



# ANNUAL REPORT 2024



Leading the Textile Revolution



**J.K. SPINNING  
MILLS LIMITED**





# Contents

02	Company Information
04	Vision & Mission
06	Chairman's Review
10	Directors' Report
23	Directors' Report urdu
24	Vertical Analysis & Horizontal Analysis Based on Year 2019
25	Key Operating and Financial Results
27	Statement of Compliance
29	Independent Auditor's Review Report
30	Notice of Annual General Meeting
34	Independent Auditors' Report
40	Statement of Financial Position
42	Statement of Profit or Loss
43	Statement of Comprehensive Income
44	Statement of Changes in Equity
45	Statement of Cash Flows
46	Notes to the Financial Statements
99	Pattern of Shareholding
100	Gender Pay Gap Statement
101	Proxy Form
102	Proxy Form Urdu

# Company Information

<b>Chairman</b>	Mr. Jawed Anwar
<b>Chief Executive</b>	Mr. Faiq Jawed
<b>Directors</b>	Mr. Shaiq Jawed Mrs. Farhat Jehan Mrs. Sadaf Aamir Arshad Mr. Muhammad Tayyab Zahid Syed Sohaib Mansoor Naqvi
<b>Audit Committee</b>	
<b>Chairman</b>	Syed Sohaib Mansoor Naqvi
<b>Members</b>	Mrs. Farhat Jehan Mrs. Sadaf Aamir Arshad
<b>HR Committee</b>	
<b>Chairman</b>	Mr. Muhammad Tayyab Zahid
<b>Members</b>	Mr. Shaiq Jawed Syed Sohaib Mansoor Naqvi
<b>Risk Management Committee</b>	
<b>Chairman</b>	Mr. Faiq Jawed
<b>Members</b>	Mr. Shaiq Jawed Syed Sohaib Mansoor Naqvi
<b>Nomination Committee</b>	
<b>Chairman</b>	Mr. Jawed Anwar
<b>Members</b>	Mr. Faiq Jawed Mr. Shaiq Jawed
<b>Director Finance</b>	Mr. Ghulam Muhammad
<b>Company Secretary</b>	Syed Hussain Shahid Mansoor Naqvi
<b>Chief Financial Officer</b>	Khawaja Nadeem Abbas
<b>Head of Internal Audit</b>	Mr. Farhan Safdar
<b>Auditors</b>	Riaz Ahmad & Company Chartered Accountants
<b>Legal Advisor</b>	Mahfooz Ahmad Khan Advocates
<b>Registrar's and Share Registration office</b>	CORPTEC Associates (Pvt.) Ltd., 503-E, Johar Town, Lahore
<b>Bankers</b>	Standard Chartered Bank (Pakistan) Limited The Bank of Punjab National Bank of Pakistan Habib Bank Limited Meezan Bank Limited Askari Bank Limited Summit Bank The Bank of Khyber Dubai Islamic Bank Industrial and Commercial Bank of China

Registered office

34-Falcon Enclave, Tufail Road,  
Lahore Cantt. Lahore.

Head Office & Mills

29-KM, Shekhupura Road, khurrianwala  
Faisalabad.



# VISION

To enter into global economy accepting the challenge of barrier free trade as a dynamic force.

# MISSION

To turn around performance of company into sustainable growth for the benefit of its stake holders.

To stand the test of expectations of our valued customers redefining excellence with craft, creativity, professionalism and quality control.

To strive hard for boosting exports of country to earn more foreign exchange to rebuild economy.



## Chairman's Review



Jawed Anwar  
Chairman

It is my privilege to be serving as the Chairman of Board of Directors of J.K. Spinning Mills limited (the Company). I would like to thank our esteemed shareholders and directors for entrusting me with guiding direction of the Company and assure that all my efforts will continue to be aimed at steering the Company towards consistent qualitative and quantitative growth in future as well.





## ECONOMIC OUTLOOK

The outgoing fiscal year witnessed moderate economic recovery. Government's prudent policy management and administrative measures have restored market confidence which led to a pick-up in economic activity. GDP growth accelerated to 2.4% in FY2024. This growth was broad-based, with the agriculture sector expanded by 6.3%, while industry and services each grew by 1.2%. The markets have rallied due to improvements in economic conditions. The PSX has surged by 79.5% since July 2023, with the KSE 100 index rising to 78,810 points by June 2024. The government has initiated discussions with the IMF for a new three-year program to further support the external sector and encourage investment flows to steer the economy toward its potential growth.

CPI inflation reached its lowest level in 30 months as YoY inflation recorded at 9.6 percent in August 2024, a significant decrease from 38.0 percent in May 2023. This decline can be attributed to several factors, such as monetary tightening, fiscal consolidation, and smooth supplies of food items, favorable global commodity prices, and exchange rate stability. The government's efforts have played a significant role in containing inflation, demonstrating its commitment to price stability.

The fiscal accounts have improved during FY2024 led by various revenue enhancing and expenditure control measures. As a result, the fiscal deficit has reduced to 4.5% of GDP from 4.7% of GDP last year. Moreover, effective management of non-interest spending has improved the primary balance to a surplus of 1.5 % of GDP, keeping it well on track to meet the full-year target

of 0.4 % of GDP. On the external front, a sustained improvement was observed in the current account balance. The current account posted a deficit of \$0.313 billion for FY2024, compared to a deficit of \$3.9 billion last year, largely reflecting improvements in the trade balance and remittances.

## BUSINESS PERFORMANCE

Your Company achieved its highest ever turnover, a testament to the excellent guidance of its Board of Directors and efforts put in by the entire Company. We underwrote our highest-ever revenue of Rs. 41.816 billion, an increase of 15.74% over the last year. Considerable growth of 17.87% was witnessed in gross profit and decline of 44% in net profits as well. Major reason of net profit decline is increase of financial charges 151% due to increase in KIBOR rate and working capital requirements. Our reserves are within company which has strengthen our financial position.

The Company is investing a substantial amount to increase its reserve base and with the Grace of Allah Almighty, we are pretty much hopeful to get new successes as we have a number of factors in our favor; the strength of our financial position, our strong cash generation, our expertise and most of all, the dedication and will of our employees.

Your company BMR policy continue to satisfy the customers' demands, in this lieu we are adding 6600 Routers of spinning set up in coming year to recycle spinning waste. Further one Stenter, Calendar, Oil Heater and Singeing machine are being added to enhance the processing unit capacity.

Currently we have renewable energy facility of 3.7 MW however we are planning further to invest in

renewable energy like solar project of 4.0 MW.

## ROLE OF THE BOARD OF DIRECTORS

On governance side, performance of members of our Board remained excellent throughout the year and their collective contributions and efforts allowed the Company to not only achieve its targets but also maintain its excellent market reputation, while providing consistent returns to the shareholders

I would like to praise the management for its immense efforts in achieving moderate results in FY2024 and hope that the Company would continue its upward growth trajectory in future as well. The Audit Committee and Human Resource & Remuneration Committee met regularly to strengthen the functions of the Board.

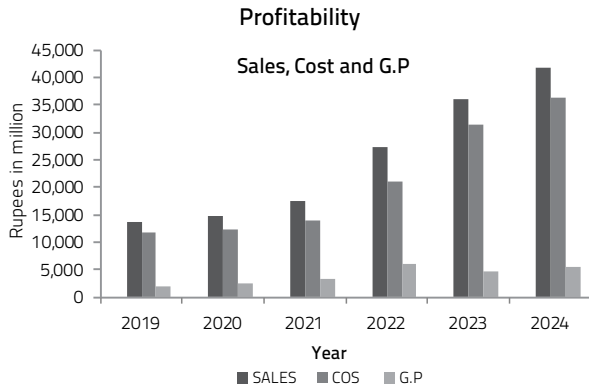
## SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is a form of international private business self-regulation which aims to contribute to societal goals of a philanthropic, activist, or charitable nature by engaging in or supporting volunteering or ethically oriented practices. Our target is to how best we can serve the community and target moral issues, which can put the company in a more favorable light among the public, improving public relations and its brand images.

