Interim Financial Statements
For the Quarter Ended 31 March 2025
(Un-Audited)

Pak Agro Packaging Limited

DIRECTORS REPORT

Your directors are pleased to present their report on the nine months of the current financial year that ended on 31 March 2025.

Market Outlook

Our main market, namely the agricultural sector of the country, has somewhat stabilized after recent disturbances in country's economic conditions. The agriculture sector has however still not fully recovered and needs continued governmental support to regain economic viability. While we recorded a 32.7% increase in sales revenue over the similar quarter of last financial year, and 22.8% increase in sales revenue over comparable 9 months of last financial year, the profitability of the company remains below our targets.

The growth in demand for our products is affected by two main factors: economic difficulties beinf faced by farmer and mushroom growth of smaller companies in our sector that are offering poor standard products, made of poor quality recycled raw material, and dumping them in the market for non-discriminating customers. However, some stability in the value of Pak rupee has led to stable prices for imported raw materials, making things slightly bearable. While we hope that the market will improve in the near future, it would be unwise to assume any major positive change in the economic landscape of the country. January to March follows the off-season quarter for your Company where its sales begin to pick up after recording lowest quarterly revenue in the previous quarter. Our sales revenue for the quarter at Rs 274.2 million was 32.7% higher than in corresponding quarter last year. This was the highest sales in any quarter of our history. We are hopeful that our sales will pick up further in the last quarter of the current financial year, to enable us cross the one billion rupees mark to give a degree of respectability to our annual results.

Operating Results

We recorded total sales of Rs 736.5 million and a gross profit of Rs 93.4 million in the nine months ended 31 March 2025. International prices of our raw materials, namely HDPE and colors continued to rise in dollar terms. Hence despite relative stability in exchange rate factor, our rupee cost of imported inputs remained high. We were unable to fully pass the impact of this increase to our customers due to the generally depressed economic situation of the market, particularly in the agricultural sector. Our gross profit margin in the quarter under review, at 12.68% of sales, was below the margin recorded in comparable quarter of the previous year, 12.9%.

Our fish net manufacturing plant is now contributing significantly to our sales volumes. With sales to agriculture sector considerably reduced, we were able to sustain the total sales revenue due to fish nets. We hope that as the demands for our products used by farmers rises in coming months for seasonal and economical reasons, our sales target for the year will be met.

During the quarter, certain back processes machines were added to our plant, strengthening our back process for green shades and fish nets manufacturing. This has led us to balancing our plant and it will serve your company well in coming quarters.

Due to constrained forex situation and resultant difficulties in opening letters of credit for import of raw materials, your company had built up adequate stocks to ensure continued production. This had caused significant increase in both stock levels and current borrowings, leading to higher financial expenses in the quarter ending 31 March 2025. However, by end of three quarters of current financial year, we were able to record a decrease of 7.4% in total current assets.

We recorded a profit before tax of Rs 49.8 million and profit after tax of Rs 33.33 million for the nine months under review, translating to 47.8% increase over comparable period of last financial year.

IPO Funds Proceeds
As reported in previous quarter, all of our IPO funds had been expended by the end of Sept 2022.

We wish to thank all our employees and business associates for the cooperation during the nine months ended 31 March 2024.

Kaisra J. Butt

Mrs Kaisra J Butt
Chairman

Pak Agro Packaging Limited
Statement of Financial Position as at March 31, 2025

	Note	March 2025 (Rupees)	June 2024 (Rupees)
Equity and liabilities			
Share capital and reserves			
Share capital	6	200,000,000	200,000,000
Reserves	7	107,283,257	107,283,257
Revenue reserves			
Unappropriated profit		139,409,395	104,077,080
		446,692,652	411,360,337
Non-current liabilities			
Obligation against assets subject to finance lease	8	60,377,446	46,112,074
Deferred taxation	9	53,741,807	53,741,807
Employees' gratuity fund	10	2,495,802	3,254,940
		116,615,055	103,108,820
Current liabilities			
Short term bank borrowings	11	79,996,004	125,763,250
Current maturity of long term liabilities	12	28,039,723	11,343,286
Taxation - Net		16,139	-
Accrued and other liabilities	13	33,216,508	33,401,533
		141,268,374	170,508,069
Contingencies and commitments	14	-	-
Total equity & liabilities		704,576,080	684,977,227
Property and assets			
Non-current assets			
Property, plant and equipment	15	480,979,685	457,612,101
Long term deposits	16	32,242,390	20,789,309
Current assets			
Stock in trade	17	141,725,628	169,950,140
Advances, deposits and other receivables	18	27,411,999	9,981,312
Prepayments	19	3,114,013	4,037,628
Taxation - net	20	-	4,068,889
Cash and bank balances	21	19,102,365	18,537,848
		191,354,006	206,575,817
Total assets		704,576,081	684,977,227

