد جاوید	5	--	--
محمد حارث	5	--	2
سلمیٰ جاوید	5	4	2
مسز بشری علی	5	--	--
حبیب حارث مغل	5	4	--
علی کمال	5	--	--
نذیر احمد خان	5	4	2

ڈائریکٹرز کا تربیتی پروگرام

کمپنی کے تین ڈائریکٹرز کو ان کی تعلیم کی سطح اور CCG میں فراہم کردہ تجربے کی طوالت کی بنیاد پر ڈائریکٹرز ٹریننگ پروگرام سے آشنائی حاصل ہے۔

اندرونی کنٹرول سسٹم

ایک اندرونی کنٹرول سسٹم کو معقول یقین دہانی فراہم کرنے کے لیے ڈیزائن کیا گیا ہے کہ کمپنی پالیسیوں، قوانین، اپنے وسائل کے موثر استعمال اور صحیح افراد کو بروقت معلومات کی فراہمی کو یقینی بناتی ہے۔ آپ کا انتظام تمام قابل اطلاق معیارات اور ضوابط کی تعمیل کرنے پر زیادہ توجہ مرکوز کرتا ہے اور اس طرح کی تعمیل کی باقاعدگی سے نگرانی کی جاتی ہے۔ مزید، کسی بھی عدم تعمیل کی بروقت اطلاع دی جاتی ہے اور ضرورت پڑنے پر اصلاح کی جاتی ہے۔

کارپوریٹ سماجی ذمہ داریاں اور ماحولیاتی نگہداشت

کا خیال ہے کہ محفوظ، صحت مند اور آرام دہ ماحولیاتی حالات معیاری پیداوار کے لیے ریڑھ کی ہڈی کی حیثیت رکھتے ہیں۔ ہم کارپوریٹ سماجی ذمہ داریوں اور اپنی روزمرہ کی کاروباری سرگرمیوں میں ایسے سماجی طریقوں کو فروغ دینے کے لیے بھی پرعزم ہیں۔ ہم اپنی کامیابی کی پیمائش نہ صرف مالیاتی معیارات کے لحاظ سے کرتے ہیں بلکہ صارفین کی اطمینان پیدا کرنے اور ہمارے پاس موجود کمیونٹیز کو سپورٹ کرنے میں بھی،

لہذا، ایک روایتی اصول کے طور پر، ہم اپنے عملے کو سبسڈی کے نرخوں پر مسلسل معیاری خوراک فراہم کر رہے ہیں، ملازمین اور مقامی آبادی کے لیے مفت میڈیکل کیمپس کا انعقاد کیا جاتا ہے، عملے کے ہونہار بچوں کو وظائف فراہم کیے جاتے ہیں اور کھیلوں کے ٹورنامنٹس، اظہاری جیسی خصوصی تقریبات کا انعقاد کیا جاتا ہے۔ عملے اور قوم کی بہتری کے لیے درخت لگانے کی مہم وغیرہ۔

مستقبل کا آؤٹ لک

عالمی اور مقامی سطح پر کمزور معاشی ماحول، بلند شرح سود، مہنگائی کے دباؤ، خام مال کی بڑھتی ہوئی قیمتوں، ملک میں جاری توانائی کے بحران اور عالمی سطح پر طلب میں کمی کی وجہ سے ٹیکسٹائل کے شعبے کو درمیانی مدت کے خطرات کا سامنا ہے۔

ان مشکل حالات کے باوجود پاکستان کی ٹیکسٹائل اور ملبوسات کی صنعت نے برآمدی کارکردگی کی وجہ سے ایک مثبت سال پیش کیا ہے۔ اگرچہ برآمدات کی ڈالر کی قیمت پچھلے سال کے مقابلے میں جمود کا شکار رہی، پھر بھی برآمدات کی مقدار پوری بورڈ میں بڑھی۔

ٹیکسٹائل سیکٹر کو مزید برآمدات بڑھانے کی ترغیب دینے کے باوجود، فنانس ایکٹ، 2024 نے ٹیکسٹائل انڈسٹری پر اضافی مالی بوجھ ڈالا۔ ایکسپورٹ میں نیو فیکچرنگ کے لیے مقامی ان پٹس پر زیرو ریٹنگ کی واپسی، برآمدی آمدنی پر 2 فیصد دہ ہولڈنگ ٹیکس کا نفاذ، برآمدی آمدنی پر 29 فیصد انکم ٹیکس عائد کرنے سے پاکستانی صنعت کاروں کے لیے تباہی ہوگی جو پہلے ہی انتہائی مسابقتی نقصان کی وجہ سے کام کر رہے ہیں۔ خطے میں ٹیکس کی شرح، توانائی کی قیمتیں اور دیگر آپریشنل اخراجات۔

یہ تصور کیا جاتا ہے کہ حکومت نے کپٹو پاور پروڈیوسرز کو گیس کی سپلائی بند کرنے کے لیے آئی ایم ایف کے ساتھ اصولی معاہدہ کیا ہے جس کو حتمی شکل دینے کی صورت میں ٹیکسٹائل ملوں کا حکومت پر انحصار بڑھنے کے ساتھ ساتھ بجلی کی قیمت میں مزید اضافہ ہونے کا امکان ہے۔

موجودہ معاشی منظر نامے کو مد نظر رکھتے ہوئے، آپ کی کمپنی کی انتظامیہ قابل کنٹرول اخراجات کو کم کرنے کے لیے فعال طور پر کام کر رہی ہے۔ آپ کی کمپنی کم سے کم مالی لاگت کے ساتھ مارکیٹ میں دستیاب بجلی پیدا کرنے کے سستے ذرائع پر توجہ مرکوز کر رہی ہے۔ اس کی تعمیل میں، آپ کی کمپنی نے پچھلے دو سالوں میں Kw 1,881.7 کی درجہ بندی کی صلاحیت کے ساتھ ٹیکسٹائل پروڈیکٹ پہلے ہی شروع کیا ہے اور فی الحال سٹیشنری نظام کی صلاحیت کو مزید بڑھانے کا منصوبہ بنا رہی ہے۔

کارپوریٹ گورننس

- 1- آپ کی کمپنی کے ڈائریکٹر مزید کہتے ہیں کہ کمپنی کی انتظامیہ کے ذریعے تیار کردہ مالیاتی بیانات، اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- 2- لسٹڈ کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- 3- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- 4- بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں بیرونی کی گئی ہے اور وہاں سے کسی بھی رواگتی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے

6- لسٹڈ کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔

7- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

8- بقایا ڈیوٹی اور ٹیکس، اگر کوئی ہیں، مالی بیانات میں ظاہر کیے گئے ہیں۔

9- ہماری ایک آڈٹ کمیٹی ہے، جس کے ممبران بورڈ آف ڈائریکٹرز سے ہیں اور چیئرمین ایک آزاد ڈائریکٹر ہے۔

10- بورڈ نے ایک مشن کا بیان اور مجموعی کارپوریٹ حکمت عملی کا بیان اپنایا ہے۔

11- لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ساتھ تعمیل کا کمپنی کا بیان منسلک ہے

آڈیٹرز

میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، جواہل ہیں اور خود کو دوبارہ تقرری کے لیے پیش کر رہے ہیں، کوآڈٹ کمیٹی کی تجویز کے مطابق ایک سال کی مدت کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی جاتی ہے۔

آڈیٹرز کی اہلیت

کمپنی کے آڈیٹرز نے سالانہ بنیادوں پر ملازمین کو گریجویٹ کی ادائیگی کے معاملے پر مستدرائے کا اظہار کیا ہے جس میں شیڈول کی شق 12(6) انڈسٹریل اینڈ کمرشل ایسپلائمنٹ (اسٹیٹنگ آرڈرز) آرڈیننس 1968 کے تقاضوں کی خلاف ورزی ہے۔ مذکورہ قانون کے تحت ملازم کے استعفیٰ یا برطرفی پر گریجویٹ کی ادائیگی ضروری ہے۔ کمپنی ان ملازمین کو گریجویٹ کی ادائیگی کرنے کی مشق میں مصروف ہے جو اپنی ضروریات کی مطابق گریجویٹ کی ادائیگی کے لئے استعفیٰ دیتے ہیں جو کہ مذکورہ بالا قانون کی فراہمی کے مطابق ہے۔

شیر ہولڈنگ کا پیٹرن

جون 2024 تک کمپنی کے شیر ہولڈرز کے حصص کے انعقاد کا نمونہ منسلک ہے۔

ڈیوی ڈینڈ

کمپنی کی مالی کارکردگی کے پیش نظر۔ بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے صفر ڈیویڈنڈ ادا کرنے کی سفارش کی۔

اعتراف

آپ کے ڈائریکٹرز کمپنی کے کارکنوں اور عملے کی جانب سے اپنے کام کے لیے گہری لگن کے لیے کی جانے والی کوششوں کی تعریف کرتے ہیں۔ آپ کے ڈائریکٹرز شیر ہولڈرز اور مالیاتی اداروں کا بھی شکریہ ادا کرنا چاہیں گے، خاص طور پر بینک الحیب لمیٹڈ، نیشنل بینک آف پاکستان، سونیری بینک لمیٹڈ، الائیڈ بینک لمیٹڈ، بینک الفلاح لمیٹڈ اور دہی اسلامک بینک پاکستان لمیٹڈ کے تعاون اور مدد کے لیے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو

ملتان

مورخہ 05 اکتوبر 2024ء

**Four Years Growth at Glance (2021-2024)**

Particulars	2021	2022	2023	2024
OPERATIONAL PERFORMANCE:				
Weaving				
Number of Looms Installed	171	171	171	171
Number of Looms Worked	171	159	159	159
Installed Capacity after conversion into 60 picks Sq. Meter (000)	59,824	59,824	59,824	59,824
Actual Production after conversion into 60 picks Sq. Meter (000)	48,814	43,172	35,106	33,644
PROFIT AND LOSS:				
Net Sales Rs. (000)	3,798,377	5,545,460	4,327,095	5,078,315
Cost of Sales Rs. (000)	3,509,587	5,207,001	3,957,515	4,771,685
Gross Profit Rs. (000)	288,790	338,459	369,580	306,630
Operating ProfitRs. (000)	239,416	256,703	246,887	233,728
Profit /(loss) before Tax Rs. (000)	212,711	206,009	160,194	55,671
Profit /(loss) after Tax Rs. (000)	167,787	201,322	92,918	40,661
BALANCE SHEET:				
Share Capital and Reserves Rs. (000)				
Shareholders Equity Rs. (000)	1,321,687	1,725,933	1,799,790	1,834,098
Property Plant & Equipment Rs. (000)				
CurrentAssets Rs. (000)	1,377,375	1,691,678	1,636,465	1,705,004
Current Liabilities Rs.(000)	1,395,483	1,851,899	1,694,766	2,184,676
Current Liabilities Rs.(000)	1,028,037	1,457,429	1,199,104	1,707,385
Long Term Liabilities Rs. (000)	373,021	309,426	281,684	299,437
INVESTOR INFORMATION:				
Per Share (Rs.)				
Dividend announced (Rs per share)	2.05	2.25	0.75	0
Earning/(Loss) Per Share	19.81	23.76	10.97	4.80
FINANCIAL RATIOS:				
Gross Profit Ratio (%)	7.60	6.10	8.54	6.04
Net Profit Ratio (%)	4.42	3.63	2.15	0.80
Inventory Turnover (times)	4.95	4.66	2.80	4.02
Fixed Assets Turnover (times)	2.76	3.28	2.64	2.98
Total Assets Turnover (times)	1.46	1.75	1.29	3.04
Return on Capital Employed (%)	0.12	0.10	0.56	0.14
Debt to Equity Ratio (%)	1.11	1.06	0.86	1.13
Current Ratio (%)	1.36	1.27	1.41	1.28
Interest Coverage Ratio (times)	8.96	5.06	2.85	1.77



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AHMAD HASSAN TEXTILE MILLS LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED
COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ahmad Hassan 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.