## GOING FORWARD

The management remains committed to maintain sharp focus on improving the financial

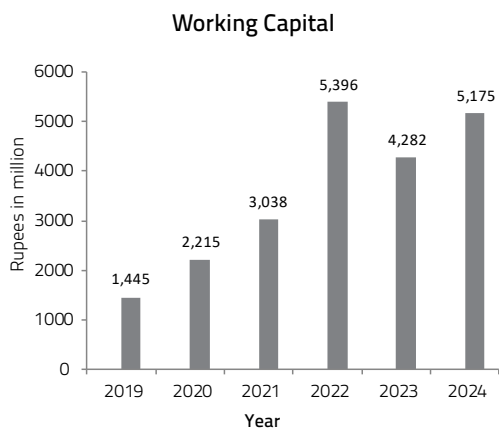
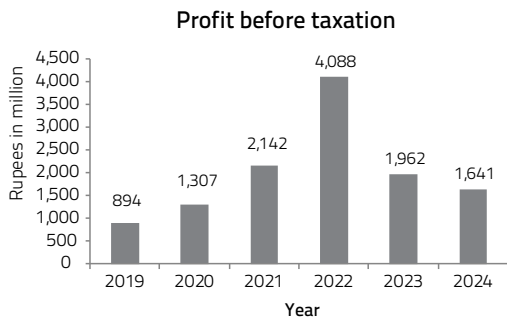
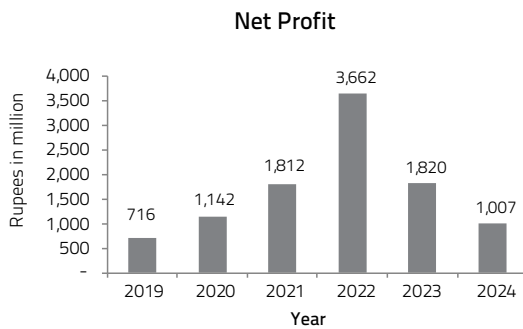
# Chairman's Review



performance of our Company, with a baseline of driving towards attaining Goal Zero in its safety performance. With a stable political outlook, strong macroeconomic indicators and fully vaccinated workforce, we are confident about the future, as we go all in to execute Vision. I hope and pray that the Company may maintain the momentum of growth in the future years.

**Jawed Anwar**  
Chairman

Faisalabad  
September 11, 2024





# Directors' Report to the Shareholders

In the name of Almighty Allah The Most Gracious, The beneficent, The Merciful



Chief Executive Officer

## Dear Shareholders,

The Directors' of your company are delighted in presenting the annual report together with the audited financial statements of the company for the Year Ended June 30, 2024.

## Financial Highlights

Financial highlights of the company for the year ended June 30, 2024 are summarized as under:

	2024	2023
	Rupees in Thousand	
Revenue from contracts with customers	41,816,395	36,128,679
Gross Profit	5,642,046	4,786,291
Profit before taxation and levy	1,641,443	1,962,144
Levy/Taxation	634,932	142,045
Profit after taxation	1,006,511	1,820,099

## Dividend:

Keeping in view of the current economic conditions and liquidity of the company, the Board of Directors in their meeting held on September 11, 2024 has not

recommended any dividend for the financial year ended June 30, 2024. (June 30, 2023: cash dividend NIL.)

## Earnings Per Share

This remarkable, consistent growth in earnings reflects management's dedication to increasing shareholders' wealth. Earnings per share for the year ending June 30, 2024, amounted to Rupees 9.84 per share, compared to Rupees 17.79 per

high standards of corporate governance without any exception. The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by SECP and formed as part of stock exchange listing regulations. The review report on statement of compliance with the code of corporate Governance of Auditors is annexed with this report. However Directors of the company affirm that:

- The financial statements prepared by the management of J.K. Spinning Mills Limited present fairly its state of affair, the results of its operations, cash flow and statement of changes in equity.
- Proper books of accounts of J.K. Spinning Mills Limited have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting

share in the corresponding year.

## Corporate And Financial Reporting Frame Work:

J.K. Spinning Mills Limited is committed to maintaining



- estimates are based on reasonable and prudent judgment.
- The International Accounting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
  - The system of internal control is sound in design and has been effectively implemented and monitored. The system is continuously monitored by internal audit and through other monitoring procedures. The process of monitoring internal control will continue as ongoing process with objective to further strengthen the controls and bring improvement in the system.
  - There are no significant doubts upon the company's ability to continue as going concern.
  - There has been no material departure from the best practices of corporate governance, as detailed in listing regulations.
  - Detail of significant changes in company's operations during the current year as compared to last year and significant plans and decisions for the future prospects of profit are stated in the Chairman's review as endorsed by directors.
  - There is no information and explanation in regard to any contents of modification in the auditor's report;
  - There is no default in payment of any debt during the year.
  - No material changes and commitments affecting the financial position of the company have been occurred between the end of financial year of the company to which the financial statement relates and the date of report.
  - Information about outstanding taxes and levies is given in notes to the accounts.
  - Main trends and factors likely to affect the future development, performance and position of the company are stated in chairman's review.
  - Company is not carrying out any business activity affecting the environment.
  - Key operating results and financial data of last six years in summarized form is annexed
  - The gain/ (loss) arising out due to exchange rate fluctuations and financing under State Bank of Pakistan circular No. F.E. 25 has been appropriately accounted for as on the date of balance sheet.
  - The number of employees as at June 30,2024 were 3,198 (June 30,2023: 3,218).
  - Value of investment of provident fund trust based on audited accounts as on June 30, 2023 is Rs. 486.930 million.
  - No trade in shares of



the company was carried out during the year by its other Directors, CEO, CFO, Company Secretary and their spouses and minor children except 9 000 shares purchased by Mrs. Sadaf Aamir Arshad from open market.

- The Statement of pattern of shareholding of the company as at June 30, 2024 is annexed in new form set out in the code of corporate governance.
- Change (if any) in terms and conditions of Chief Executive and other Directors disclosed in notes to the financial statements.

### Risk Management

The Board also acknowledges that all areas of the Company's activities involve some degree of risks and appreciates that effective risk management is part of best business management practices aimed at successfully achieving the Company's goals and objectives. Operationally, the respective key management staff is responsible for managing the risks of their departments. Any significant risks facing the Company are highlighted at appropriate level of hierarchy to ensure such risks are closely monitored and appropriately addressed. The above mentioned practices culminate into an on-going process, used to identify, evaluate and manage significant risks that affect the achievement of the Company's goals & objectives.

Following is the summary of risks and strategies to mitigate those risks:

### Strategic Risks

We are operating in a competitive environment where innovation, quality and cost matters. This risk is mitigated through continuous research & development and persistent introduction of new technologies under BMR. Strategic risk is considered as the most crucial of all the risks. Head of all business divisions meet at regular intervals to form an integrated approach towards tackling risks present both at the international and national level.

### Business Risks

The Company faces a number of following business risks:

#### Raw material and Price

The supply and prices of cotton is subject to the act of nature and demand dynamics of local and international cotton markets. There is always a risk of non-availability of cotton and upward shift in the cotton prices in local and international markets. The Company mitigates this risk by the procurement of the cotton in bulk at the start of the harvesting season. We face the risk of pandemics, competition and decline in demand of our products in international markets. We minimize this risk by building strong relations with customers, broadening our customer base,

developing innovative products without compromising on quality and providing timely deliveries to customers.

### Energy Availability and Cost

The rising cost and un-availability of energy i.e. electricity and gas shortage is a major threat to manufacturing industry. This risk, if remains unmitigated, can render us misfit to compete in the international markets. The Company has mitigated the risk of rising energy cost by opting for diversified fuels such as solar energy. The measures to conserve energy have also been taken at all manufacturing facilities of the Company. Likewise, risk of non-availability of the energy has been minimized by installing power plants for generating electricity along with securing electricity connections from FESCO.