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

Chief Financial Officer **Chief Executive**

Pak Agro Packaging Limited
Statement of Changes in Equity
For the period ended March 31, 2025

	Share capital	Capital reserves	Accumulated profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at June 30, 2023	200,000,000	107,283,257	65,147,370	372,430,627
Total comprehensive income for the year	-	-	38,929,710	38,929,710
Balance as at June 30, 2024	200,000,000	107,283,257	104,077,080	411,360,337
Total comprehensive income for the year	-	-	35,624,368	35,624,368
Balance as at March 31, 2025	200,000,000	107,283,257	139,701,449	446,984,706

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

Chief Financial Officer **Chief Executive**

Pak Agro Packaging Limited
Statement of Comprehensive Income
For the period ended December 31, 2024

	09 Month Ended		Quarter Ended	
	March 2025 (Rupees)	March 2024 (Rupees)	March 2025 (Rupees)	March 2024 (Rupees)
Profit for the year after taxation	35,332,314	23,896,495	13,426,739	5,440,126
Other comprehensive income				
Items that will nor classified to profit or loss				
Remeasurement (loss)/gain on staff retirement benefit plan	-	-	-	-
Total comprehensive income for the year	35,332,314	23,896,495	13,426,739	5,440,126

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

Chief Financial Officer

Chief Executive

Pak Agro Packaging Limited
Statement of Cash Flows
For the period ended March 31, 2025

	Note	09 Month Ended March 2025 (Rupees)	09 Month Ended March 2024 (Rupees)
Cash flow from operating activities			
Profit for the year before taxation		49,763,823	33,657,035
Adjustments for:			
Depreciation	(15.1)	46,999,567	19,120,932
Gain on disposal of assets		-	-
		46,999,567	19,120,932
Operating profit before working capital changes		**96,763,390**	**52,777,967**
Increase/(decrease) in:			
Stock in trade	(17)	28,224,512	(83,139,685)
Trade debtors		-	69,671,066
Advances, deposits and other receivables	(18)	(17,430,687)	(9,900,499)
Pre-payments	(19)	923,615	2,666,543
		11,717,440	(20,702,575)
		108,480,829	32,075,392
Increase /(decrease) in:			
Current liabilities		(185,025)	44,317,535
Cash flow from operating activities		**108,295,805**	**76,392,927**
Income Tax Paid		(10,346,481)	(11,335,767)
Net cash flow from operating activities		**97,949,324**	**65,057,160**
Cash flow from investing activities			
Fixed capital expenditures	(15)	(53,249,928)	(110,787,005)
Capital work in progress	(15.4)	(17,117,223)	12,140,398
Long term deposits	(16)	(11,453,081)	(8,379,132)
Short term investment		-	-
Deposit against vehicles		-	-
Net cash flow from investing activities		**(81,820,232)**	**(107,025,739)**
Cash flow from financing activities			
Asset subject to finance lease	(8)	30,961,809	6,231,177
Short term bank borrowings	(11)	(45,767,246)	19,466,761
Loan from directors		-	2,000,000
Advanvces from customer		16,139	-
Employees' gratuity fund	(10)	(759,138)	(2,402,681)
Net cash flow from financing activities		**(15,548,436)**	**25,295,257**
Net increase/(decrease) in cash and cash equivalents		**580,656**	**(16,673,322)**
Cash and cash equivalent in the beginning of the year		18,537,848	20,692,767
Cash and cash equivalent at the end of the year	(21)	19,118,505	4,019,445

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

Chief Financial Officer **Chief Executive**

Pak Agro Packaging Limited
Notes to the Financial Statements
For the period ended March 31, 2025

Company and its operations

The company was incorporated initially with the name and style 'Kohsar Tyres (Private) Limited' under the Companies Ordinance, 1984 (now repealed the Companies Act, 2017) on February 18, 1989. The name of the company was thereafter changed to Mian & Khan Industries (Private) Limited on December 31, 1999 and again changed as 'Pak Agro Packaging (Private) Limited' on August 24, 2000. The status of company was converted from private limited to public limited company on June 19, 2022 and is listed at gem board of the Pakistan Stock Exchange. The main object of the company is manufacturing of net bags and green shades for green houses and to provide services to manufacture the same. The company owns a manufacturing unit in Industrial Estate, Hattar. The registered office of the company is situated at Plot No. 23, Phase IV, Haripur, Khyber Pakhtunkhwa, Hattar Industrial Estate, Hattar.