M/S YOUSUF ADIL,
Chartered Accountants
Multan
Dated: October 07, 2024
UDIN: CR202410088Ys1VAirZ8



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 For the Year ended June 30, 2024

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

The total number of Directors are seven (7) as per the following:-

- a. Male: Five
- b. Female: Two

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

i. Independent Directors	Mr. Nazir Ahmad Khan Mr. Ali Kamal
ii. Non-executive Directors	Mrs. Salma Javed Mrs. Bushra Ali Mr. Haseeb Haris Mughal
iii. Executive Directors	Mian Muhammad Javed Mr. Muhammad Haris
iv. Female Directors	Mrs. Salma Javed Mrs. Bushra Ali

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed Companies, including this Company;

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

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. Three out of seven directors of the Company are exempted from directors training program on the basis of their level of education and length of experience as provided in these Regulations.

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

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

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



- a) Audit Committee
 - Mr. Nazir Ahmad Khan (Chairman);
 - Mrs. Salma Javed (member); and
 - Mr. Haseeb Haris Mughal (member);
- b) HR and Remuneration Committee
 - Mr. Nazir Ahmad Khan (Chairman);
 - Mr. Muhammad Haris (member); and
 - Mrs. Salma Javed (member);
- c) Nomination Committee (not mandatory)
- d) Risk Management Committee (not mandatory)

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

14. The frequency of meetings of the committees were as per following:

a) Audit Committee	Quarterly
b) HR and Remuneration Committee	Half Yearly
c) Nomination Committee	_____
d) Risk Management Committee	_____

15. The Board has set up an effective internal audit function headed by the Head of Internal Audit. The staff is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company and is involved in the internal audit function on a full time basis.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

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

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

- As per regulation 6, it is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as Independent Directors and currently, there are two Independent Directors in a Board of Seven Directors. With regard to compliance with Regulation 6 pertaining to fraction contained in one-third number and not rounded up as one, Management is of the view that friction below to 0.5% should be ignored whereas fraction exceeding to 0.5% should be complied with in accordance with generally accepted practices



19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

S.No.	Non-Mandatory Regulations	Explanation	Regulation No.
1	<p>Environment, Social and Governance (ESG) matters:</p> <p>The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value.</p> <p>The Board may establish a dedicated sustainability committee having at least one female director.</p>	<p>At present the Board provides governance and oversight in relation to the company's initiatives on Environment, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by the SECP through notification dated June 12, 2024 will be complied with in due course.</p>	10A(5)
2	<p>Disclosure of Significant Policies</p> <p>The Company may post on its website key elements of its significant policies</p> <p>including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024</p>	<p>Currently, the Company has voluntarily disclosed its CSR policy on its website. However, the Company is committed to comply with this requirement and is planning to place other significant policies as per requirement of the regulation including policies for DE&I and anti-harassment.</p>	35 (1,3,4) and 10 (4)

Muhammad Haris
Chief Executive

Salma Javed
Chairperson



INDEPENDENT AUDITOR'S REPORT

To The Members Of Ahmad Hassan Textile Mills Limited Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Ahmad Hassan 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, except for the possible effects of the matters discussed in the Basis for Qualified Opinion section of our report, 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 Qualified Opinion

The Company has not set up any retirement benefit scheme (gratuity or provident fund) as required under clause 12(6) of the Schedule to the Industrial and Commercial Employment (Standing Orders) Ordinance, 1968. The relevant clause requires the Company to provide gratuity or provident fund to those employees who retire, resign or terminated by the employer. The Company has a practice of paying one salary as gratuity to the employees annually disclosed in note 4.4.10 to financial statements and no amount is paid to employee of company at end of his/her employment. Accordingly, the company has not recorded any provision of gratuity by using projected unit credit method as per IAS 19 'Employee benefit'. We were unable to obtain sufficient appropriate audit evidence about the gratuity liability as at June 30, 2024 and related current service cost, past service cost, interest on liability and actuarial gains and losses. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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.

In addition to the matter described in the Basis for Qualified Opinion section, following is the key audit matter:



Key audit matter	How the matter was addressed in our audit
<p>1. Revenue recognition</p> <p>The Company's revenue from contracts comprise of revenue from local and export sale of fabrics which has been disclosed in note 32 to the financial statements.</p> <p>Revenue from the sale is recognized, when control of goods is transferred to the customer and the performance obligation is satisfied i.e. on dispatch of goods (note 4.4.11).</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our key audit procedures in this area included, amongst others, the following:</p> <ul style="list-style-type: none">• Obtained an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue;• Assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;• Checked on a sample basis whether the recorded sales transactions are based on transfer of goods to the customer, satisfying the performance obligation and were recorded in the appropriate accounting period; and• Assessed the adequacy of disclosure in the financial statements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the gratuity liability as at June 30, 2024 and related current service cost, past service cost, interest on liability and actuarial gains and losses. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

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

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

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

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 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 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 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 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) Except for the possible effects of the matter discussed in our “Basis for Qualified Opinion” paragraph, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) Except for the possible effects of the matter discussed in our “Basis for Qualified Opinion” paragraph,, 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) Except for possible effects of the matter discussed in our “Basis for Qualified Opinion” paragraph, Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

Chartered Accountants

Multan

Date: October 07, 2024

UDIN: AR2024100884G8xtlOkd

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

	<i>Note</i>	2024 Rupees	2023 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,705,004,326	1,636,465,404
Long term deposits	7	13,739,322	11,847,375
		1,718,743,648	1,648,312,779
Current assets			
Stores and spares	8	64,432,671	50,775,618
Stock in trade	9	1,257,467,390	1,115,879,467
Trade debts	10	367,450,616	226,426,757
Loans and advances	11	6,250,383	13,208,448
Advance tax	12	74,339,412	41,993,809
Due from government	13	374,633,658	207,581,898
Short term investment	14	28,232,957	18,382,292
Other receivables	15	3,297,797	3,343,355
Cash and bank balances	16	8,570,843	17,174,375
		2,184,675,727	1,694,766,020
Total assets		3,903,419,375	3,343,078,799
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	17	84,715,354	84,715,354
Share premium	18	32,746,284	32,746,284
Surplus on revaluation of property, plant and equipment - net of deferred tax	19	508,050,844	527,309,623
Unappropriated profit		1,208,585,132	1,155,019,175
		1,834,097,614	1,799,790,436
Subordinated loans	20	62,500,000	62,500,000
Non-current liabilities			
Long term financing	21	194,602,173	150,652,445
Lease liabilities	23	21,032,552	27,774,501
Deferred taxation	24	83,802,503	90,303,690
Gas infrastructure development cess	25	-	12,953,609
		299,437,228	281,684,244
Current liabilities			
Trade and other payables	26	747,279,775	700,379,910
Short term borrowings	27	699,131,943	343,631,499
Current portion of non-current liabilities	28	161,857,896	86,167,004
Accrued mark up	29	32,172,464	16,828,026
Unclaimed dividend		4,110,591	3,722,109
Provision for tax	30	62,831,864	48,375,571
		1,707,384,533	1,199,104,119
Contingencies and commitments	31		
Total equity and liabilities		3,903,419,375	3,343,078,799

The annexed notes from 1 to 55 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

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

	Note	2024 Rupees	2023 Rupees
Revenue from contracts with customers	32	5,078,314,652	4,327,094,699
Cost of goods sold	33	(4,771,685,138)	(3,957,514,542)
Gross profit		306,629,514	369,580,157
Profit on trading	34	6,036,566	555,478
Other income	35	37,331,419	4,133,021
		349,997,499	374,268,656
Selling and distribution expenses	36	33,025,307	28,472,257
Administrative expenses	37	75,495,970	78,290,215
Other operating expenses	38	7,748,212	20,619,232
		(116,269,488)	(127,381,704)
Finance cost	39	(132,396,691)	(86,693,226)
Profit before final taxes, revenue taxes and income tax		101,331,320	160,193,726
Final taxes	40	(17,946,756)	(16,802,592)
Profit before revenue taxes and income tax		83,384,564	143,391,134
Revenue Taxes	41	(27,714,025)	(15,030,703)
Profit before income tax		55,670,539	128,360,431
Income tax - net	42	(15,009,710)	(35,442,337)
Profit after taxation		40,660,829	92,918,094
Earnings per share - basic and diluted	43	4.80	10.97

The annexed notes from 1 to 55 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

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

	Note	2024 Rupees	2023 Rupees
Profit after taxation		40,660,829	92,918,094
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
Surplus on revaluation of land, buildings and plant & machinery		-	-
Related deferred tax thereon		-	-
		-	-
Total comprehensive income for the year		<u>40,660,829</u>	<u>92,918,094</u>

The annexed notes from 1 to 55 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer



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

FOR THE YEAR ENDED JUNE 30, 2024

Share capital	Capital Reserves		Reserve	Total	
	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit		
Rupees					
Balance as at June 30, 2022	84,715,354	32,746,284	547,739,232	1,060,732,426	1,725,933,296
Transactions with Owners:					
Final cash dividend of Rs. 2.05 per share for the year ended June 30, 2022	-	-	-	(19,060,954)	(19,060,954)
Profit for the year	-	-	-	92,918,094	92,918,094
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	92,918,094	92,918,094
Transfer from revaluation surplus on account of incremental depreciation - net of deferred tax	-	-	-	-	-
Transfer from revaluation surplus on disposal of property, plant and equipment (net of deferred tax)	-	-	(20,429,609)	20,429,609	-
Balance as at June 30, 2023	84,715,354	32,746,284	527,309,623	1,155,019,175	1,799,790,436
Transactions with Owners:					
Final cash dividend of Rs. 0.75 per share for the year ended June 30, 2023	-	-	-	(6,353,652)	(6,353,652)
Profit for the year	-	-	-	40,660,829	40,660,829
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	40,660,829	40,660,829
Transfer from revaluation surplus on account of incremental depreciation - net of deferred tax	-	-	(19,258,779)	19,258,779	-
Balance as at June 30, 2024	84,715,354	32,746,284	508,050,844	1,208,585,132	1,834,097,614

The annexed notes from 1 to 55 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

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

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		55,670,539	128,360,431
Adjustments for:			
Depreciation on property, plant and equipment	6.3	87,968,934	94,820,804
Finance cost - net	39	132,396,691	86,693,226
Provision for workers' profit participation fund	26.2	5,571,168	9,109,208
Provision for workers' welfare fund	26.3	2,117,044	3,280,999
Provision for gratuity		19,794,325	11,090,534
Exchange rate fluctuation loss		-	(1,466,235)
Final taxes		17,946,756	16,802,592
Minimum taxes		27,714,025	15,030,703
Loss/(gain) on disposal of short term investment	35	(240,216)	(697,398)
Unrealized (gain) / loss on remeasurement of short term investments	35	(258,658)	249,349
Dividend income	35	(4,854,105)	(1,556,333)
Gain on disposal of property, plant and equipment	35	(806,892)	(2,117,130)
		287,349,072	231,240,319
Cash flows before working capital changes		343,019,611	359,600,750
Working capital changes:			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(13,657,053)	(15,076,902)
Stock in trade		(141,587,923)	278,955,263
Trade debts		(141,023,859)	(9,611,056)
Loans and advances		6,958,065	(7,516,041)
Due from Government		(174,072,887)	(90,153,432)
Other receivables		45,558	(122,600)
Increase in current liabilities:			
Trade and other payables		51,987,525	(167,686,445)
		(411,350,573)	(11,211,213)
Cash generated from operations		(68,330,962)	348,389,537
Final tax paid		(10,699,923)	(6,715,239)
Income tax paid - net		(66,780,274)	(56,384,154)
Finance cost paid - net		(116,362,917)	(84,510,610)
Gratuity paid		(19,794,325)	(11,090,534)
Long term deposits - net		(1,891,947)	(134,998)
Paid to workers' profit participation fund	26.2	(12,775,872)	-
		(228,305,258)	(158,835,535)
Net cash (used in) / generated from operating activities	A	(296,636,221)	189,554,002

**CASH FLOWS FROM INVESTING ACTIVITIES**

Additions in property, plant and equipment	(157,116,625)	(16,817,256)
Additions in capital work in progress	-	(30,384,316)
Short term investments - net	(9,351,791)	1,735,426
Proceeds from disposal of property, plant and equipment	856,000	45,710,000
Dividend received	4,854,105	1,556,333
Net cash (used in) / generated from investing activities B	(160,758,312)	1,800,187

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(5,965,170)	(14,981,423)
Long term finance obtained	238,873,437	-
Repayment of long term finance	(133,660,879)	(92,503,338)
Repayment of principal portion of lease liabilities	23 (5,956,832)	(4,156,534)
Repayment of GIDC	25 -	(2,162,390)
Short term finances - net	103,649,164	16,827,883
Net cash generated from / (used in) financing activities C	196,939,721	(96,975,803)

Net increase in cash and cash equivalents (A+B+C)	(260,454,812)	94,378,386
Cash and cash equivalents at beginning of the year	(88,554,006)	(182,932,392)
Cash and cash equivalents at end of the year	44 (349,008,818)	(88,554,006)

The annexed notes from 1 to 55 form an integral part of these financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer



**NOTES OF AND FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1. GENERAL INFORMATION

1.1 Ahmad Hassan Textile Mills Limited (the Company) was incorporated in Pakistan on December 03, 1989 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of fabric. Registered / Head office of the Company is situated at 46-Hassan Parwana Colony, Multan, while the mill of the Company is located at M.M. Road, Chowk Sarwar Shaheed, District Muzaffargarh having area of 83 Kanals and 04 Marlas .

2. 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
- 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. Adoption of new and revised accounting standards

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

3.1 New amendments that are effective for the year ended June 30, 2024

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

Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 - Disclosure of accounting policies

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction

Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules

3.2 Standard and amendments to IFRS that are not yet effective

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

**Effective from Accounting
period beginning on or after**

Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Conventions January 01, 2024

Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 1, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026

3.2.1 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 19 - Subsidiaries without Public Accountability: Disclosures

3.3 Significant estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods. Significant areas requiring the use of management estimates in these financial statements relate to the revaluation of certain item of property, plant and equipment, useful life of depreciable assets, employee retirement benefits, provision for doubtful receivables and taxation.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

4. ADOPTION OF NEW ACCOUNTING POLICY

4.1 Accounting for minimum taxes and final taxes

During May 2024, The Institute of Chartered Accountants of Pakistan (ICAP) issued a guide 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the Guide) to provide guidance on accounting of minimum tax and final tax, as mentioned in the Income Tax Ordinance, 2001, under the requirements of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards. The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

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

The Guide issued by ICAP provides approaches to account for minimum and final regime taxes according to the facts and circumstances as applicable to the Company. Accordingly, the Company has adopted the following approach:

4.2 Significant Accounting Policy to Material Accounting Policies Information

During the year, the Company adopted the Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

5. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the years presented, unless otherwise stated.

5.1 Basis of measurement

These financial statements have been prepared under historical cost convention except indicated in note 5.4.1, 5.4.6.1 and 5.4.17.

5.2 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

5.3 Critical judgements and accounting estimates in applying the accounting policies

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognized in the period in which estimate is revised if the revision affects only that period, or in the period of revision and future period if the revision affects both current and future periods.

In preparing these financial statements, the significant judgement made by the management in applying accounting policies include:

- Useful lives of property plant and equipment (notes 5.4.1 and 6.1)
- Provision for staff retirement benefits (notes 5.4.10)
- Provision for taxation (notes 5.4.10 and 30)
- Revaluation of property, plant and equipment (notes 5.4.1 and 6.5)
- Provision for trade debts under expected credit loss model (note 5.4.6.1)
- Provision for loans and advances to suppliers (note 11)

5.4 Summary of accounting policies

5.4.1 Property, plant and equipment

Property, plant and equipment except freehold land, building on freehold land, plant and machinery, generator and electric fittings and installations and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land, building on freehold land, plant and machinery, generator and electric fittings and installations are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses, if any. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the statement of financial position date. Any revaluation increase arising on the revaluation of such asset is credited in 'Surplus on revaluation of property, plant and equipment'. A decrease in the carrying amount arising on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to previously revalued assets.

To the extent of incremental depreciation charged on revalued assets, the related surplus on revaluation (net of deferred tax) is transferred directly to retained earnings/unappropriated profit. Depreciation on property, plant and equipment, except freehold land and capital work-in-progress, is charged to statement of profit or loss applying reducing balance method over the estimated useful lives of the assets at the rates shown in note 5.1 to the financial statements.

Depreciation on additions is charged from the month the asset is available for use up to month immediately preceding the date of disposal. Gains and losses on disposal of property, plant and equipment if any, are recognized in statement of profit or loss, as and when incurred. Assets are derecognized when disposed or when no future economic benefits are expected from its use or disposal.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

Right-of-use assets and lease liabilities

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

The lease liabilities are initially measured at the present value of the minimum lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities were discounted using the Company's incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortized cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognized right of use assets equal to the present value of lease payments.

5.4.3 Capital work in progress

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are ready for their intended use.

5.4.4 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Any gain or loss on disposal of investment property, calculated as difference between the proceeds from disposal and the carrying amount is recognised in the statement of profit and loss.

5.4.5 Impairment of non-financial assets

The Company assesses at each statement of financial position date whether there is any indication that assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amount and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized in prior periods. Reversal of impairment loss is recognized as income.

5.4.6 Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in statement of profit or loss.

5.4.6.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

a) Debt instruments measured at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

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

Amortized cost and effective interest method

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

As at reporting date, the Company carries cash and cash equivalents and trade debts at amortized cost.

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

As at reporting date, the Company does not hold any debt instrument classified as at FVTOCI.

c) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

As at reporting date, the Company does not hold any equity instrument classified as at FVTOCI.

d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

As at reporting date, the Company does not hold any equity instrument classified as at FVTPL.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortized cost, as well as on financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade debts. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Definition of default:

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

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

Write-off policy

The Company writes off financial assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in statement of profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit or loss.

5.4.6.2 Financial liabilities

Subsequent measurement of financial liabilities

Financial liabilities that are not

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL.

are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

5.4.6.3 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit or loss.

5.4.6.4 Off setting of financial assets and financial liabilities

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

5.4.7 Stores and spares

These are valued at lower of cost and net realizable value, determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon.

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

5.4.8 Stock in trade

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

Raw material	Weighted average cost.
Material in transit	Cost accumulated up to statement of financial position date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.
Waste	Net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated cost necessary to be incurred to effect such sale.

5.4.9 Cash and cash equivalents

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

5.4.10 Taxation / Revenue Taxes / Final Taxes

Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, as per Income Tax Ordinance, 2001.

Revenue Taxes

Revenue taxes includes amount representing excess of :

a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are calculated on a basis other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised as prepaid assets.

Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average enacted tax rate.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

5.4.10 Provision for gratuity

The Company operates an unfunded gratuity scheme for all its eligible employees who have completed the minimum qualifying period of service. Employees successfully completing one year of service are paid with the outstanding amount which is calculated at latest drawn gross salary for the year.

5.4.11 Revenue recognition

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

5.4.12 Government Grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the refinance scheme are included in noncurrent liabilities as deferred income and are credited to profit or loss on a straight-line basis over the tenure of the loan.

5.4.13 Foreign currency translation

Transactions in foreign currencies are translated at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used. Gains and losses arising on retranslation are included in profit or loss for the period.