### Financial Risks

The Board of Directors of the Company is responsible to formulate the financial risk management policies which are implemented by the Finance Department of the Company.

The Company faces the following financial risks:

#### Currency risk

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to United States



Dollar (USD), Great Britain Pound and Euro. The Company mitigate currency risk through hedging tools. Foreign exchange risk exposure relating to the bank balances and the amounts receivable / payable from / to the foreign entities is insignificant.

### Interest rate risk

The Company's interest rate risk arises from long term financing, short term borrowings, lease liabilities and bank balances in saving accounts. The Company manage interest rate risk through alternative financing.

### Credit risk

The Company's credit exposure to credit risk and impairment losses relates to its trade debts. This risk is mitigated by the fact that majority of our customers have a strong financial standing and we have a long-standing business relationship with all our customers. We do not expect non-performance by our customers; hence, the credit risk is minimal.

### Liquidity risk

It is at the minimum due to the availability of enough funds through committed credit facilities from the banks and financial institutions.

### Capital risk

When managing capital, it is our objective to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company maintains low leveraged capital structure. We monitor the capital structure on the basis of the gearing ratio.

### Opportunities

As the leading textile company of the country, the Company is in a position to avail and exploit a number of opportunities. Following is the summary of some exciting opportunities:

- Regionally diversified customer base across the world provides a sustainable growth to export sales;
- Vibrant local companies create demand for our products;
- Vertical integration makes it possible to exploit operational synergies;
- High population growth of the country is a source of suitable manpower.

### Corporate Social Responsibility

The Company spends a lot of resources and undertakes efforts for the welfare of society.

Following is the brief snapshot of corporate social responsibility:

### Health, safety and Environment

The company is committed to conducting its business in a responsible manner to protect its stakeholders and the environment in which it operates by providing safe and effective products having a low impact on the environment and employing safe and sustainable technologies, energy sources and operating procedures.

The company encourages its employees to identify potential hazardous, incorporates health and safety considerations into their daily activities and provides training on work safety and sound environmental practices.

### Community Welfare Schemes

General public welfare is one of the top priorities of the Company; therefore, management has taken a number of initiatives to help society. We supported few NGO's to educate and empower underprivileged children and has established such schools across Pakistan. We also provide funds for rehabilitation of flood effectives. The Company has also established dispensary under at its mill premise.



## Equal Opportunity Employer

Diversity & inclusion are ingrained in our values and culture. Therefore, we provide equal opportunity for employment and career progression to women, disabled and minorities. There is fair representation of women at the Board of Directors of the Company. Women also occupies senior management positions who actively formulate and control strategic direction of the Company. Since recognition of women rights is a social matter, we celebrate women's achievements in the social, economic, cultural, and political spheres also.

## Environment Protection

The Company's approach towards environment includes both preservation of natural resources and procurement of alternative technologies to ensure environmental sustainability. Every year the Company arranges plantation of trees at its manufacturing facilities and nearby localities with the objective to curtail pollution. The Company is investing heavily in solar energy. At present, 3.7 MW of electricity is generated from solar power plants and projects of 4 MW is under consideration.

## Harassment at Workplace

JKSML policies prohibit any behavior on the part of employees which constitutes

any form of misconduct, whether physical, verbal, mental, and sexual or by promoting political, ethnic or sectarian rift. JKSM is committed to provide a work environment that is free of discrimination and harassment.

## Sustainability & Development

Sustainability is a plan of action for people, planet and prosperity. We recognize that eradicating poverty in all its forms and dimensions is the greatest global challenge and an indispensable requirement for sustainable development. We are resolved to free the human race from the tyranny of poverty and want to heal and secure our planet. End hunger, ensure healthy lives and promote wellbeing for all at all ages

## Board Composition And Meetings

During the year election of Directors were conducted and two independent directors has been retired with no further availability and formation of BOARD has been replaced by new two independent directors, all other members elected according to law as given below:

The BOARD comprises of seven members with diversified experience of Textile industry having core competencies, skills and professional expertise which flourish our business too. Two female directors are also

part of our BOARD. Our BOARD represent the interest of all categories of shareholders and consist of:

	Numbers
Independent Directors	02
Non-Executive Directors	03
Executive Directors	02
Total	07

Name of Director	Meetings Attended
Mr. Jawed Anwar Chairman/ Non-Executive Director	04
Mr. Faiq Jawed Chief Executive Officer/ Executive Director	04
Mr. Shaiq Jawed Executive Director	04
Syed Sohaib Mansoor Naqvi Independent Director	01
Mrs. Farhat Jahan Non-Executive Director	04
Mrs. Sadaf Aamir Arshad Non-Executive Director	04
Mr. Muhammad Tayyab Zahid Independent Director	01
Mr. Mamoor Ijaz (Retired) Independent Director	03
Mr. Rehan Ashfaq (Retired) Independent Director	03

## Audit Committee

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. The Audit Committee held Four (4) meetings during the year to review the financial statements, internal audit reports and compliance of the corporate governance requirements which were attended by all committee members. The composition of new Audit Committee and their attendance is as under:

Names	Meetings Attended
Syed Sohaib MansoorNaqvi (Chairman)	01
Mrs. Farhat Jahan	04





Mrs. Sadaf Aamir Arshad	04
Mr. Rehan Ashfaq (Retired)	03

## Human Resource Committee

The Committee meets to review and recommend all elements of compensation, organization and development policies related to the employees. During the year 2023-24, Two (2) Committee meetings were held and attended by members as given below:

Names	Meetings Attended
Mr. Muhammad Tayyab Zahid (Chairman)	01
Mr. Shaiq Jawed	02
Syed Sohaib Mansoor Naqvi	01
Mrs Sadaf Aamir Arshad (Retired)	01
Mr. Mamoor Ijaz (Retired)	01

## Risk Management Committee

Risk management committee has been constituted primarily for reviewing and identifying the systems of internal controls, identifying the weaknesses and making recommendation to the BOARD with regards to any major necessary intervention required. During the year committee met one time. The names of Directors and their attendance are given below:

Names	Meetings Attended
Mr. Faiq Jawed (Chairman)	01
Mr. Shaiq Jawed	01
Syed Sohaib Mansoor Naqvi	-
Mr. Rehan Ashfaq (Retired)	01

## Nomination Committee

This committee met twice in a year, the names of its Directors and their attendance are given below:

Names	Meetings Attended
Mr. Jawed Anwar (Chairman)	02
Mr. Faiq Jawed	02
Mr. Shaiq Jawed	02

## Directors Training

All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies. By June 30, 2024, Directors had acquired the prescribed certification under Directors Training Program or are exempt from the Directors' Training Program by virtue of experience as per the requirements of the Companies Listed (Code of Corporate Governance) Regulations, 2019 that meet the criteria specified by the Commission and approved by it. The newly appointed directors will get training within due course. The Board is kept up-to-date on legal, regulatory and governance matters through regular papers and briefings from the company Secretary and presentations by internal and external advisors. Directors are responsible for upholding the Corporate Governance and giving the company a strategic direction. To optimize the effectiveness of the Board, it is pertinent for new members to learn about the dynamics and operations of the company.

## Directors' Remuneration:

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director

takes part in deciding his own remuneration. The remuneration policy has been designed to attract and retain the suitable candidate on the Board. For information on remuneration and meeting fee of directors & CEO in 2023-24, please refer notes to the Financial Statements.

The remuneration of non – Executive Directors including Chairman of board and independent directors is determined by the Board of Directors and remuneration committee.