Geographical location and addresses of major business units including mills /plant of the company are as under:

Hattar	**Purpose**
Plot No. 23, Phase IV, Haripur, Khyber Pakhtunkhwa, Hattar Industrial Estate, Hattar.	Registered office and Production Plant
Islamabad	
Office No 302, 3rd Floor, Green Trust Tower, Jinnah Avenue, Islamabad	Head office

Statement of compliance and significant accounting estimates

2.1) Statement of compliance

These financial statements have been prepared in accordance with the approved 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 the Companies Act, 2017 have been followed.

2.2) Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's financial currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee.

2.3) Significant accounting estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, 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 judgment about carrying value 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 and ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

2.4) Property, plant and equipment

The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge.

2.5) Impairment

The Company reviews the value of its assets for possible impairment on an annual basis. Any change in estimate in future years, might effect the carrying amount of the respective asset with the corresponding effect on impairment.

2.6) Standards, interpretations and amendments to the approved accounting standards

- There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2023. However, these do not have any significant impact on the Company's financial statements.
- Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026

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

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

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service concession arrangements
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

Significant accounting policies

The principle accounting policies which have been adopted in the preparation of these accounts are as follows:

3.1) **Accounting convention**

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values.

3.2) **Property, plant and equipment**

- **Recognition and measurement:** Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land and capital work in progress are stated at cost less any accumulated impairment losses.

  If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. An item of property, plant and equipment is derecognized upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and its carrying amount and is recognized in profit or loss.

- **Subsequent expenditure:** Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- **Depreciation:** Depreciation is calculated to write off the cost of items of property, plant and equipment less their residual values using the reducing balance method, except leasehold land, buildings and plant and machinery which are depreciated on a straight-line basis. Depreciation is recognized in the statement of profit or loss. Leased assets are depreciated over the shorter of the leased term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Rates of depreciation/estimated useful lives are mentioned in note 17.1.1. Depreciation is charged on prorate basis from the month in which an asset become available for used, while no depreciation is charged for the month in which the asset is disposed off. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

- **Capital work-in-progress:**

  Capital work-in-progress is stated at cost less accumulated impairment losses (if any). All expenditure connected to the specific assets incurred during installation and construction period is carried under capital work-in-progress. These are transferred to relevant classes of property, plant and equipment as and when these are available for use.

- **Leases:**

  The Company assesses whether a contract is, or contains, a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, which are presented in rent, rates and taxes.

3.3) **Staff retirement benefits**

The company operates a non-contributory, unapproved and unfunded gratuity scheme for its permanent employees, who have completed minimum period of one year service. The liability is calculated with reference to the last salary drawn and the length of service of the employee.

The calculation of defined benefit obligations in respect of gratuity is performed annually by a qualified actuary using the Projected Unit Credit (PUC) method. The latest actuarial valuation of the plan was carried out as at 30 June 2024. The Company's net liability in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses, are recognized immediately in other comprehensive income (OCI). The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plan is recognized in statement of profit or loss. The actuarial assumptions used in the valuation of gratuity plan are disclosed in note 36.8.

3.4) Impairment

The carrying amount of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized in the profit and loss account. Where an impairment loss subsequently reverse, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the initial cost of the asset. A reversal of the impairment loss is recognized in the profit and loss account.

3.5) Stock and spares

These are valued at moving average cost except for the items in transit which are valued at invoice price and related expenses incurred up to the balance sheet date.

3.6) Stock in trade

These have been valued as under:

Raw material	- At first in first out.
Work in process	- At weighted average cost.
Finished goods	- At lower of cost, calculated on first in first out (FIFO) basis and net realizable value.
Packing material	- At first in first out.

3.7) Bad debts

These are stated at book value. Debts considered bad are provided for or written off and no general provision for the bad and doubtful debt is maintained.

3.8) Taxation

3.8.1) Current tax

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account available tax rebates and credits.

3.8.2) Deferred tax

Deferred tax is recognized in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.9) Revenue recognition

Revenue from sale is recognized on dispatch of goods to customers, while processing fee on issuance of invoice to customers.

Dividend and appropriation to reserves
Dividend and other appropriation to reserves are recognized in the period in which they are approved.

Financial instruments

Financial assets

Classification: The Company classifies its financial assets in the following measurement categories:
- Amortized cost
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition: Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement: At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Debt instruments: Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments:
- Amortized cost: Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortized cost. Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Company's financial assets at amortized cost include deposits, trade debts, advances, other receivables and cash and bank balances.
- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses or reversals, interest income, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified to profit or loss.
- FVTPL: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises.

Equity instruments: All equity instruments at fair value are subsequently measured at FVTPL except where the Company's management has irrevocably elected to present fair value gains and losses on equity investments in OCI. In such case, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

Financial liabilities are classified in the following categories:
- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of financial liabilities at amortized cost also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

FVTPL: Financial liabilities at FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at FVTPL. The Company has not designated any financial liability upon recognition as being at FVTPL.