5.4.14 Borrowing costs

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

All other borrowing costs are charged to statement of profit or loss in the period in which they are incurred.

5.4.15 Dividend

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

5.4.16 Trade and other payables

Liabilities for trade and other payable are carried at cost which is the amortized cost of consideration to be paid in future for goods and services received whether billed to the Company or not.

5.4.17 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed periodically and adjusted to reflect the current best estimate.

5.4.18 Earnings per share

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

For comparative period

Particulars	Cost / Revalued amount			Accumulated depreciation			Written Down Value as at June 30, 2023	%	
	At July 01, 2022	Additions/ (Disposals)	Revaluation Adjustment	At June 30, 2023	At July 01, 2022	Charge for the year			accumulated on disposal
Land - freehold	74,880,000	-	-	74,880,000	-	-	-	74,880,000	-
Buildings on freehold land									
- Factory building	362,957,819	-	-	362,957,819	119,377,352	12,179,023	131,556,375	231,401,444	5
- Residential building	118,465,023	-	-	118,465,023	51,105,657	3,367,968	54,473,625	63,991,398	5
	481,422,842	-	-	481,422,842	170,483,009	15,546,991	186,030,000	295,392,842	
Plant and machinery - including generator	1,971,809,345	8,423,618	-	1,980,232,963	787,884,736	59,503,097	-	1,132,845,130	5
Power grid station	100,516,512	-	-	100,516,512	60,988,574	1,976,397	-	37,551,541	5
Electric installations	23,368,006	55,000	-	23,423,006	18,439,862	498,314	-	4,484,830	10
Gas installations	18,739,816	-	-	18,739,816	7,840,481	544,967	-	10,354,368	10
Factory equipment	3,657,194	-	-	3,657,194	1,883,648	177,355	-	1,596,191	10
Office equipment	2,939,158	186,000	-	3,125,158	1,908,939	116,109	-	1,100,110	10
Computer equipment	1,873,546	240,482	-	2,114,028	1,698,192	79,894	-	335,942	10
Furniture & fixtures	1,048,276	150,671	-	1,198,947	885,765	27,551	-	285,631	10
Telephone installations	616,224	-	-	616,224	487,896	12,833	-	115,495	10
Tube well	45,000	-	-	45,000	39,360	564	-	5,076	10
Arms & ammunitions	27,800	-	-	27,800	23,934	387	-	3,479	10
Vehicles	39,899,618	39,643,425	-	79,543,043	10,556,041	9,921,812	-	59,065,190	20
Vehicles disposed	2,720,843,337	48,699,196	-	2,769,542,533	1,063,120,437	88,406,271	-	1,618,015,825	
	-	(44,074,270)	-	(44,074,270)	-	-	(481,400)	(43,592,870)	
	2,720,843,337	4,624,926	-	2,725,468,263	1,063,120,437	88,406,271	(481,400)	1,151,045,308	1,574,422,955
Right of use asset									
Vehicles	2,521,680	36,000,000	-	38,521,680	449,014	6,414,533	-	31,658,133	20
	2,723,365,017	40,624,926	-	2,763,989,943	1,063,569,451	94,820,804	(481,400)	1,157,908,855	1,606,031,088

The following assets were disposed off during the year:

Particulars	Cost	Carrying value	Sale proceeds	(Loss)/Gain	Mode of Disposal	Relationship	Particulars of buyers
Vehicle							
Suzuki cultus	663,550	22,192	550,000	527,808	Negotiation	Third Party	Muhammad Husnain
Suzuki	552,400	18,896	295,000	276,104	Negotiation	Third Party	Hafiza Shah Noor
2024	1,215,950	41,088	845,000	803,912			
Particulars	Cost	Carrying value	Sale proceeds	(Loss)/Gain	Mode of Disposal	Relationship	Particulars of buyers
Vehicle							
Kia Stonic	4,814,000	4,332,600	4,400,000	67,400	Negotiation	Third Party	Usman
Land Cruiser	34,395,270	34,395,270	36,000,000	1,604,730	Negotiation	Third Party	Bank Alfalah Ltd
Honda City	4,865,000	4,865,000	5,310,000	445,000	Negotiation	Third Party	Touqeer Anwar
2023	44,074,270	43,592,870	45,710,000	2,117,130			

		2024	2023
		Rupees	Rupees
6.3	Allocation of depreciation		
	Cost of goods sold	74,806,747	74,879,717
	Administrative expenses	13,162,187	19,941,087
		87,968,934	94,820,804
6.4	Capital Work in Progress		
	As at July 01,	30,384,316	31,881,940
	Addition during the year;		
	-Advance for purchase of land	-	30,384,316
	Transfer to operating fixed assets	(29,824,316)	(31,881,940)
	Transfer to Advance income tax	(560,000)	-
		-	30,384,316

6.5 At March 17, 2022, freehold land, building on freehold land and machinery of the Company were revalued by K.G. Traders (Private) Limited, an independent valuer, and are stated at market value.

Freehold land and building on free hold land

Fair market value of the land was assessed through inquiries from various estate agents, brokers and builders / developers and keeping in view the location of the property, its size, status, utilization, cost of new construction, construction standard, depreciation cost factor, state of infrastructure and current trends in prices of real estate in the vicinity of the property.

Plant and machinery including generator

Fair market value of the plant and machinery including generator was assessed through inquiries of local authorized dealers who deal in old and new similar type of plant and machineries. Replacement value was then ascertained from competitive rates of the plant and machinery and thereafter, an average depreciation factor was applied on the replacement value of the plant and machinery.

Forced sale value of the above items of property, plant and equipment is as follows:

	Rupees
Freehold land	63,648,000
Building on freehold land	268,778,500
Plant and machinery	1,125,208,750
	1,457,635,250

6.6 Had there been no revaluation the related figures of freehold land, building on freehold land and plant and machinery as at the statement of financial position date would have been as follows;

	2024	2023
	Rupees	Rupees
Freehold land	30,777,867	1,263,317
Building on freehold land	75,898,808	81,592,870
Plant and machinery	979,722,885	892,952,162
	1,086,399,560	975,808,349

7. LONG TERM DEPOSITS

		2024	2023
		Rupees	Rupees
7.1	Security deposits against:		
	Utilities	6,975,000	4,622,377
	Leased assets	-	492,500
	Others	564,322	532,500
		7,539,322	5,647,377
	Margin deposit against bank guarantee	6,200,000	6,200,000
		13,739,322	11,847,377

7.1 These include security deposits of Rs. 6.975 million (2023: Rs. 4.590 million) deposited with Multan Electric Power Company (MEPCO) against Electric Connections at mills.

7.2 This had been kept as cash margin against a bank guarantee issued in favor of Sui Northern Gas Pipelines Limited (SNGPL).

8. STORES AND SPARES	Note	2024	2023
		Rupees	Rupees
Stores and spares		61,775,549	47,800,588
Packing material		2,782,255	3,100,162
Provision for slow moving items		(125,132)	(125,132)
		64,432,671	50,775,618
Allowance for obsolescence and slow moving items			
As at July 01,		(125,132)	(125,132)
Provision made during the year		-	-
As at June 30,		(125,132)	(125,132)

9. STOCK IN TRADE	Note	2024	2023
		Rupees	Rupees
Raw materials		415,056,191	262,913,431
Work in process		82,193,400	71,121,407
Finished goods:			
Fabrics		760,217,799	781,844,629
		1,257,467,390	1,115,879,467

10. **TRADE DEBTS**
Considered good

Export - secured	10.1	-	101,094,059
Local - unsecured	10.2 , 10.3	367,450,616	125,332,698
		367,450,616	226,426,757
		367,450,616	226,426,757

10.1 Export trade debts are realized on early discounting or retirement of letter of credits (LCs) upon 90-120 days. All outstanding LCs are through irrevocable and confirmed LCs.

10.2 Local trade debts are non-interest bearing and are generally on 61 to 89 day terms.

10.3 Local trade debts include debtors with a carrying amount of Rs. 11.60 million (2023: Rs. 14.9 million) which are past due at the reporting date but not impaired as there has not been any significant change in credit quality and the amounts are still considered recoverable.

10.3.1 Aging of amounts past due but not impaired	Note	2024	2023
		Rupees	Rupees
90 - 180 days		11,602,396	10,376,887
180 days and above		-	4,583,823
		11,602,396	14,960,710

11. **LOANS AND ADVANCES**

Advance to suppliers - considered good		4,106,355	11,086,690
Advances to employees - considered good	11.1	2,144,028	2,121,758
		6,250,383	13,208,448

11.1 These are interest free advances provided to employees having the repayable period of one year. These advances were not impaired and aged less than one year.

			2024 Rupees	2023 Rupees
12. Advance tax				
Final taxes - levy			11,606,110	7,159,343
Prepaid income tax			62,733,302	34,834,466
			74,339,412	41,993,809
13. DUE FROM GOVERNMENT				
Sales tax recoverable			348,536,283	174,463,396
Income tax refundable			26,097,375	33,118,502
			374,633,658	207,581,898
14. SHORT TERM INVESTMENT				
At fair value through profit or loss				
	2024	2023	2024	2023
	Number of shares/Units		Rupees	Rupees
			National Investment Trust (NIT)	
	49	8,738	505	88,709
	-	-	-	-
	1,327,964	866,531	12,793,870	8,216,184
	152,844	100,083	15,438,582	10,077,399
	1,480,857	975,352	28,232,957	18,382,292
			2024	2023
			Rupees	Rupees
15. OTHER RECEIVABLES				
Tax deposited under protest		31.1 (ii) , (iv)	3,171,697	3,217,255
Insurance claim receivable and others			126,100	126,100
			3,297,797	3,343,355
16. CASH AND BANK BALANCES				
Cash in hand			559,765	959,303
Cash at banks - current accounts			8,011,078	16,215,072
			8,570,843	17,174,375
17. SHARE CAPITAL				
Authorized				
Ordinary shares of Rs. 10 each			200,000,000	200,000,000
Number of shares			20,000,000	20,000,000
Issued, subscribed and paid up				
Ordinary shares of Rs. 10 each fully paid in cash			84,715,354	84,715,354
Number of share			8,471,535	8,471,535

18. SHARE PREMIUM

This includes share premium received during the previous years as detailed below:

Rs. 4 per share on 2,989,920 ordinary shares of Rs. 10 each issued during the year 2001	11,959,680	11,959,680
Rs. 10 per share on 1,138,992 ordinary shares of Rs. 10 each issued during the year 2004	11,389,920	11,389,920
Rs. 5 per share on 1,879,336.8 ordinary shares of Rs. 10 each issued during the year 2007	9,396,684	9,396,684
	32,746,284	32,746,284

- 18.1** The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

	<i>Note</i>	2024 Rupees	2023 Rupees
19. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		527,309,623	547,739,232
Addition during the year	19.1	-	-
Relevant deferred tax		-	-
		527,309,623	547,739,232
Less: Adjustment on disposal - net of deferred tax		-	-
Less: Transferred to unappropriated profit on account of:			
Incremental depreciation		(22,684,647)	(23,706,128)
Relevant deferred tax		3,425,868	3,276,519
		(19,258,779)	(20,429,609)
As at June 30,		508,050,844	527,309,623

- 19.1** The Company has revalued its freehold land, building on free-hold land, plant and machinery including generator as on March 17, 2022 as disclosed in note 6.5 of the financial statements.