## Auditors:

Riaz Ahmad & Company, Chartered Accountants, current auditors will retire on the conclusion of Annual General Meeting of the Company. Being eligible, they have offered themselves for reappointment for the year ending 30 June 2025. As suggested by Audit Committee, the Board of Directors has recommended reappointment of Riaz Ahmad & Company, Chartered Accountants for approval of shareholders in forth coming Annual General Meeting.

## Chairman's Review

The accompanied Chairman's Review deals with principal activities, major business developments and performance of the company during the year under review and future outlook. The directors of the company endorse the contents of review.

## Events After Reporting Period

There was no significant event after reporting period which warrants mention in Directors' Report.

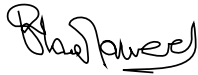
## Acknowledgement:

The Directors wish to express their gratitude to our valued clients and bankers for the cooperation extended by them during the course of business activities. The Directors also wish to place on record their appreciation for the hard work and devoted services demonstrated by the staff members and the workers of the company. The company Acknowledges and thanks all stakeholders for the confidence reposed.

For and on behalf of Board of Directors



FAIQ JAWED  
Chief Executive  
Officer



Shaiq Jawed  
Director

Faisalabad  
September 11, 2024



ڈائریکٹرز کے معاوضے کی پالیسی:

بورڈ آف ڈائریکٹرز کا معاوضہ بورڈ خود منظور کرتا ہے۔ تاہم کوڈ آف کورپوریٹ گورننس کے تحت کوئی ڈائریکٹر اپنے معاوضے کے فیصلے میں حصہ نہیں لے سکتا۔ معاوضے کی پالیسی بورڈ میں موزوں اُمیدوار کو رکھنے کیلئے بنائی گئی ہے۔ معاوضے کی معلومات اور ڈائریکٹرز اور سی ای او کی میٹنگ 2023-24 کی فیس فنانشل سٹیٹمنٹ کے نوٹس میں موجود ہیں۔ نان ایگزیکٹو ڈائریکٹرز بشمول چیئر مین اور انڈیپنڈنٹ ڈائریکٹرز کے معاوضے کا تعین بورڈ آف ڈائریکٹرز نے کیا ہے۔

آڈیٹرز:

موجودہ آڈیٹرز Riaz Ahmad & Company، چارٹرڈ اکاؤنٹنٹس، کمپنی کی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کے ناطے، انہوں نے خود کو 30 جون 2025 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے پیش کیا ہے۔ جیسا کہ آڈٹ کمیٹی کی تجویز ہے، بورڈ آف ڈائریکٹرز نے Riaz Ahmad & Company، چارٹرڈ اکاؤنٹنٹس کی آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری کے لیے دوبارہ تقرری کی سفارش کی ہے۔

چیئر مین کا جائزہ:

چیئر مین کی جائزہ رپورٹ میں کمپنی کی ترقیاتی سرگرمیوں اور آئندہ حالات کا جائزہ پیش کیا گیا ہے۔ آپ کے ڈائریکٹرز اس جائزہ رپورٹ کو سپورٹ کرتے ہیں۔ جائزہ رپورٹ کے بعد کے واقعات:

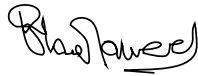
مالیاتی سال کے اختتام کے بعد ایسا کوئی واقعہ نہیں ہے جس کو ڈائریکٹرز کی رپورٹ میں پیش کیا جائے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے گاہکوں اور بیکرز کے کمپنی کے کاروبار میں تعاون پر شکرگزار ہیں ڈائریکٹرز کمپنی کے سٹاف اور مزدوروں کی محنت اور کوششوں کو بھی سراہتے ہیں۔ کمپنی سٹیک ہولڈرز کے پُر اعتماد سپورٹس کا اقرار کرتی ہے اور شکرگزار بھی ہے۔

منجانب بورڈ آف ڈائریکٹرز:

فیصل آباد: ستمبر 11 2024



شائق جاوید  
ڈائریکٹر



فاق جاوید  
چیف ایگزیکٹو

ہیومن ریسورس کمیٹی:

میٹ ملازمین سے متعلق معاوضے، تنظیم اور ترقیاتی پالیسیوں کے تمام عناصر کا جائزہ لینے اور سفارش کرنے کے لیے اجلاس کرتی ہے۔ سال 2023-24 کے دوران، دو (2) کمیٹی کے اجلاس منعقد ہوئے اور تمام اراکین نے شرکت کی۔ ڈائریکٹرز کے نام درج ذیل ہیں:

نام	میٹنگز میں حاضری
مسٹر محمد طیب زاہد (چیئر مین)	01
مسٹر شائق جاوید	02
سید صہیب منصور نقوی	01
مسز صدف عامر ارشد (ریٹائرڈ)	01
مسٹر مامورا اعجاز (ریٹائرڈ)	01

رسک مینجمنٹ کمیٹی:

رسک مینجمنٹ کمیٹی بنیادی طور پر اندرونی کنٹرول کے نظام کا جائزہ لینے اور ان کی نشاندہی کرنے، کمزوریوں کی نشاندہی کرنے اور بورڈ کو سفارشات دینے کے لیے تشکیل دی گئی ہے جس میں کسی بڑی ضروری مداخلت کی ضرورت ہے۔ سال کے دوران کمیٹی کا ایک بار اجلاس ہوا۔ ڈائریکٹرز کے نام اور ان کی حاضری درج ذیل ہے:

نام	میٹنگز میں حاضری
مسٹر شائق جاوید (چیئر مین)	01
مسٹر شائق جاوید	01
سید صہیب منصور نقوی	-
مسٹر رحیمان اشفاق (ریٹائرڈ)	01

نامزدگی کمیٹی:

یہ کمیٹی مندرجہ ذیل ڈائریکٹرز پر مشتمل ہے اور کمیٹی جب بھی ضرورت ہو ملاقات کی:

نام	میٹنگز میں حاضری
مسٹر جاوید انوار (چیئر مین)	02
مسٹر شائق جاوید	02
مسٹر شائق جاوید	02

ڈائریکٹرز ٹریننگ:

تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کے طور پر اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔ 30 جون 2024 تک، ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام کے تحت مقررہ سرٹیفیکیشن حاصل کر لیا تھا یا وکھینیز لسنڈ (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کے مطابق تجربہ کی بنیاد پر ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ ہیں جو معیار پر پورا اترتے ہیں۔ کمیشن کی طرف سے مخصوص اور اس کی طرف سے منظور شدہ بورڈ کو باقاعدہ کاغذات اور کمپنی سیکرٹری کی بریفنگ اور داخلی اور خارجی مشیروں کی پیشکشوں کے ذریعے قانونی، ریگولیٹری اور گورننس کے معاملات پر اپ ٹو ڈیٹ رکھا جاتا ہے۔ ڈائریکٹرز کارپوریٹ گورننس کو برقرار رکھنے اور کمپنی کو ایک اسٹریٹجک سمت دینے کے ذمہ دار ہیں۔ بورڈ کی تاثیر کو بہتر بنانے کے لیے، نئے اراکین کے لیے کمپنی کی حرکیات اور کاموں کے بارے میں جاننا مناسب ہے۔



ترقی کے لیے ایک ناگزیر ضرورت ہے۔ ہم نسل انسانی کو غربت کے ظلم سے نجات دلانے کے لیے پرعزم ہیں اور اپنے سیارے کو شفا اور محفوظ بنانا چاہتے ہیں۔ بھوک کو ختم کریں، صحت مند زندگی کو یقینی بنائیں اور ہر عمر میں سب کی فلاح و بہبود کو فروغ دیں۔  
بورڈ کی تشکیل اور میٹنگز۔