Financial liabilities at amortized cost: After initial recognition, financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortization process.

The Company derecognizes financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

Off setting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Impairment of financial asset

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

For debt instruments at amortized cost (other than trade debts) and FVTOCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when internal and external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash owes.

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to depreciation / amortization and are tested annually for impairment. Assets that are subject to depreciation / amortization are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows i.e. Cash Generating Unit (CGU). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in profit or loss for the year.

	March 2025 (Rupees)	June 2024 (Rupees)
Share capital		
Authorized capital		
40,000,000 ordinary shares of Rs. 10/- each	400,000,000	400,000,000
Issued, subscribed and paid-up capital		
Shares issued for cash		
17,350,000 ordinary shares of Rs. 10/- each in cash	173,500,000	173,500,000
Issued as fully paid bonus shares		
2,650,000 ordinary shares of Rs.10/- each	26,500,000	26,500,000
	200,000,000	200,000,000

Reserves

This represents the Premium on issuance of shares and can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

Obligation under finance lease

Value of assets	46,112,074	30,793,518
Add: Addition during the year	48,116,438	32,591,524
	94,228,512	63,385,042
Less: Payments made upto the year	8,971,248	5,929,683
Present value of minimum lease payment	85,257,264	57,455,360
Less: Current maturity	24,879,818	11,343,286
	60,377,446	46,112,074

The amount of future payments and the periods in which they become due are as follows:

June 30, 2025	-	19,134,011
June 30, 2026	-	19,039,757
June 30, 2027	-	33,317,963
	-	71,491,731
Less: Lease financial charges allocable for future periods	14,036,372	14,036,372
	(14,036,372)	57,455,359
Less: Current maturity of finance lease	24,879,818	11,343,286
	(38,916,189)	46,112,074

The value of minimum lease rental payments has been discounted at 3 months KIBOR + 4% per annum. Liabilities are partly secured against deposit of 35% of the asset value included in long term security deposits (Note 17). Title to the assets acquired under the leasing arrangements are transferrable to the Company upon payment of entire lease obligations.

The finance lease facilities for the Yarn Making Machine, Fishing Net Machine and Vegetable Bag Wrap Knitting Machine, provided by M/s OLP Financial Services Pakistan Limited, are fully secured through a first exclusive charge registered with the Securities and Exchange Commission of Pakistan (SECP).

Deferred taxation		**March 2025 (Rupees)**	**June 2024 (Rupees)**
The balance of deferred tax is in respect of following temporary differences:			
Accelerated depreciation on property plant and equipment		53,741,807	53,741,807
		53,741,807	53,741,807
Employees' gratuity fund			
Balance at beginning of the year		3,254,940	2,735,478
Add: Provision for the year		3,459,868	7,893,286
		6,714,808	10,628,764
Less: Paid to outgoing members		(4,219,006)	(7,373,824)
		2,495,802	3,254,940
Short term bank borrowings			
Running finance	(11.1)	79,996,004	75,844,040
Finance against Trust Receipts (FATR) Facility:	(11.2)	-	49,919,210
		79,996,004	125,763,250

11.1) Running finance

The Bank of Khyber has renewed the running finance facility limit upto Rs.80 million on January 01, 2024 to meet working capital requirements of the company at mark up rate to be recovered on quarterly basis as follows:

- Rebated: Three months KIBOR plus 300 bps p.a. if markup is paid within 15 days from due date;
- Un-rebated: Three months KIBOR plus 500 bps p.a. if markup is paid after 15 days from due date.

The Letter of Credit- DA(Usance LC) - Import facility of 50 million at a cash margin of 20% or as prescribed by SBP whichever is higher (profit free) at a markup rate of three months KIBOR plus 500 bps with no floor and no cap.

These facilities are secured by way of:

- 1st Exclusive Hypothecation charge of Rs.107 million duly registered with SECP over Company's stock with 25% margin against running finance facility;
- Against LC's, cash margin of 20% or as prescribed by SBP whichever is higher (profit free) and accepted bills of exchange duly signed/stamped by borrower;

Common Securities against all credit facilities:

- Token registered mortgaged for Rs. 150,000/= & remaining equitable mortgage to cover DP Note amount over Company's present & future fixed assets (land, building, plant & machinery) (existing & new) located at Plot No.22 & 23, Phase 04, measuring 02 Acres, Situated at Industrial Estate, District Hattar, Khyber Pakhtunkhwa.
- 1st PP charge of Rs. 194 million by way of Memorandum of Deposit of Title (MODTD) & letter of hypothecation over Company's present & future fixed assets (land, building, plant & machinery) (existing & new) located at Plot No. 22 & 23, Phase 04, measuring 02 Acres, Situated at Industrial Estate, District Hattar, Khyber Pakhtunkhwa.
- Personal guarantees of all directors and owners of the properties (except for independent directors) company.