	<i>Note</i>	2024 Rupees	2023 Rupees
20. SUBORDINATED LOANS			
<i>Unsecured- from directors</i>			
Mr. Muhammad Javed Anwar		27,500,000	27,500,000
Mr. Muhammad Haris		35,000,000	35,000,000
	20.1	62,500,000	62,500,000

- 20.1** These interest free loans were obtained during the years ended June 30, 2008 and 2009. These loans are subordinated to finances from the banks. These are repayable at the discretion of the Company after the repayments of related long term and short term finances and clearance from the banks. Hence, repayment terms are not identified.

		2024	2023
	Note	Rupees	Rupees
21. LONG TERM FINANCING			
From banking companies - secured			
Allied Bank Limited			
- LTFF II	21.1	23,061,330	49,508,220
- LTFF IV	21.2	47,882,223	59,148,623
- Term Finance	21.3	1,692,783	-
- Term Finance	21.4	38,888,895	-
		111,525,231	108,656,843
National Bank of Pakistan			
- LTFF II, DF-II	21.5	76,103,923	103,778,075
- Demand Finance	21.6	95,555,035	-
		171,658,958	103,778,075
Bank Al Habib Limited			
- Term Finance	21.7	11,310,000	-
		11,310,000	-
- Carried forward		294,494,189	212,434,918
	Note	2024	2023
		Rupees	Rupees
- Brought forward		294,494,189	212,434,918
Soneri Bank Limited			
- Term Finance	21.8	1,912,190	6,425,006
		1,912,190	6,425,006
Bank Al Falah Limited			
- Term Finance	21.9	27,666,102	-
		27,666,102	-
Adjustment of salaries and wages loan at below market markup rate	22	-	-
Less: current portion of long term loans		129,470,308	68,207,479
		194,602,173	150,652,445

21.1 Allied Bank Limited - LTFF II

This finance has been obtained from Allied Bank Limited (ABL) for purchase of plant and machinery (Looms). The loan is repayable in 12 equal half yearly installments commenced from October 24, 2018. It carries mark up at rate of SBP + 1.5% and secured against joint pari passu charge on present and future fixed assets of the company.

21.2 Allied Bank Limited - LTFF IV

This finance has been obtained from Allied Bank Limited (ABL) under SBP financing scheme for renewable energy for purchase of solar system. Loan is repayable in 27 equal quarterly installments commencing from February 2022 with 3 months grace period. This loan is secured against exclusive charge amounting to Rs. 96 million over specific machinery of solar system. It carries mark up at rate of SBP rate + 2%.

21.3 Allied Bank Limited - Term Finance

This finance has been obtained from Allied Bank Limited (ABL) for purchase of plant and machinery (Looms). The loan is repayable in 12 equal half yearly installments commenced from October 24, 2018. It carries mark up at rate of SBP + 1.5% and secured against joint pari passu charge on present and future fixed assets of the company.

21.4 Allied Bank Limited - Short term Loan

This has been obtained to finance the permanent working capital requirements .This facility is repayable in 18 equal monthly instalments with no grace period. It carries mark up at 1MK + 1%. This loan is secured against 1st pari passu (PP) charge 205M inclusive of 2.5% margin over present and future fixed assets(land, building, Plant and machinery) of the company and personal guarantees of directors of the company.

21.5 National Bank of Pakistan - LTF II

This finance has been obtained from National Bank of Pakistan to finance property plant and equipment (Toyota Air Jet Looms) under SBP's Refinance Scheme & wages and is repayable in 24 equal quarterly instalments commencing from May 2020 with 18 months grace period. This loan is secured against first pari passu charge on present and future fixed asset of the company. It carries mark up at SBP rate + 1.5%.

21.6 National bank of Pakistan - Demand finance

This finance has been obtained from National Bank of Pakistan Limited for purchase of Solar Panels invertors and machinery spare parts for solar power plant .This facility is repayable in 28 equal quarterly instalments with 1 year of grace period. It carries mark up at 6MK + 1.5%. This loan is secured against exclusive charge amounting to Rs. 107 million over specific machinery of solar system.

21.7 Bank Al Habib - Term finance

This finance has been obtained from Bank Al Habib Ltd for purchases of "Hyundai SANTA FE Signature(1.6 Turbo hybrid GDi, AWD A/T6-Speed)" for official use of director of the company.The loan is repayable in 60 equal monthly installments with no grace period. It carries mark up at 6MK + 1%. This loan is secured against joint registration, promisory note and hypothication charge of Rs.14.7 million over the vehicle.

21.8 Soneri Bank Limited - Term finance

This finance has been obtained from Soneri Bank Limited for import of spare parts for over hauling of generators. This facility is repayable in 48 equal monthly installments. It carries mark up at 3MK + 1.5%. This loan is secured against specific charge of Rs. 26.7 million over three gas generator JGS-320 and personal guarantees of directors of the company.

21.9 Bank Al Falah Limited - Term finance

This finance has been obtained from Bank Al Falah Limited to retire LC for BMR. This facility is repayable in 8 equal quarterly installments starting after 3 months of disbursement of the loan. This loan is secured against first pari passu charge on present and future fixed asset of the company. It carries mark up at 3MK + 1.5%.

22. DEFERRED GRANT

<i>Note</i>	Rupees	Rupees
<i>Adjustment of salaries and wages loan at below market markup rate</i>		
As at July 01,	-	102,497
Recognised during the period	-	-
Amortised during the period	-	(102,497)
As at June 30,	-	-

Deferred government grant relates to the difference between the fair value and actual proceed of salary loan obtained under SBP's Refinance scheme for payment of salaries. It will be amortised over the period of two and a half year with an amount equal to the difference between the finance cost charged to statement of profit or loss and the interest paid at SBP's defined rate as per the scheme. In current period, the grant amortisation has been recorded over the period of loan.

23. LEASE LIABILITIES	Note	2024	2023
		Rupees	Rupees
As at July 01,		33,448,951	1,605,485
Availed during the year		-	36,000,000
Less: Payments made during the year		(5,956,832)	(4,156,534)
As at June 30,		27,492,119	33,448,951
Less: Current portion of lease liabilities		6,459,567	5,674,449
		21,032,552	27,774,502

- 23.1** The Company acquired vehicles under lease arrangements from banking companies. These liabilities, during the year, were subject to finance cost charged at the rate ranging from 19.44% to 23.58 (2023: 12.55% to 19.44%) per annum. The Company intends to exercise its option to purchase the leased vehicles upon completion of the lease term. The lease finance facilities are secured against promissory notes and post dated cheques given by the Company. The amount of future payments of the lease and the period in which these payments will become due are as follows:

2024	Minimum lease payment	Future finance charge	Present value of lease liability
		----- (Rupees) -----	
Not later than one year	12,008,158	5,548,591	6,459,567
Later than one year and not later than five years	27,010,412	5,977,860	21,032,552
	39,018,570	11,526,451	27,492,119
	Minimum lease payment	Future finance charge	Present value of lease liability
2023		----- (Rupees) -----	
Not later than one year	12,188,637	6,514,188	5,674,449
Later than one year and not later than five years	38,613,918	10,839,416	27,774,502
	50,802,555	17,353,604	33,448,951

24. DEFERRED TAXATION	Note	2024	2023
		Rupees	Rupees
24.1	The liability for deferred taxation comprises timing differences relating to:		
	Credit balance arising in respect of:		
	Revaluation surplus on PPE and Accelerated tax depreciation on PPE	178,475,562	159,822,505
		178,475,562	159,822,505
	Debit balance arising in respect of:		
	- Minimum tax paid in excess of normal tax	(89,622,034)	(63,988,023)
	- Provisions	(5,051,025)	(5,530,793)
	- Exchange Loss	-	-
		83,802,503	90,303,689
24.2	Movement of deferred tax liability is as follows:		
	As at July 01,	90,303,690	71,513,084
	Charge for the year:		
	To statement of profit or loss	(6,501,187)	18,790,606
	To statement of other comprehensive income	-	-
	As at June 30,	83,802,503	90,303,690

25. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC)

As at July 01,		25,238,685	25,796,469
Mark-up on GIDC		689,336	1,604,606
Less: Payments made during the year	25.1	-	2,162,390
As at June 30,		25,928,021	25,238,685
Less: Current portion of GIDC	28	25,928,021	12,285,076
		-	12,953,609

25.1 On August 13, 2020, the Supreme Court of Pakistan (SCP) through its order declared GIDC Act an intra vires to the constitution and directed all the industrial and commercial entities to pay the Cess that have become due up to July 31, 2020. However, as a concession, the same was allowed to be recovered in twenty four equal monthly installments started from September 01, 2020.

		2024	2023
		Rupees	Rupees
26. TRADE AND OTHER PAYABLES	Note		
Creditors		586,030,569	531,493,174
Advances from customers	26.1	41,597,940	11,271,741
Accrued liabilities		73,976,176	109,224,727
Tax deducted at source		12,354,473	12,022,453
Workers' profit participation fund	26.2	16,557,701	21,721,943
Workers' welfare fund	26.3	16,762,916	14,645,872
		747,279,775	700,379,910

26.1 During the year, revenue of Rs. 9.4 million has been recognised out of opening of advances from customers of Rs. 11.27 million.