سال کے دوران ڈائریکٹرز کے انتخابات کرائے گئے اور دو آزاڈ ڈائریکٹرز کو مزید دستیابی کے بغیر ریٹائر کر دیا گیا اور بورڈ کی تشکیل نئے دو آزاڈ ڈائریکٹرز کی جگہ لے لی گئی، باقی تمام ممبران قانون کے مطابق منتخب کیے گئے جیسا کہ ذیل میں دیا گیا ہے۔  
بورڈ سات ممبران پر مشتمل ہے جس میں ٹیکسٹائل انڈسٹری کا متنوع تجربہ ہے جس میں بنیادی قابلیت، مہارت اور پیشہ ورانہ مہارت ہے جو ہمارے کاروبار کو بھی فروغ دیتی ہے۔ دو خواتین ڈائریکٹرز بھی ہمارے بورڈ کا حصہ ہیں۔ ہمارا بورڈ حصص یافتگان کے تمام زمروں کے مفاد کی نمائندگی کرتا ہے اور ان پر مشتمل ہے:

- 2 انڈیپنڈنٹ ڈائریکٹرز
- 3 نان ایگزیکٹو ڈائریکٹرز
- 2 ایگزیکٹو ڈائریکٹرز
- کل ڈائریکٹرز کی تعداد 7

ممبران میں حاضری	نام
04	جاوید انوار
04	فائق جاوید
04	شائق جاوید
01	سید صہیب منصور نقوی
04	فرحت جہاں
04	صدف عامر ارشد
01	محمد طیب زاہد
03	مامور اعجاز (ریٹائرڈ)
03	ریحان اشفاق (ریٹائرڈ)

آڈٹ کمیٹی:

آڈٹ کمیٹی بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ شرائط کے مطابق اپنے فرائض سرانجام دے رہی ہے۔ آڈٹ کمیٹی نے مالیاتی گوشواروں، اندرونی آڈٹ رپورٹس اور کارپوریٹ گورننس کی ضروریات کی تعمیل کا جائزہ لینے کے لیے سال کے دوران چار (4) اجلاس منعقد کیے جن میں کمیٹی کے تمام اراکین نے شرکت کی۔ آڈٹ کمیٹی کی تشکیل حسب ذیل ہے:

ممبران میں حاضری	نام
01	سید صہیب منصور نقوی (چیئر مین)
04	مسز فرحت جہاں
04	مسز صدف عامر ارشد
03	مسٹر ریحان اشفاق (ریٹائرڈ)

ہے۔ ہم گیزنگ ریشنگ ریٹھ کی بنیاد پر سرمائے کے ڈھانچے کی نگرانی کرتے ہیں۔

#### مواقع

ملک کی معروف ٹیکسٹائل کمپنی کے طور پر، کمپنی متعدد مواقع سے فائدہ اٹھانے کی پوزیشن میں ہے۔ ذیل میں کچھ دلچسپ مواقع کا خلاصہ ہے:

• دنیا بھر میں علاقائی طور پر متنوع کسٹمر بیس برآمدی فروخت کے لیے ایک پائیدار ترقی فراہم کرتا ہے۔

متحرک مقامی کمپنیاں ہماری مصنوعات کی مانگ پیدا کرتی ہیں۔

• عمودی انضمام آپریشنل ہم آہنگی سے فائدہ اٹھانا ممکن بناتا ہے۔

• ملک کی زیادہ آبادی میں اضافہ مناسب افرادی قوت کا ذریعہ ہے۔

کارپوریٹ سماجی ذمہ داری:

کمپنی بہت سارے وسائل خرچ کرتی ہے اور معاشرے کی فلاح و بہبود کے لیے کوششیں کرتی ہے۔ کارپوریٹ سماجی ذمہ داری کا مختصر اسٹیٹسٹ ڈریج ذیل ہے:

صحت، حفاظت اور ماحولیات:

کمپنی اپنے اسٹیک ہولڈرز اور ماحول کی حفاظت کے لیے اپنے کاروبار کو ذمہ دارانہ انداز میں چلانے کے لیے پرعزم ہے جس میں وہ ماحول پر کم اثر رکھنے والی محفوظ اور موثر

مصنوعات فراہم کر کے اور محفوظ اور پائیدار ٹیکنالوجیز، توانائی کے ذرائع اور آپریٹنگ طریقہ کار کو ملازمت دے کر کام کرتی ہے۔

کمپنی اپنے ملازمین کی حوصلہ افزائی کرتی ہے کہ وہ ممکنہ خطرناک کی نشاندہی کریں، ان کی روزمرہ کی سرگرمیوں میں صحت اور حفاظت کے تحفظات کو شامل کریں اور کام کی حفاظت اور

ماحول کے صحیح طریقوں پر تربیت فراہم کریں۔

کیونٹی ویلفیئر سسٹیمیں:

عام عوامی بہبود کمپنی کی اولین ترجیحات میں سے ایک ہے۔ لہذا، انتظامیہ نے معاشرے کی مدد کے لیے کئی اقدامات کیے ہیں۔ ہم نے پسماندہ بچوں کو تعلیم اور بااختیار بنانے کے

لیے چند ایجنسیوں کی مدد کی جنہوں نے پورے پاکستان میں ایسے اسکول قائم کیے ہیں۔ ہم سیلاب متاثرین کی بحالی کے لیے بھی فنڈز فراہم کرتے ہیں۔ کمپنی نے اپنی مل کے تحت

ڈپنسری بھی قائم کی ہے۔

مساوی مواقع کا آجر:

تنوع اور شمولیت ہماری اقدار اور ثقافت میں جڑی ہوئی ہے۔ لہذا، ہم خواتین، معذوروں اور اقلیتوں کو ملازمت اور کیریئر میں ترقی کے یکساں مواقع فراہم کرتے ہیں۔ کمپنی کے

بورڈ آف ڈائریکٹرز میں خواتین کی منصفانہ نمائندگی ہے۔ خواتین اعلیٰ انتظامی عہدوں پر بھی فائز ہیں جو کمپنی کی اسٹریٹجک سمت کو فعال طور پر تشکیل اور کنٹرول کرتی ہیں۔ چونکہ

خواتین کے حقوق کو تسلیم کرنا ایک سماجی معاملہ ہے، اس لیے ہم سماجی، اقتصادی، ثقافتی اور سیاسی میدانوں میں بھی خواتین کی کامیابیوں کا جشن مناتے ہیں۔

ماحولیاتی حفاظت:

ماحولیات کے تئیں کمپنی کے نقطہ نظر میں قدرتی وسائل کا تحفظ اور ماحولیاتی پائیداری کو یقینی بنانے کے لیے متبادل ٹیکنالوجیز کی خریداری دونوں شامل ہیں۔ ہر سال کمپنی آلودگی کو کم

کرنے کے مقصد سے اپنی مینوفیکچرنگ سہولیات اور قریبی علاقوں میں درخت لگانے کا اہتمام کرتی ہے۔ کمپنی سٹشٹی توانائی میں بہت زیادہ سرمایہ کاری کر رہی ہے۔ اس وقت سولر پاراور

پلائٹس سے 3.7 میگا واٹ بجلی پیدا ہوتی ہے اور 4 میگا واٹ کے منصوبے زیر غور ہیں۔

کام کی جگہ پر ہراساں کرنا:

JKSML کی پالیسیاں ملازمین کے کسی بھی رویے کو ممنوع قرار دیتی ہیں جو کسی بھی قسم کی بدتمیزی، چاہے جسمانی، زبانی، ذہنی اور جنسی ہو یا سیاسی، نسلی یا فرقہ وارانہ فساد کو بڑھاوا

دے کر۔ JKSMML کام کا ماحول فراہم کرنے کے لیے پرعزم ہے جو کہ امتیازی سلوک اور ہراساں کیے جانے سے پاک ہو۔

پائیداری اور ترقی:

پائیداری لوگوں، سیرے اور خوشحالی کے لیے ایک عمل کا منصوبہ ہے۔ ہم تسلیم کرتے ہیں کہ غربت کو اس کی تمام شکلوں اور جہتوں میں ختم کرنا سب سے بڑا عالمی چیلنج ہے اور پائیدار