These facilities are valid up to December 31, 2025.

11.2) Finance against Trust Receipts (FATR) Facility:

The Bank of Bank of Punjab has renewed the Finance against Trust Receipts (FATR) Facility upto Rs. 50 million on November 06, 2023 to retire the SLCs and bank contracts at sight established for import of raw material through BOP counters only at mark up rate to be recovered on quarterly basis as follows:

- Base rate + 300 bps p.a. for 90 days;
- After 90 days as per BOP's Schedule of charges.

The Letter of Credit- DA(Usance LC) - Import facility of 50 million at a cash margin of 20% or as prescribed by SBP whichever is higher (profit free) at a markup rate of three months KIBOR plus 500 bps with no floor and no cap.

These facilities are secured by way of:

- Trust receipts for each draw down;
- Pari Passu Charge over present and future fixed assets of the company for Rs. 67.000M with 25% margin along with constructive MODTD coupled with letter of holding from BOK.
- 1st Exclusive Hypothecation charge of Rs.107 million duly registered with SECP over Company's stock with 25% margin against running finance facility;

Combined Collateral as mention below:

- Ist Pari Passu charge of 266.67M including 25% Margin over hypothecation of present and future current assets of the company. Enhancement will be allowed on registration of fresh ranking charge of 66.67M with 545 days deferral to upgrade ranking charge to Pari Passu level.
- Personal guarantees of sponsor directors i.e., Dr. Safdar Ali Butt and Ms. Kaisra Jabeen Butt having combined shareholding of 41.99% along with PNWS.

These facilities are valid up to September 30, 2025.

		March 2025 (Rupees)	June 2024 (Rupees)
Current maturity of long term liabilities			
This represents current maturity of followings			
- Finance lease	(8)	24,879,818	11,343,286
		24,879,818	11,343,286

Accrued and other liabilities

Workers' profit participation fund	17,756,469	14,210,719
Salaries payable	-	7,864,582
Workers' welfare fund	1,347,385	2,068,131
Postal life insurance	348,313	110,905
WHT payable	1,457,947	-
Mark up payable	-	4,835,887
Sales tax payable	1,266,377	1,751,630
Advance from customers	2,456,516	-
Audit fee	-	840,000
Other liabilities	8,583,501	1,617,628
Lease finance payable	-	102,051
	33,216,508	33,401,533

Contingencies and commitments

a) Contingencies

Currently there are no contingencies against the company in foreseeable future.

b) Commitments

There are no commitments made by the company.

		March 2025 (Rupees)	June 2024 (Rupees)
Property, plant and equipment			
Operating fixed assets			
- Owned assets	(15.1)	385,198,069	399,210,772
- Right of use assets (ROU)	(15.2)	78,664,393	58,401,329
Capital work in progress	(15.4)	17,117,223	-
		480,979,685	457,612,101

15.1) Owned assets

Description	Factory building on Lease hold land	Motor vehicles	Plant and machinery	Electric Installation	Furniture and fixtures	Office equipment	Electrical equipment	Computers	Total
As at July 01, 2023									
Cost	57,845,245	27,745,363	284,647,772	5,410,137	1,158,264	1,675,522	1,138,590	635,920	380,256,813
Accumulated depreciation	(17,851,085)	(10,881,119)	(192,796,178)	(4,160,853)	(717,268)	(804,996)	(1,006,605)	(381,934)	(228,600,037)
Net book value	39,994,160	16,864,244	91,851,594	1,249,284	440,996	870,526	131,985	253,986	151,656,776
Annual rate of depreciation (%)	5	15	15	15	15	15	15	30	
Year ended June 30, 2024									
Opening net book value	39,994,160	16,864,244	91,851,594	1,249,284	440,996	870,526	131,985	253,986	151,656,776
Additions	20,043,550	-	244,688,877	18,500	18,000	187,450	-	53,300	265,009,677
Disposals/adjustment									
Cost	-	-	-	-	-	-	-	-	-
Adjustment Dr/(Cr)	-	-	12,072,643	-	-	-	-	-	12,072,643
Depreciation	-	-	(2,965,343)	-	-	-	-	-	(2,965,343)
	-	-	9,107,300	-	-	-	-	-	9,107,300
Depreciation charge	(2,303,672)	(2,529,637)	(21,193,533)	(189,011)	(67,724)	(168,753)	(19,798)	(90,853)	(26,562,981)
Closing net book value	57,734,038	14,334,607	324,454,238	1,078,773	391,272	889,223	112,187	216,433	399,210,772
As at July 01, 2024									
Cost	77,888,795	27,745,363	541,409,292	5,428,637	1,176,264	1,862,972	1,138,590	689,220	657,339,133
Accumulated depreciation	(20,154,757)	(13,410,756)	(216,955,054)	(4,349,864)	(784,992)	(973,749)	(1,026,403)	(472,787)	(258,128,361)
Net book value	57,734,038	14,334,607	324,454,238	1,078,773	391,272	889,223	112,187	216,433	399,210,772
Annual rate of depreciation (%)	5	15	15	15	15	15	15	30	
Period ended March 31, 2025									
Opening net book value	57,734,038	14,334,607	324,454,238	1,078,773	391,272	889,223	112,187	216,433	399,210,772
Additions	1,402,641	-	11,337,578	789,500	14,000	143,000	12,706,086	200,000	25,592,805
Disposals/adjustment									
Cost	-	-	-	-	-	-	-	-	-
Adjustment Dr/(Cr)	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Depreciation charge	(2,165,026)	(1,612,643)	(36,501,102)	(121,362)	(44,018)	(100,038)	(12,621)	(48,698)	(40,605,508)
Closing net book value	56,971,652	12,721,964	299,290,714	1,746,911	361,254	932,186	12,806,652	367,736	385,198,069
As at July 01, 2024									
Cost	79,291,436	27,745,363	552,746,870	6,218,137	1,190,264	2,005,972	13,844,676	889,220	683,931,938
Accumulated depreciation	(22,319,784)	(15,023,399)	(253,456,156)	(4,471,226)	(829,010)	(1,073,786)	(1,039,024)	(521,484)	(298,733,869)
Net book value	56,971,652	12,721,964	299,290,714	1,746,911	361,254	932,186	12,806,652	367,736	385,198,069
Annual rate of depreciation (%)	5	15	15	15	15	15	15	30	