		2024	2023
		Rupees	Rupees
26.2 Workers' profit participation fund	Note		
As at July 01,		21,721,943	11,263,988
Allocation for the year		5,571,168	9,109,208
Interest on funds utilized		2,040,462	1,348,747
		29,333,573	21,721,943
Paid during the year		(12,775,872)	-
		16,557,701	21,721,943

26.3 Worker's welfare fund

As at July 01,		14,645,872	11,364,873
Allocation for the year		2,117,044	3,280,999
		16,762,916	14,645,872

27. SHORT TERM BORROWINGS

Cash finance	27.1	312,552,282	202,903,118
Running finance	27.2	357,579,661	105,728,381
Finance against packing credit	27.3	29,000,000	35,000,000
		699,131,943	343,631,499

27.1 These cash finance facilities have been obtained from various commercial banks for working capital requirements, and are secured against personal guarantee of directors and pledge of stock of the Company. Cash finance facilities carry mark up at the rates ranging from 22.74% to 23.91% per annum (2023: 12.64% to 22.98% per annum).

27.2 These facilities have been obtained from various banks for working capital requirements, and are secured against joint pari passu charge over all present and future current assets of the company. Running finance facilities carry mark up at the rates ranging from 21.74% to 22.99% per annum (2023: 16.16% to 23.08% per annum).

27.3 This facility has been obtained to finance export order of the company, and is secured against lien on export contract L/C and joint pari passu charge on all present and future current asset of the company and carry mark up at the rates ranging from 21.19% to 23.91% per annum (2023: 16.16% to 23.09% per annum).

	Note	2024 Rupees	2023 Rupees
28. CURRENT PORTION OF NON-CURRENT LIABILITIES			
<i>Long term loans form banking companies - secured</i>			
Allied Bank Limited		74,909,405	36,020,511
Bank Al Habib Limited		2,340,000	-
National Bank of Pakistan		34,499,512	27,674,152
Soneri Bank Limited		1,912,190	-
Bank Al Falah		15,809,201	4,512,816
- Carried forward	21	129,470,308	68,207,479
	Note	2024 Rupees	2023 Rupees
- Brought forward		129,470,308	68,207,479
<i>Lease liabilities - secured</i>	23	6,459,567	5,674,449
<i>Long term payable - GIDC</i>	25	25,928,021	12,285,076
		161,857,896	86,167,004
29. ACCRUED MARKUP			
- Long term financing		11,473,965	2,402,077
- Short term borrowings		20,698,499	14,425,949
		32,172,464	16,828,026
30. PROVISION FOR TAXATION			
As at July 01,		48,375,571	62,737,341
Add: provision made during the year		62,077,121	48,375,571
Less: Prior year adjustment		5,094,556	109,455
Payments / adjustments against completed assessments		(52,715,384)	(62,846,796)
As at June 30,	30.1 , 30.2	62,831,864	48,375,571
30.1 The Deputy Commissioner Inland Revenue, Multan passed an order dated June 30, 2017 under section 121(1)(d) of the Income Tax Ordinance, 2001 raising demand of Rs. 285.655 million for tax year 2011. The Company filed an appeal with the Commissioner Inland Revenue-Appeals, Multan contending that the impugned order was barred by time limitation and was made ex-parte on the same date as the date of receipt of show cause notice. The CIR-Appeals annulled the impugned order and decided the case in favor of the Company through its order dated October 31, 2017. However, the Commissioner Inland Revenue (Multan Zone) filed an appeal with the Appellate Tribunal Inland Revenue Lahore in February, 2018. The appeal is pending for adjudication and the Company expects favorable outcome hence, no provision has been made in these financial statements.			

30.2 In 2019, the Additional Commissioner Inland Revenue passed an order for the tax year 2012 under section 122(5A) of the Income Tax Ordinance, 2001 and raised a demand of Rs. 3.743 million by disallowing the claim of tax credit under section 65B of the Income Tax Ordinance, 2001 (the Ordinance) against the minimum and final tax liabilities of the Company and difference in apportionment of expenses of local and export sales. The Company filed an appeal with the Commissioner Inland Revenue (Appeals) dated May 14, 2018. The Commissioner Inland Revenue (Appeals) decided the case against the Company vide his order dated March 01, 2019. The Company preferred an appeal with the Appellate Tribunal Inland Revenue, Lahore(ATIR). In 2020, the ATIR allowed the Appeal of the Company to the extent of the tax credit under section 65B of the Ordinance vide his order dated May 01, 2020. During the year, the Commissioner Inland Revenue preferred an appeal with the High Court, which is pending adjudication. The Company expects favorable outcome, hence, no provision has been made in these financial statements.

31. CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

- (i)** In 2022, the Excise and Taxation Department Karachi imposed infrastructure cess/excise duty of Rs. 7.153 million on account of machinery imported by the Company. The Company filed a suit in Sindh High Court (SHC), Karachi against said levy. In 2013, on the basis of interim order passed by SHC, a bank guarantee amounting to Rs. 3.576 million had been given by the Ahmad Hassan Spinning Limited in favor of the Director Excise and Taxation, Karachi. The spinning segment of the Company had also paid a demand draft of Rs. 3.576 million (50% of the disputed amount) to Excise and Taxation Department, which had been booked as 'Other receivable'. In another similar case, the Company had given a bank guarantee of Rs. 7.200 million (2023: Rs. 7.200 million) to the Director Excise and Taxation, Karachi against disputed amount of infrastructure cess for release of imported goods. After demerger, the contingent liability of the Company works out to Rs. 4.016 million (2023: Rs. 4.016 million). The decision of SHC is pending and Company expects favorable decision hence, not accounted for any liability in this regard.
- (ii)** In 2017, the Collectorate of Customs, Multan - Audit Cell conducted the post exportation audit of documents submitted regarding DTRE approval reference 14/10012015 and raised demand of Rs. 6.833 million in its report. The Company contested the case with the Collectorate of (Customs) Adjudication and passed an Order for recovery of Rs. 5.159 million along with default surcharge, additional duties and taxes. The Company had filed an appeal before the Appellate Tribunal (Customs) Lahore dated November 01, 2017, which is pending adjudication. The Company had paid Rs. 3.106 million provisionally under protest and this amount will be refunded in case of decision of Appeal in favor of the Company. The Company expects favorable outcome and hence, not accounted for any liability in this regard.
- (iii)** In 2018, the Deputy Commissioner (DC) Punjab Revenue Authority issued a notice to the Company to explain the short deduction and deposit of Sales Tax on Services for the period from March 2015 to June 2016. The notice concerned an impugned amount of Rs. 25.427 million. The Company explained the matter to the DC contesting that the notice was based on assumptions only. The DC did not accept the arguments of the Company. The Company challenged the notice to Lahore High Court which provided interim relief by suspending the notice of PRA. The Company expects that the impugned notice shall be withdrawn and hence has not accounted for any liability in these financial statements in this regard.
- (iv)** In 2019, the Deputy Commissioner Inland Revenue (DCIR) issued a show cause notice to the Company regarding evasion of sales tax, further tax and undue adjustment of inadmissible input tax on account of sales/purchases from unregistered/blacklisted persons during the period from 2013 to 2016. The Company contested the case through its legal counsel. However, dissatisfied with the reply and evidences provided by the Company, the DCIR made order against the

Company to raise a demand of Sales tax and further tax amounting to Rs. 1.983 million as well as penalty of Rs. 0.108 million. The Company did not accept the order and filed an appeal with the Commissioner Inland Revenue (Appeals) dated January 11, 2019 which is pending adjudication. Moreover, in order to prevent the recovery of disputed amount by FBR, the Company also paid Rs. 0.198 million being 10% of the raised demand as per section 140 of the Income Tax Ordinance, 2001. This amount is classified in 'Other receivables'. During the year, the Commissioner Inland Revenue (Appeals) has decided the case in favor of the Company and impugned order has been annulled. However, the Commissioner Inland Revenue did not accept the order and filed an appeal with the Appellate Tribunal Inland Revenue which is pending at judgement. After demerger, the contingent liability of the Company works out to Rs. 1.815 million (2023: Rs. 1.815 million). The Company expects favorable outcome and hence not accounted for any liability in these financial statements in this regard.

- (v) During the last year, the Deputy Commissioner Inland Revenue (DCIR) raised a demand Rs. 8.244 million regarding evasion of sales tax and further tax on account of supplies to unregistered/blacklisted person during the period from April 2017 to November 2018. The Company filed an appeal with the Commissioner Inland Revenue (CIR) (Appeals) which is decided in favour of the Company and the impugned order of the DCIR has been annulled by the CIR (Appeals). The Commissioner Inland Revenue filed an appeal with the Appellate Tribunal Inland Revenue, Lahore which is pending for adjudication. The Company expects favorable outcome and hence has not accounted for any liability in these financial statements in this regard.
- (vi) In 2020, a show cause notice has been served by the Punjab Revenue Authority (PRA) on November 11, 2019 which raised the demand of Rs. 8.294 million in respect of non deposit of Sales Tax on Services for the period from July 2018 to June 2019. The proceedings are in process, while the Honorable Lahore High Court has extended an interim relief by directing that proceedings under the impugned show cause notice will continue, however, no final order shall be passed, till the reporting date. The Company has submitted written reply and no further notice has been received by the Company. The Company expects that the impugned notice shall be withdrawn and hence has not accounted for any liability in these financial statements in this regard.
- (vii) Refer to contents of the note 30.1 and note 30.2.

31.2 Commitments

- (i) The Company's commitments against capital expenditure as at June 30, 2024 amount to Rs. nil (2023: Rs. Nil).
- (ii) The Company's commitments other than capital expenditure; against letter of credit outstanding as at June 30, 2024 amount to Rs. Nil (2023: Rs. Nil)
- (iii) As mentioned in note 7.2, bankers of the Company have given guarantees to SNGPL amounting to Rs. 77.715 million (2023: Rs. 77.715 million) on behalf of the Company.
- (iv) The Company issued postdated cheque of Rs. 94.541 million (2023: Rs. 94.541 million) in favor of Collector of Customs, Multan against the amount of Sales Tax, Customs Duty and Income Tax on import of chemical, packing material under Duty and Tax Remission for Exports (DTRE) Scheme. These cheques will be returned to the Company after complying with the formal requirements.