## کاروباری خطرات:

کمپنی کو درج ذیل کاروباری خطرات کا سامنا ہے:

### خام مال اور قیمت:

کپاس کی سپلائی اور قیمت مقامی اور بین الاقوامی کپاس کی منڈیوں کی فطرت اور طلب کی حرکیات کے تابع ہے۔ کپاس کی عدم دستیابی اور مقامی اور بین الاقوامی منڈیوں میں روئی کی قیمتوں میں اضافے کا خطرہ ہمیشہ رہتا ہے۔ کمپنی فصل کی کٹائی کے موسم کے آغاز پر کپاس کی بڑی تعداد میں خریداری کر کے اس خطرے کو کم کرتی ہے۔ ہمیں وبائی امراض، مسابقت اور بین الاقوامی منڈیوں میں اپنی مصنوعات کی مانگ میں کمی کے خطرے کا سامنا ہے۔ ہم صارفین کے ساتھ مضبوط تعلقات استوار کر کے، اپنے کسٹمرز کو وسیع کر کے، معیار پر سمجھوتے کیے بغیر جدید مصنوعات تیار کر کے اور صارفین کو بروقت ڈیلیوری فراہم کر کے اس خطرے کو کم کرتے ہیں۔

### توانائی کی دستیابی اور لاگت:

برہتی ہوئی قیمت اور توانائی کی عدم دستیابی یعنی بجلی اور گیس کی قلت مینوفیکچرنگ انڈسٹری کے لیے ایک بڑا خطرہ ہے۔ یہ خطرہ، اگر بے لگام رہتا ہے، تو ہمیں بین الاقوامی منڈیوں میں مقابلہ کرنے کے لیے غلط ثابت کر سکتا ہے۔ کمپنی نے شمسی توانائی جیسے متنوع ایندھن کا انتخاب کر کے توانائی کی قیمت میں اضافے کے خطرے کو کم کیا ہے۔ کمپنی کی تمام مینوفیکچرنگ سہولیات پر بھی توانائی کے تحفظ کے لیے اقدامات کیے گئے ہیں۔ اسی طرح واپڈا سے بجلی کے کنکشن حاصل کرنے کے ساتھ ساتھ بجلی پیدا کرنے کے لیے پاور پلانٹس لگا کر توانائی کی عدم دستیابی کے خطرے کو کم کیا گیا ہے۔

### مالیاتی خطرات:

کمپنی کا بورڈ آف ڈائریکٹرز مالیاتی رسک مینجمنٹ پالیسیاں وضع کرنے کا ذمہ دار ہے جو کمپنی کے فنانس ڈیپارٹمنٹ کے ذریعے نافذ کی جاتی ہیں۔

کمپنی کو درج ذیل مالی خطرات کا سامنا ہے:

### کرنسی کا خطرہ:

کمپنی کو مختلف کرنسی ایکسچوئرز سے پیدا ہونے والے کرنسی کے خطرے کا سامنا ہے، بنیادی طور پر امریکی ڈالر (USD)، برطانیہ کے پاؤنڈ اور یورو کے حوالے سے۔ کمپنی ہجنگ ٹولز کے ذریعے کرنسی کے خطرے کو کم کرتی ہے۔ بینک بیلنس سے متعلق غیر ملکی زرمبادلہ کے خطرے کی نمائش اور غیر ملکی اداروں سے/سے قابل وصولی/قابل ادائیگی رقم غیر معمولی ہے۔

### شرح سود کا خطرہ:

کمپنی کی شرح سود کا خطرہ طویل مدتی فنانسنگ، قلیل مدتی قرضے، قرضوں اور بچت کھاتوں میں بینک بیلنس سے پیدا ہوتا ہے۔ کمپنی متبادل فنانسنگ کے ذریعے شرح سود کے خطرے کا انتظام کرتی ہے۔

### قرض کا خطرہ:

کریڈٹ رسک اور خرابی کے نقصانات کے لیے کمپنی کا کریڈٹ ایکسپوزر اس کے تجارتی قرضوں سے متعلق ہے۔ اس خطرے کو اس حقیقت سے کم کیا جاتا ہے کہ ہمارے زیادہ تر صارفین کی مالی حیثیت مضبوط ہے اور ہمارا اپنے تمام صارفین کے ساتھ دیرینہ کاروباری تعلق ہے۔ ہم اپنے صارفین سے عدم کارکردگی کی توقع نہیں رکھتے۔ لہذا، کریڈٹ رسک کم سے کم ہے۔

### لیکویڈیٹی کا خطرہ:

یہ بینکوں اور مالیاتی اداروں کی جانب سے قرض کی پابند سہولیات کے ذریعے کافی فنڈز کی دستیابی کی وجہ سے کم سے کم ہے۔

### سرمائے کا خطرہ:

سرمائے کا نظم و نسق کرتے وقت، ہمارا مقصد ہے کہ کمپنی کی ایک جاری تشریح کے طور پر جاری رکھنے کی صلاحیت کی حفاظت کی جائے تاکہ حصص یافتگان کے لیے منافع اور دوسرے اسٹیک ہولڈرز کو فوائد فراہم کیے جاسکیں اور سرمائے کی لاگت کو کم کرنے کے لیے ایک بہترین سرمایہ کا ڈھانچہ برقرار رکھا جاسکے۔ کمپنی کم لیوریجڈ سرمائے کی ساخت کو برقرار رکھتی

مضبوط ہوں۔

• کمپنی کے مسلسل چلنے کی اہلیت پر کوئی شک نہیں کیا جاسکتا۔

• کا پورٹ گورننس کی بہترین مشقیں جو لسٹنگ ریگولیشنز میں بیان کی گئی ہیں ان کی کوئی خلاف ورزی نہیں کی گئی۔

• پچھلے سال کے مقابلے میں کمپنی کے آپریشنز میں بڑی تبدیلیاں، بڑے پلان اور آنے والے دنوں کے منافع کے منصوبے چیئرمین کی جائزہ رپورٹ میں بیان کئے گئے ہیں۔

• آڈیٹرز کی رپورٹ میں کوئی بے ضابطگی کی اطلاع نہیں ہے۔

• کمپنی نے سال کے دوران اپنی ادائیگیوں میں کوئی ڈفالٹ نہیں کیا ہے۔

• کمپنی کے مالیاتی سال کے اختتام سے لے کر اس رپورٹ کے شائع ہونے تک کمپنی کی مالیاتی حیثیت میں کوئی تبدیلی نہ آئی ہے۔

• واجب الادا ٹیکسز اور ڈیوٹیوں کی تفصیلات اکاؤنٹس کے نوٹس میں درج ہیں۔

• بنیادی رجحانات اور عوامل جو کمپنی کی مستقبل میں ترقی، صلاحیت اور پوزیشن کو اثر انداز کر سکتے ہیں وہ چیئرمین کی جائزہ رپورٹ میں بیان کر دیئے گئے ہیں۔

• کمپنی کا کوئی بھی کاروبار مالیاتی تبدیلیوں پر برا اثر نہیں ڈال رہا۔

• چھ سال کے بڑے آپریٹنگ نتائج اور مالیاتی اعداد و شمار لہذا ہیں۔

• سٹیٹ بینک آف پاکستان کے سرکلر نمبر ایف ای 25 فنانسنگ پر آپریشنز ریٹ میں نفع و نقصان کتابوں میں شامل ہے۔

• سال 2024 کے اختتام پر کمپنی کے ملازمین کی تعداد 3,198 ہے جبکہ پچھلے سال یہ تعداد 3,218 تھی۔

• پراویڈنٹ فنڈ کی انٹرنیشنل کی قدر آڈٹ شدہ مالیاتی سال 2023 کے اختتام پر 486.930 ملین روپے تھی۔