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15.2) Right of use assets (ROU)

Particulars	Rupees								
	Mar-25					Jun-24			
	Land	Motor Vehicle	Machinery	Electric Equipment - Solar	Total	Land	Motor Vehicle	Machinery	Total
Cost	1,565,250	2,950,000	67,493,952	-	72,009,202	1,565,250	2,950,000	50,491,815	55,007,065
Accumulated depreciation	-	(599,219)	(13,008,654)	-	(13,607,873)	-	(184,375)	(8,728,219)	(8,912,594)
Net book value as on July 01,	1,565,250	2,350,781	54,485,298	-	58,401,329	1,565,250	2,765,624	41,763,596	46,094,471
Additions	-	-	19,277,123	16,380,000	26,657,123	-	-	29,074,780	29,074,780
Disposals/adjustments									
Cost	-	-	-	-	-	-	-	-	-
Adjustment Dr/(Cr)	-		-	-	-		-	(12,072,643)	(12,072,643)
Depreciation	-		-	-	-		-	2,965,343	2,965,343
	-	-	-	-	-	-	-	(9,107,300)	(9,107,300)
Depreciation charge	-	(264,463)	(6,129,596)	-	(6,394,059)	-	(414,844)	(7,245,778)	(7,660,622)
Net book value as at September 30,	1,565,250	2,086,318	58,632,825	16,380,000	78,664,393	1,565,250	2,350,780	54,485,298	58,401,329
Annual Rate of Depreciation (%)	-	15%	15%	15%		-	15%	15%	

15.3) The depreciation relating to owned assets and right of use assets for the year has been allocated as follows:

		March 2025	June 2024
Cost of sales	(24.4)	46,735,104	33,808,759
Administrative expenses	(25)	264,463	414,844
		46,999,567	34,223,603

15.4) Capital work in progress

Plant and machinery		
Balance as at July 01, 2022	-	38,419,172
Additions during the year	-	12,140,398
Transfers during the year	-	(38,419,172)
Balance as at June 30, 2023	-	12,140,398
Balance as at July 01, 2024	-	12,140,398
Additions during the year	17,117,223	11,791,238
Transfers during the year	-	(23,931,636)
Balance as at March 31, 2025	17,117,223	-

Long term deposits			
Security deposits against:			
Leased assets		30,406,624	18,982,143
Utilities		1,181,436	1,152,836
Office building		654,330	654,330
		32,242,390	**20,789,309**

		March 2025 (Rupees)	**June 2024 (Rupees)**
Stock in trade			
Raw material	(17.1)	44,232,650	81,848,340
Finished goods		107,702,250	62,014,500
Work-in-process		(10,209,272)	9,643,215
Stock in transit		-	16,444,085
		141,725,628	**169,950,140**
17.1) Raw material			
Raw material		26,867,750	73,132,720
Colors		15,192,900	8,205,390
Chemical		2,172,000	510,230
		44,232,650	**81,848,340**
Advances and deposits			
Advances to:	(18.1)		
Against salaries		1,994,500	723,500
Against supplies		2,664,684	1,667,408
Against services		1,000,000	75,333
		5,659,184	2,466,241
Deposits:			
Margin deposit on letters of credit		5,960,997	6,236,482
Others		-	1,000,000
		5,960,997	7,236,482
Other receivables			
Sales tax refundable		15,791,818	278,589
		15,791,818	278,589
		27,411,999	**9,981,312**

18.1) These are unsecured and considered good by the management.