	2024	2023
32. REVENUE FROM CONTRACTS WITH CUSTOMERS	Rupees	Rupees
Export		
Direct - fabric	715,822,276	686,288,328
Indirect - fabric	1,032,841,952	1,149,140,770
	1,748,664,228	1,835,429,098

		2024	2023
		Rupees	Rupees
Local			
-Fabric		3,996,140,566	3,123,794,949
-Waste		29,011,013	22,472,425
		4,025,151,579	3,146,267,374
Less: Sales tax			
-Local fabric		(577,651,964)	(467,781,687)
-Indirect local fabric		(86,244,061)	(155,169,918)
-Waste		(4,425,409)	(3,318,554)
		(668,321,434)	(626,270,159)
Less: Commission		(27,179,721)	(28,331,613)
		5,078,314,652	4,327,094,699
		2024	2023
33. COST OF GOODS SOLD	Note		
Raw materials consumed	33.1	3,908,894,891	3,071,446,010
Power and fuel		390,549,919	243,398,357
Salaries, wages and benefits		228,224,028	222,922,866
Depreciation	6.3	74,806,747	74,879,717
Stores consumed		61,131,745	72,468,041
Chemical consumed		66,947,088	54,052,926
Packing materials consumed		13,648,617	9,100,897
Repair and maintenance		8,865,913	12,544,788
Insurance		7,730,343	5,948,639
Rent, rates and taxes		331,010	331,017
		4,761,130,301	3,767,093,258
Work-in-process:			
-Opening stock		71,121,407	86,814,948
-Closing stock		(82,193,400)	(71,121,407)
		(11,071,993)	15,693,541
Cost of goods manufactured		4,750,058,308	3,782,786,799
Finished goods:			
-Opening stock		781,844,629	956,572,372
-Closing stock		(760,217,799)	(781,844,629)
		21,626,830	174,727,743
		4,771,685,138	3,957,514,542
33.1 Raw materials consumed			
Opening stock		262,913,431	262,913,431
Purchases including direct expense		4,061,037,651	3,071,446,010
		4,323,951,082	3,334,359,441
Closing stock		(415,056,191)	(262,913,431)
		3,908,894,891	3,071,446,010

34. PROFIT ON TRADING

Sale of yarn	24,016,065	8,206,240
Less: Purchases	17,979,499	7,514,498
Less: Purchase related expenses	-	136,264
	6,036,566	555,478

35. OTHER INCOME
Income / (loss) from financial assets

Profit on sale of shares	-	11,509
Gain on exchange rate fluctuation - net	31,161,342	-
Dividend Income	4,854,105	1,556,333
Unrealized gain / (loss) on remeasurement of investments	258,658	(249,349)
Realized gain on disposal of investments	240,216	697,398
Agriculture Income	10,206	-
	36,524,527	2,015,891

Income from assets other than financial assets

Gain on disposal of property, plant and equipment	806,892	2,117,130
	37,331,419	4,133,021

36. SELLING AND DISTRIBUTION EXPENSES

Salaries, wages and other benefits	2,938,092	2,883,333
Freight expenses on export	19,938,417	10,794,100
Export development surcharge	2,042,393	1,493,602
Other export expense including bank charges	8,106,405	13,301,222
	33,025,307	28,472,257

37. ADMINISTRATIVE EXPENSES

Directors' meeting fee		68,000	64,500
Directors' remuneration		9,000,000	11,190,000
Salaries and benefits		29,553,623	25,494,139
Depreciation	6.3	13,162,187	19,941,087
Entertainment		4,528,250	3,198,882
Vehicles running and maintenance		6,545,088	5,812,452
Fee and subscription		3,358,710	4,282,436
Communication		1,563,096	1,424,584
Legal and professional		1,115,000	770,000
Auditors' remuneration	37.3	1,020,000	1,172,500
Repairs and maintenance		586,482	652,200
Travelling and conveyance		2,162,746	1,912,349
Utilities		972,487	505,749
Printing and stationery		188,728	201,184
Advertisement		120,200	186,686
Insurance		1,551,373	1,481,467
		75,495,970	78,290,215

		2024	2023
	<i>Note</i>	Rupees	Rupees
37.3	<i>Auditors' remuneration</i>		
	Statutory audit fee	700,000	700,000
	Half yearly review	220,000	200,000
	CDC free float shares certification	50,000	50,000
	Review report on Code of Corporate Governance	50,000	50,000
	CDC Audit	-	172,500
		1,020,000	1,172,500
38.	<i>OTHER OPERATING EXPENSES</i>		
	Worker's profit participation fund	5,571,168	9,109,208
	Worker's welfare fund	2,117,044	3,280,999
	Loss on exchange rate fluctuation - net	-	7,171,025
	Donations	60,000	1,058,000
		7,748,212	20,619,232
38.1	In 2023, a donation of Rs. 1 million was contributed to the "All Pakistan Textile Mills Association" for flood relief activities carried out by the Government of Pakistan. During the year, no donation were made to any party exceeding Rs. 1 million.		
39.	<i>FINANCE COST</i>		
	Mark up on:		
	-Long term financing	40,343,976	11,296,916
	-Short term borrowings	73,071,563	61,534,638
	-Gas infrastructure development cess	689,336	1,604,606
	-Lease liabilities	7,230,512	5,055,519
	-Workers profit participation fund	2,040,462	1,348,747
		123,375,849	80,840,426
	Amortization of deferred government grant	-	-
	Bank charges and guarantee commission	9,020,842	5,852,800
		132,396,691	86,693,226
40.	<i>FINAL TAXES</i>		
	Final taxes on:		
	- export sales	17,946,756	16,802,592
		17,946,756	16,802,592
40.1	This represents final taxes paid on export sales as per section 154 of the Income Tax Ordinance, 2001, and recognised as levy in line with the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.		

	<i>Note</i>	2024	2023
		Rupees	Rupees
41. REVENUE TAXES			
Minimum taxes		27,714,025	15,030,703
41.1	This represents provision for minimum tax under sections 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.		
42. TAXATION			
Current		16,416,341	16,542,276
Prior year adjustment		5,094,556	109,455
		21,510,897	16,651,731
Deferred		(6,501,187)	18,790,606
		15,009,710	35,442,337
42.1 Relationship between tax expense and accounting profit before tax			
Applicable tax rate		29%	29%
Profit before tax		101,331,320	160,193,726
Tax on accounting profit before tax		29,386,083	46,456,181
Tax effect of income under minimum tax regime representing levies as per IFRIC 21		27,714,025	15,030,703
Tax effect of final tax regime representing levies as per IFRIC 21		(17,946,756)	(16,802,592)
Tax effect on dividend income		788,628	(260,436)
Prior year tax adjustment		5,094,556	109,455
Other temporary difference		(30,026,826)	(9,090,973)
Current year provision		15,009,710	35,442,337

EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company which is based on:

		2024	2023
Profit for the year	Rupees	40,660,829	268,308,675
Weighted average number of shares	Number	8,471,535	8,471,535
Earnings per share - basic and diluted	Rupees	4.80	31.67

		2024	2023
CASH AND CASH EQUIVALENTS	Note	Rupees	Rupees
Cash and bank balances	16	8,570,843	17,174,375
Running finance	27	(357,579,661)	(105,728,381)
		(349,008,818)	(88,554,006)

FINANCIAL RISK MANAGEMENT

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors (The Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same party, or when counter parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the long term deposits, other financial assets, trade debts, loans and advances, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2024	2023
Financial assets	Rupees	Rupees
Trade debts	367,450,616	226,426,757
Loans and advances	6,250,383	13,208,448
Long term deposits	13,739,322	11,847,375
Bank balances	8,011,078	16,215,072
Other receivables	126,100	126,100
	395,577,499	267,823,752

Counterparties

The Company conducts transactions with the following major counterparties:

- Trade debts, banks and other financial institutions

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

45.2.1 Credit risk related to trade debts

Trade debts are essentially due from local and foreign customers against sale of yarn and fabrics and the Company does not expect these counterparties to fail to meet their obligations. The majority of sales to the Company's customers are made on specific terms. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria.

Credit quality of the customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored and any shipments to foreign customers are generally covered by letters of credit.

Trade debts are non-interest bearing and are generally on 61 to 89 days credit terms.

Local trade debts include debtors with a carrying amount of Rs. 11.60 million (2023: Rs. 14.9 million) which are past due at the reporting date but not impaired as there has not been any significant change in credit quality and the amounts are still considered recoverable.

	2024 Rupees	2023 Rupees
Aging of amounts neither past due not impaired		
90 - 180 days	11,602,396	10,376,887
180 days and above	-	4,583,823
	11,602,396	14,960,710

Concentration of credit risk

Trade debts consist of a large number of diversified customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of trade debts and, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

45.2.2 Credit risk related to banks and other financial institutions

The Company limits its exposure to credit risk by only investing in highly liquid securities and only with counterparties that have a good credit rating. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

The credit rating of the banks in which the company has maintained its deposits is as follows:

Name of bank	Rating Agency	Credit Rating	
		Short Term	Long Term
The Bank of Punjab	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Bank Alfalah Limited	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA
Allied Bank Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	PACRA	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Meezan Bank Limited	VIS	A-1+	AAA
United Bank Limited	VIS	A-1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA

45.3 Liquidity risk management

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position, liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer. The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity of financial assets and liabilities.

45.3.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average effective rate of interest	Maturity within 1 year	Maturity after 1 year	Total
----- Rupees -----				
June 30, 2024				
Financial liabilities				
Interest bearing				
Long term loans	3.5% to 24.47%	129,470,308	194,602,173	324,072,481
Short term borrowings	10% to 24.48%	699,131,943	-	699,131,943
Lease liability	19.44% to 24.69%	6,459,567	21,032,552	27,492,119
Non interest bearing				
Subordinated loans		-	62,500,000	62,500,000
Trade and other payables		701,604,685	-	701,604,685
Unclaimed dividend		4,110,591	-	4,110,591
Accrued interest / mark-up		32,172,464	-	32,172,464
		1,572,949,558	278,134,725	1,851,084,283

	Weighted Average effective rate of interest	Maturity within 1 year	Maturity after 1 year	Total
----- Rupees -----				
June 30, 2023				
Financial liabilities				
Interest bearing				
Long term loans	2% to 23.48%	68,207,479	150,652,445	218,859,924
Short term borrowings	15.16% to 23.09%	343,631,499	-	343,631,499
Lease liability	15.16% to 23.09%	5,674,449	27,774,501	33,448,950
Non interest bearing				
Subordinated loans		-	62,500,000	62,500,000
Trade and other payables		640,717,901	-	640,717,901
Unclaimed dividend		3,722,109	-	3,722,109
Accrued interest / mark-up		16,828,026	-	16,828,026
		1,078,781,464	240,926,946	1,319,708,410

45.4 Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

45.4.1 Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's long term and short term debt obligations having floating interest rate.