• کمپنی کے ڈائریکٹرز، ای ای او، ای ای او، سیکریٹری اور ان کے سپاؤسرز اور کم عمر بچوں نے کمپنی کے حصص میں کوئی کام نہیں کیا۔ ماسوائے 9000 حصص کے جو کہ

مسز صدف عامر ارشد نے اوپن مارکیٹ سے خریدے۔

• کمپنی میں حصص رکھنے کا انداز اسٹیٹمنٹ برائے ختم شدہ سال 30 جون 2024 کو ڈاؤن کارپورٹ گورننس کے نئے فارم میں لہذا ہے۔

• چیف ایگزیکٹو اور دوسرے ڈائریکٹرز کی شرائط و ضوابط میں تبدیلی فنانسئل سٹیٹمنٹ کے نوٹس میں ظاہر کی گئی ہے۔

رسک مینجمنٹ:

بورڈ اس بات کو بھی تسلیم کرتا ہے کہ کمپنی کی سرگرمیوں کے تمام شعبوں میں کچھ حد تک خطرات شامل ہیں اور اس کی تعریف کرتا ہے کہ مؤثر رسک مینجمنٹ بہترین کاروباری انتظامی

طریقوں کا حصہ ہے جس کا مقصد کمپنی کے اہداف اور مقاصد کو کامیابی سے حاصل کرنا ہے۔ عملی طور پر، متعلقہ کلیدی انتظامی عملدہ اپنے محکموں کے خطرات کو سنبھالنے کا ذمہ دار ہے۔

کمپنی کو درپیش کسی بھی اہم خطرات کو درجہ بندی کی مناسب سطح پر آجا کر کیا جاتا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ اس طرح کے خطرات کو تریب سے مانیٹر کیا جائے اور مناسب

طریقے سے ان کا ازالہ کیا جائے۔ مذکورہ بالا طرز عمل ایک جاری عمل میں اختتام پذیر ہوتے ہیں، جو کمپنی کے اہداف اور مقاصد کے حصول کو متاثر کرنے والے اہم خطرات کی

شناخت، تشخیص اور انتظام کے لیے استعمال ہوتے ہیں۔

ان خطرات کو کم کرنے کے لیے خطرات اور حکمت عملیوں کا خلاصہ درج ذیل ہے:

اسٹریٹیجک خطرات:

ہم ایک مسابقتی ماحول میں کام کر رہے ہیں جہاں جدت، معیار اور لاگت اہم ہے۔ اس خطرے کو مسلسل تحقیق اور ترقی اور BMR کے تحت نئی ٹیکنالوجیز کے مسلسل تعارف کے

ذریعے کم کیا جاتا ہے۔ اسٹریٹیجک رسک کو تمام خطرات میں سب سے اہم سمجھا جاتا ہے۔ تمام کاروباری ڈویژنوں کے سربراہ بین الاقوامی اور قومی سطح پر موجود خطرات سے نمٹنے کے

لیے ایک مربوط نقطہ نظر تشکیل دینے کے لیے باقاعدہ وقفوں سے ملتے ہیں۔





## ڈائریکٹر رپورٹ برائے حصص یافتگان:

ڈائریکٹر رپورٹ برائے حصص یافتگان:

شروع اللہ کے نام سے جو نہایت مہربان اور رحم والا ہے۔

معزز حصص یافتگان،

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024 کی ختم ہونے والے سال کے آڈٹ شدہ مالیاتی حسابات کے ساتھ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی شہ سُر خیاں:

مالیاتی سال کے 30 جون 2024 کی مالیاتی نتائج کی جھلکیاں درج ذیل ہیں:

روپے ہزار میں

تفصیلات	2023	2024
آمدنی	36,128,679	41,816,395
مجموعی منافع	4,786,291	5,642,046
قبل از ٹیکس منافع	1,962,144	1,641,443
ٹیکس	142,045	634,932
سال کا منافع	1,820,099	1,006,511

ڈیویڈنڈ:

کمپنی کے موجودہ معاشی حالات اور لیویڈیٹی کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے 11 ستمبر 2024 کو ہونے والی اپنی میٹنگ میں 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کسی ڈیویڈنڈ کی سفارش نہیں کی ہے۔ (30 جون 2023: نقد ڈیویڈنڈ صفر)

آمدنی فی شیئر:

مدنی میں یہ قابل ذکر، مسلسل اضافہ حصص یافتگان کی دولت کو بڑھانے کے لیے انتظامیہ کی لگن کو ظاہر کرتا ہے۔ فی شیئر آمدنی برائے مالیاتی سال 30 جون 2024 میں 9.84 روپے فی شیئر رہی۔ مقابلتاً پچھلے سال کی فی شیئر آمدن 17.79 روپے فی شیئر تھی۔

کارپوریٹ گورننس سے ہم آہنگی:

جے کے سپننگ ملز لمیٹڈ بغیر کسی رعایت کے کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔ ڈائریکٹرز کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ کمپنی کو ڈاؤ آف کارپوریٹ گورننس کی دفعات کے مطابق ہے جیسا کہ ایس ای سی پی کی ضرورت ہے اور اسٹاک ایکسچینج کی فہرست سازی کے ضوابط کے حصے کے طور پر تشکیل دیا گیا ہے۔ آڈیٹرز کے کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان پر جائزہ رپورٹ اس رپورٹ کے ساتھ منسلک ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان حسب ذیل ہے:

• کمپنی کی انتظامیہ کی جانب سے تیار کی جانے والی مالیاتی اسٹیٹمنٹ شفافیت کے ساتھ کمپنی کے اسٹیٹمنٹ آف فیچرز، آپریشنز کے نتائج، کیش کا بہاؤ اور ایکٹیویٹی کی تبدیلیوں کو پیش کرتی ہے۔

• کمپنی اکاؤنٹس کی کتب کو باقاعدہ برقرار رکھتی ہے۔

• مالیاتی اسٹیٹمنٹ کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مسلسل لاگو کی گئی اور اکاؤنٹنگ اسٹیٹمنٹس معقول اور انشمندانہ اندازوں اور فیصلوں پر مبنی ہیں۔

• پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹیٹمنٹرزڈ کا مالیاتی اسٹیٹمنٹس کی تیاری میں عمل درآمد کیا گیا ہے اور جہاں لاگو نہیں ہوتے وہاں ان کو ظاہر کر دیا گیا ہے۔

• اندرونی کنٹرول کا نظام بہترین انداز میں مرتب اور لاگو کیا گیا ہے اور ساتھ ساتھ اس کی اندرونی آڈٹ کے ذریعے باقاعدہ نگرانی بھی کی جاتی ہے تاکہ یہ اندرونی کنٹرول اور زیادہ