Prepayments			
Insurance		3,053,520	2,981,976
CDC Fee		60,493	
Office rent		-	1,055,652
		3,114,013	**4,037,628**
Taxation - net			
Tax deducted at source		14,415,370	17,770,132
Provision for taxation		14,431,509	(13,701,243)
		16,139	**4,068,889**
Cash and bank balances			
Cash in hand		700,000	700,000
Cash at bank - current account		18,402,365	17,837,848
		19,102,365	**18,537,848**
Sales-net			
Gross sales		736,531,641	984,087,526
Sales tax		132,575,695	(150,286,252)
		869,107,336	**833,801,274**

		March 2025 (Rupees)	June 2024 (Rupees)
Cost of sales			
Raw material consumed	(23.1)	366,279,155	336,923,248
Colors consumed	(23.2)	15,855,886	28,135,446
Chemical consumed	(23.3)	20,745,859	28,693,931
Packing material consumed		12,925,286	12,376,460
Production overhead	(23.4)	253,200,558	266,843,655
		669,006,744	672,972,740
Work in process			
- Balance as on July, 01		9,643,215	9,845,234
- Balance as at March, 31		10,209,272	(9,643,215)
		19,852,487	202,019
Cost of goods manufactured		688,859,230	673,174,759
Finished stocks			
- Balance as on July, 01		62,014,500	88,536,190
- Balance as at March, 31		(107,702,250)	(62,014,500)
		(45,687,750)	26,521,690
		643,171,480	**699,696,449**

23.1) Raw material consumed

Stock as on July, 01	73,132,720	73,716,500
Add: Raw material imported	320,014,185	336,339,468
	393,146,905	410,055,968
Stock as at March, 31	(26,867,750)	(73,132,720)
	366,279,155	**336,923,248**

23.2) Colors consumed

Stock as on July, 01	8,205,390	11,645,919
Color purchased	22,843,396	24,694,917
	31,048,786	36,340,836
Stock as at March, 31	(15,192,900)	(8,205,390)
	15,855,886	**28,135,446**

23.3) Chemical consumed

Stock as on July, 01	510,230	2,592,020
Add: Purchases	22,407,629	26,612,141
	22,917,859	29,204,161
Stock as at March, 31	(2,172,000)	(510,230)
	20,745,859	**28,693,931**

		March 2025 (Rupees)	June 2024 (Rupees)
23.4) Production overhead			
Salaries and benefits	(23.4.1)	104,992,692	110,910,762
Fuel and power		71,632,641	105,568,021
Repair and maintenance		21,300,649	5,187,607
Insurance		134,114	2,955,422
Sui gas		2,913,617	3,924,884
Vehicle running and maintenance		2,230,795	742,427
Lubricants		1,683,550	1,495,750
Entertainment		595,422	623,363
Miscellaneous		273,900	405,108
Security charges		203,545	48,116
Printing and stationary		183,720	268,845
Telephone and internet		149,999	204,611
Travelling and conveyance		119,919	306,825
Postage and courier		20,831	53,672
Rent, rates and taxes		20,000	325,082
Newspaper and periodicals		10,060	14,400
Depreciation	(15.3)	46,735,104	33,808,760
		253,200,558	266,843,655

	March 2025 (Rupees)	June 2024 (Rupees)
23.4.1) Salaries and benefits		
Salaries to staff	92,623,566	84,087,043
Gratuity	7,678,874	6,802,941
E.O.B.I	1,682,800	1,300,640
Social security	992,879	1,510,140
Financial assistance	283,000	330,000
Medical	29,100	32,385
Overtime	1,702,473	13,159,172
Bonus	-	3,286,545
Leave encashment	-	401,896
	104,992,692	110,910,762

		March 2025 (Rupees)	June 2024 (Rupees)
Administrative expenses			
Director's remuneration	(24.1)	9,460,506	10,920,151
Salaries and benefits	(24.2)	3,360,250	4,662,931
Rent, rates and taxes		4,867,883	4,558,501
Entertainment		657,984	522,068
Fees and subscriptions		733,971	699,430
Miscellaneous		1,149,080	76,830
Utilities		371,977	486,469
Telephone, mobile and internet		334,331	481,818
Printing and stationary		236,681	433,940
Travelling and conveyance		237,768	226,587
Postage and courier		105,934	156,108
News papers and periodicals		10,000	18,340
Repair and maintenance			253,815
Auditor's remuneration		-	840,000
Out of Pocket		211,000	
Equipment Expenses		1,500	
Legal and professional		-	204,500
Depreciation	(15.3)	264,463	414,844
		22,003,328	24,956,332