45.4.2 Interest rate sensitivity

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended June 30, 2024 would decrease / increase by Rs. 10.77 million (2023: Rs.6.21 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

45.4.3 Foreign exchange risk management

The Company is exposed to currency risk on trade debts which are denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

	2024		2023	
	Rupees	US Dollar	Rupees	US Dollar
Trade debts	-	-	101,094,059	353,487
	-	-	101,094,059	353,487

The following US Dollar exchange rates were applied during the year:

	2024	2023
	Rupees	Rupees
Average rate	278.84	275.60
Statement of financial position rate	278.34	285.99

45.4.4 Foreign currency sensitivity analysis

At June 30, 2024, if the rupee had weaken/ strengthen by 10% against the US dollar with all other variable held constant, profit for the year would have lower/ higher by Rs.Nil (2023: Rs. 0.353 million) mainly as a result of foreign exchange gains/ losses on translation of foreign currency trade debts.

45.4.5 Equity price risk management

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for trading purpose.

45.4.6 Equity price sensitivity analysis

A 10% increase/decrease in share prices at year end would have decreased/increased the surplus on re-measurement of investments in 'other financial assets at fair value through profit or loss' as follows:

	2024	2023
	Rupees	Rupees
Effect on equity	2,823,296	1,838,229

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

45.5 Determination of fair values

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

45.6 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

45.6.1 Fair value of financial asset measured at fair value through profit or loss

The Company has only investment measured at fair value of Rs. 28.23 million (2023: Rs. 18.3 million) which is valued under level 1 and level 2 valuation method. The Company does not have any investment in level 3 category.

45.6.2 Fair value of non- financial assets

During the year, the Company has determined the fair value of land, building and plant including generators through independent valuer. The fair value measurement as at March 17, 2022 was performed by K.G. Traders (Private) Limited, independent valuer not connected to the Company. The valuer is listed on the panel of Pakistan Banks Association and they have proper qualification and experience in the fair value measurement of freehold land and building.

As there is no significant changes in the market conditions the Company has measured freehold land at fair value of Rs. 74.8 million (2023: 74.8 million) which is valued under level 2 valuation method.

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at June 30, 2024				
Freehold land	-	104,394,550	-	104,394,550
Buildings on freehold land				
- Factory	-	219,831,372	-	219,831,372
- Residential	-	60,791,828	-	60,791,828
- Plant and machinery	-	1,209,432,654	-	1,209,432,654
As at June 30, 2023				
Freehold land	-	74,880,000	-	74,880,000
Buildings on freehold land				
- Factory	-	231,401,444	-	231,401,444
- Residential	-	63,991,398	-	63,991,398
- Plant and machinery	-	1,132,845,130	-	1,132,845,130

45.7 Financial instruments by category

The Company finances its operation through equity, borrowings and management of working capital with a view to maintaining an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.

The accounting policies for financial instruments have been applied for line items below:

	2024 Rupees	2023 Rupees
Financial assets		
At amortized cost		
Trade debts	367,450,616	226,426,757
Long-term deposits	13,739,322	11,847,375
Other receivables	126,100	126,100
Cash and bank balances	8,570,843	17,174,375
At fair value through profit or loss		
Short term investment	28,232,957	18,382,292
	418,119,838	273,956,899
Financial liabilities		
At amortized cost		
Trade and other payables	701,604,685	640,717,901
Current portion of non current liabilities	161,857,896	86,167,004
Short-term borrowings	699,131,943	343,631,499
Long-term loans	194,602,173	150,652,445
Unclaimed dividend	4,110,591	3,722,109
Accrued interest / mark-up	32,172,464	16,828,026
Lease liability	21,032,552	59,617,967
	1,814,512,304	1,301,336,951

46. PLANT CAPACITY AND ACTUAL PRODUCTION

Fabric

	2024	2023
Number of looms installed	171	171
Number of looms worked	159	159
Installed capacity after conversion into 60 picks	Sq Mtrs. 59,824,309	59,824,309
Actual production of fabric after conversion into 60 picks	Sq Mtrs. 33,644,080	35,105,827

It is difficult to describe precisely the production capacity in Weaving Mills since it fluctuates widely depending on various factors such as quality and count of yarn and the width and construction of fabric woven etc. It also varies according to the pattern of production adopted in a particular year. Underutilization of capacities is due to various factors including availability of raw material and stoppages due to repair and maintenance.

47. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due to directors are shown under-long term loans from related parties, as disclosed in note 20. Remuneration of key management personnel is disclosed in note 48. There are no other transactions with related parties.

50. CAPITAL MANAGEMENT

The Company objectives when managing are:

- to safeguard the Company's ability to continue as a going concern, so that the Company can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Capital comprises all components of equity (i.e. share capital, reserves, unappropriated profit and surplus on revaluation of property, plant and equipment). The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares.

The debt-to-adjusted capital ratios at June 30, 2024 and June 30, 2023 were as follows:

	2024	2023
	Rupees	Rupees
Total debts	1,113,196,543	670,725,449
Less: Cash and cash equivalents	(8,570,843)	(17,174,375)
Net debts	1,104,625,700	653,551,074
Total equity	1,834,097,614	1,799,790,436
Adjusted capital	2,938,723,314	2,453,341,510
Debt-to-adjusted capital ratio	37.59%	26.64%

51. NUMBER OF EMPLOYEES

The number of employees for the year ended June 30 were as follows:

		2024	2023
Total number of employees	Number	313	302
Average number of employees during the year	Number	314	305

52. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, no significant reclassification/ rearrangement has been made:

Reclassified from	Reclassified to	Reason	Rupees
Loans and advances	Advance Tax	Better presentation	41,993,809

53. EVENTS AFTER THE REPORTING DATE

In respect of current year, the directors have proposed to pay cash dividend of Rs. _____ per ordinary share for approval of the shareholders at the forthcoming Annual General Meeting. Financial effect of the proposed dividend has not been taken in these financial statements and will be accounted for subsequently in the year when such dividend is approved.

54. DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue on October 05, 2024 by the Board of Directors of the Company.

55. GENERAL

Figures have been rounded-off to the nearest rupee except stated otherwise.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

**Pattern of Shareholding**

As on:- 30 Jun 2024

Number of ShareHolders	Shareholdings From	To	Total Number of Share Held	Percentage of Total
126	1 -	100	6,572	0.08
400	101 -	500	182,268	2.15
82	501 -	1000	52,646	0.62
35	1001 -	5000	66,474	0.78
2	5001 -	10000	11,040	0.13
2	10001 -	15000	24,150	0.29
1	60001 -	65000	64,000	0.76
1	65001 -	70000	70,000	0.83
2	80001 -	85000	164,339	1.94
1	85001 -	90000	88,000	1.04
1	205001 -	210000	210,000	2.48
1	350001 -	355000	350,565	4.14
1	365001 -	370000	368,000	4.34
1	405001 -	410000	408,996	4.83
1	500001 -	505000	501,739	5.92
1	505001 -	510000	509,000	6.01
1	520001 -	525000	521,400	6.15
1	580001 -	585000	582,277	6.87
1	800001 -	805000	804,540	9.50
1	910001 -	915000	913,009	10.78
1	2570001 -	2575000	2,572,520	30.37
663			8,471,535	100.00

**Categories of Shareholders as per Code of Corporate Governance****As At :30-Jun-2024**

Shareholders Category	Shares Held	Percentage
<u>Directors, Chief Executive and their spouse(s) and minor children</u>		
MIAN MUHAMMAD JAVED	521,400	6.1547
MRS. SALMA JAVED	804,540	9.4970
MR. MUHAMMAD HARIS	2,572,520	30.3666
MR. NAZIR AHMAD KHAN	2,573	0.0304
MR. HASEEB HARIS MUGHAL	582,277	6.8733
MRS. BUSRA ALI	350,565	4.1382
<u>Associated Companies, undertaking and related Parties</u>		
<u>Benevolent Fund</u>		
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	2,933	0.0346
<u>Financial Institutions</u>		
NATIONAL BANK OF PAKISTAN	500	0.0059
NATIONAL BANK OF PAKISTAN	4,000	0.0472
NATIONAL BANK OF PAKISTAN	513	0.0061
<u>Joint Stock Companies</u>		
ADAM LUBRICATS LIMITED.	500	0.0059
PRUDENTIAL SECURITIES LIMITED	50	0.0006
MAPLE LEAF CAPITAL LIMITED	1	0.0000
CONTINENTAL CAPITAL MANAGEMENT (PVT) LTD	50	0.0006
CAPITAL VISION SECURITIES PVT LIMITED	75	0.0009
S.Z. SECURITIES (PRIVATE) LIMITED	632	0.0075
<u>NIT & ICP</u>		
INVESTMENT CORP. OF PAKISTAN	200	0.0024
CDC - TRUSTEE NATIONAL INVESTMET (UNIT) TRUST	913,009	10.7774
<u>Pension Fund</u>		
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	83,593	0.9868
<u>General Public</u>		
Local	2,631,604	31.0641
Foreign		
	8,471,535	100
<u>Shareholders holding 10% or above</u>		
MUHAMMAD HARIS	2,572,520	30.3666
CDC - TRUSTEE NATIONAL INVESTMET (UNIT) TRUST	913,009	10.7774

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FORM OF PROXY

I/We, _____ of _____, holding Computerized National Identity Card Number _____ and being a member of Ahmad Hassan Textile Mills Limited, hereby appoint _____ of _____, holding Computerized National Identity Card Number _____ as my / our proxy to voted for me/us and on my /our behalf at the Annual General / Extraordinary Meeting of the Company, to be held on _____ and at any adjournment thereof.

As witness my / our hand/seal this _____ day of _____, 20 _____

WITNESSES:

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

CDC Account Number _____

Five Rupees
Revenue Stamp

To be signed by above named shareholder

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his original CNIC at the time of meeting.
5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy form.



Electronic Dividend Mandate Form

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. SECP vide Circular Number 18 of 2017 dated August 01, 2017, has presently waived this condition till October 31, 2017. Any dividend payable after this due date shall be paid in the manner prescribed only.

Shareholders are requested to sent the attached Form duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar, M/s Vision Consulting Ltd., 3-C, LDA Flats, 1st Floor, Lawrence Road, Lahore. CDC shareholders are requested to submit their Dividend Mandate Form and attested copy of CNIC directly to their broker (participant)/ CDC.

I hereby communicate to receive my future dividends directly in my Bank Account as detailed below:

Name of shareholder

Folio Number/CDC Account No.

Contact number of shareholder

Title of Account

IBAN (*)

Name of Bank

Bank branch

Mailing Address of Branch

CNIC No. (attach attested copy)

NTN (in case of corporate entity)

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes in the said particulars in future.

Shareholder's Signature

Date

NOTES:

- * Please provide complete IBAN (International Bank Account Number), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.