		March 2025 (Rupees)	June 2024 (Rupees)
24.1) Director's remuneration			
Remuneration		7,875,000	9,650,000
Medical		1,151,450	261,939
Director's meeting		300,000	625,000
Bonus		-	345,417
Insurance		134,056	37,795
		9,460,506	10,920,151
24.2) Salaries and benefits			
Salaries to staff		3,360,250	3,750,257
Gratuity		-	755,882
Bonus		-	156,792
		3,360,250	4,662,931
Selling and distribution expenses			
Carriage outward		-	299,470
		-	299,470
Financial expenses			
Mark-up		7,956,737	12,558,524
Lease financial charges		7,498,043	7,171,294
Bank charges		140,412	252,813
Share Registrar Services		662,853	760,264
		16,258,044	20,742,896
Other charges			
Workers' profit participation fund		3,545,750	5,442,451
Workers' welfare fund		1,347,385	2,068,131
		4,893,135	7,510,582
Taxation			
Current year tax charged			
- for the year	(28.1)	14,431,509	13,701,243
- for prior year		-	(1,826,010)
		14,431,509	11,875,233
Deferred tax		-	29,456,139
Tax expense for the year		14,431,509	41,331,372
28.1) Reconciliation of tax charge for the year			
Accounting profit - before taxation		-	82,663,677
Inadmissible expenditure for tax purposes		-	33,734,275
Admissible expenditure for tax purposes		-	(119,822,694)
		-	(3,424,742)
Tax charge at applicable tax rate of 29% (2023: 29%)		-	-
Tax charge on Accounting profit/tax chargeable u/s 113(C) @ 17%		-	13,701,243
Tax effect of difference of minimum tax chargeable		-	-
		-	13,701,243

Remuneration of Chief Executive, Directors and Executives

Description	March 2025			June 2024		
	Chief Executive	Director	Executive	Chief Executive	Director	Executive
Managerial remuneration	5,400,000	2,475,000	4,736,250	6,500,000	3,150,000	5,251,818
Bonus	-	-	-	220,417	125,000	242,500
	5,400,000	2,475,000	4,736,250	6,720,417	3,275,000	5,494,318
Number of persons	1	1	3	1	1	3

The Company also provide company maintained car, accommodation and free telephone, both for company and for personal use.

In addition to remuneration, the chief executive, directors and executives were provided with use of the Company's cars and residential telephone and internet facilities. The Company also provides medical facilities to its chief Executive, directors and staff.

The aggregate amount charged in these financial statements in respect of fee to 1 non-executive director and 4 Independent Directors is Rs. 225,000/= (June 2024: 1 non-executive director and 4 Independent Directors was Rs. 625,000/=).

Earnings per share - Basic and Diluted	March 2025 (Rupees)	June 2024 (Rupees)
Profit after tax	35,332,314	23,896,495
Weighted average number of ordinary shares at the end of the year (Numbers)	20,000,000	20,000,000
Basic and diluted earnings per share (Rupee)	1.77	1.19

Related party transaction

The related party comprises of subsidiary, associated companies, director of the company and key management personals, details of transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that company. Details of transactions with related parties, except for remuneration to key management personnel as discussed in note 31, are as follows:

Transactions and contracts with related parties are carried out at arm's length prices determined in accordance with comparable uncontrolled prices method except in circumstances where it is in the interest of the group to do so with the prior approval of the Board of Directors.

- Following are the associated companies/undertakings and related parties with whom the Company had entered into transactions during the year:

Related party	Basis of relationship	Number of shares held in the company	Aggregate %age shareholding in the Company
Employees' Gratuity Fund	Employees' Gratuity Fund	-	0.00%

Number of employees

	March 2025	June 2024
Number of employees as on June 30,		
Factory	204	222
Other	7	6
	211	228
Average number of employees during the year		
Factory	187	204
Other	7	6
	194	210

Production capacity

Plant has a maximum production capacity of 1,600,000 kgs (June 2024: 1,600,000 kgs). Actual production during the period was 607,665/- Kgs (June 2024: 1,503,091 Kgs).

Company is not utilizing its maximum production capacity considering competitive market environment and demand potential of its product. Therefore, production is carried out keeping in eye of demand.

General

In fixed asset schedule (note 15.1) of current year motor cycle and tools and equipment are merged under the head motor vehicles and plant & machinery respectively, to enhance presentation by consolidating similar types of assets.

Date of authorization for issue

These financial statements have been authorized for issue on __________ by the board of directors of the company.

Chief Financial Officer

Chief Executive