# Vertical Analysis

	2024		2023		2022		2021		2020		2019	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
<b>BALANCE SHEET</b>												
TOTAL EQUITY	13,494,981	44%	12,488,470	45%	10,873,006	57%	7,163,579	52%	5,424,983	48%	4,257,774	45%
NON-CURRENT LIABILITIES	3,031,334	10%	3,556,698	13%	1,747,305	9%	1,376,127	10%	1,368,712	12%	1,534,708	16%
CURRENT LIABILITIES	14,038,696	46%	11,468,414	42%	6,597,201	34%	5,347,334	39%	4,458,020	40%	3,703,011	39%
TOTAL LIABILITIES	17,070,030	56%	15,025,112	55%	8,344,506	43%	6,723,461	48%	5,826,732	52%	5,237,719	55%
TOTAL EQUITY AND LIABILITIES	30,565,011	100%	27,513,582	100%	19,217,512	100%	13,887,040	100%	11,251,715	100%	9,495,493	100%
<b>ASSETS</b>												
NON-CURRENT ASSETS	11,351,059	37%	11,762,765	43%	7,224,150	38%	5,501,678	40%	4,578,730	41%	4,347,489	46%
CURRENT ASSETS	19,213,952	63%	15,750,817	57%	11,993,362	62%	8,385,362	60%	6,672,985	59%	5,148,004	54%
TOTAL ASSETS	30,565,011	100%	27,513,582	100%	19,217,512	100%	13,887,040	100%	11,251,715	100%	9,495,493	100%
<b>PROFIT AND LOSS ACCOUNT</b>												
SALES	41,816,395	100.00%	36,128,679	100.00%	27,332,542	100.00%	17,402,936	100.00%	14,827,225	100.00%	13,687,117	100.00%
COST OF SALES	36,174,349	86.51%	31,342,388	86.75%	21,171,839	77.46%	14,070,969	80.85%	12,328,599	83.15%	11,772,908	86.01%
GROSS PROFIT	5,642,046	13.49%	4,786,291	13.25%	6,160,703	22.54%	3,331,967	19.15%	2,498,626	16.85%	1,914,209	13.99%
DISTRIBUTION COST	1,316,123	3.15%	1,146,835	3.17%	1,036,494	3.79%	432,817	2.49%	336,092	2.27%	375,200	2.74%
ADMINISTRATIVE EXPENSES	583,482	1.40%	505,016	1.40%	424,443	1.55%	373,846	2.15%	337,602	2.28%	297,779	2.18%
OTHER OPERATING EXPENSES	118,464	0.28%	321,701	0.89%	506,137	1.85%	165,373	0.95%	133,636	0.90%	169,759	1.24%
	2,018,069	4.83%	1,973,552	5.46%	1,967,074	7.20%	972,036	5.59%	807,330	5.44%	842,738	6.16%
	3,623,977	8.67%	2,812,739	7.79%	4,193,629	15.34%	2,359,931	13.56%	1,691,296	11.41%	1,071,471	7.83%
OTHER OPERATING INCOME	424,702	1.02%	105,381	0.29%	266,184	0.97%	49,016	0.28%	12,214	0.08%	208,549	1.52%
PROFIT FROM OPERATIONS	4,048,679	9.68%	2,918,120	8.08%	4,459,813	16.32%	2,408,947	13.84%	1,703,510	11.49%	1,280,020	9.35%
FINANCE COST	2,407,236	5.76%	955,976	2.65%	371,888	1.36%	266,541	1.53%	396,618	2.67%	386,484	2.82%
PROFIT BEFORE TAXATION	1,641,443	3.93%	1,962,144	5.43%	4,087,925	14.96%	2,142,406	12.31%	1,306,892	8.81%	893,536	6.53%
PROVISION FOR TAXATION & LEVY	634,932	1.52%	142,045	0.39%	426,405	1.56%	330,726	1.90%	164,920	1.11%	177,186	1.29%
PROFIT AFTER TAXATION	1,006,511	2.41%	1,820,099	5.04%	3,661,520	13.40%	1,811,680	10.41%	1,141,972	7.70%	716,350	5.23%

# Horizontal Analysis Based on Year 2019

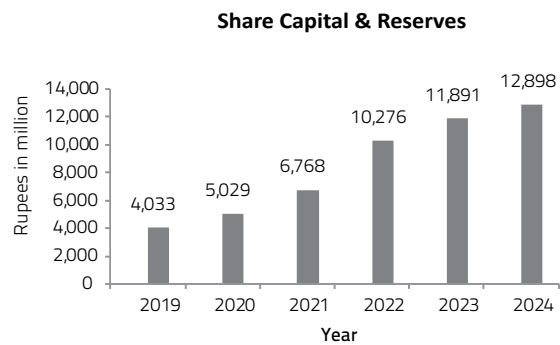
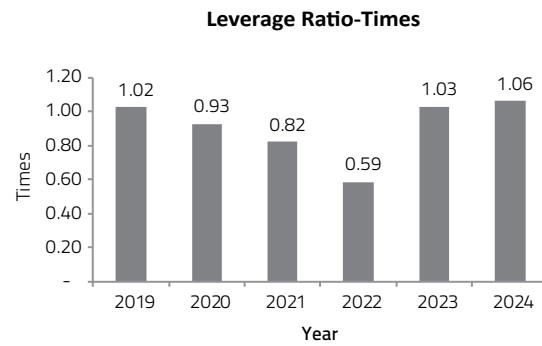
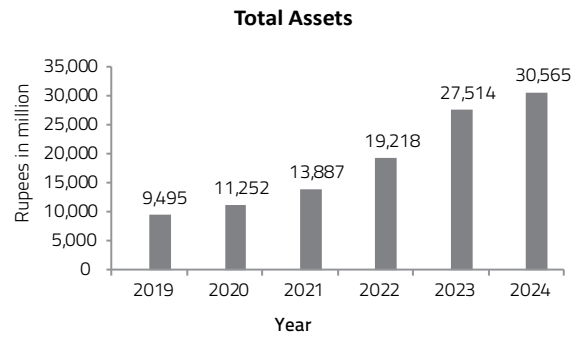
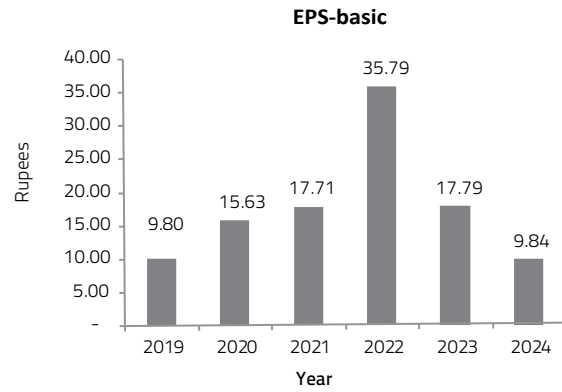
	2024		2023		2022		2021		2020		2019	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
<b>BALANCE SHEET</b>												
TOTAL EQUITY	13,494,981	317%	12,488,470	293%	10,873,006	255%	7,163,579	168%	5,424,983	127%	4,257,774	100%
NON-CURRENT LIABILITIES	3,031,334	198%	3,556,698	232%	1,747,305	114%	1,376,127	90%	1,368,712	89%	1,534,708	100%
CURRENT LIABILITIES	14,038,696	379%	11,468,414	310%	6,597,201	178%	5,347,334	144%	4,458,020	120%	3,703,011	100%
TOTAL LIABILITIES	17,070,030	326%	15,025,112	287%	8,344,506	159%	6,723,461	128%	5,826,732	111%	5,237,719	100%
TOTAL EQUITY AND LIABILITIES	30,565,011	322%	27,513,582	290%	19,217,512	202%	13,887,040	146%	11,251,715	118%	9,495,493	100%
<b>ASSETS</b>												
NON-CURRENT ASSETS	11,351,059	261%	11,762,765	271%	7,224,150	166%	5,501,678	127%	4,578,730	105%	4,347,489	100%
CURRENT ASSETS	19,213,952	373%	15,750,817	306%	11,993,362	233%	8,385,362	163%	6,672,985	130%	5,148,004	100%
TOTAL ASSETS	30,565,011	322%	27,513,582	290%	19,217,512	202%	13,887,040	146%	11,251,715	118%	9,495,493	100%
<b>PROFIT AND LOSS ACCOUNT</b>												
SALES	41,816,395	306%	36,128,679	264%	27,332,542	200%	17,402,936	127%	14,827,225	108%	13,687,117	100%
COST OF SALES	36,174,349	307%	31,342,388	266%	21,171,839	180%	14,070,969	120%	12,328,599	105%	11,772,908	100%
GROSS PROFIT	5,642,046	295%	4,786,291	250%	6,160,703	322%	3,331,967	174%	2,498,626	131%	1,914,209	100%
DISTRIBUTION COST	1,316,123	351%	1,146,835	306%	1,036,494	276%	432,817	115%	336,092	90%	375,200	100%
ADMINISTRATIVE EXPENSES	583,482	196%	505,016	170%	424,443	143%	373,846	126%	337,602	113%	297,779	100%
OTHER OPERATING EXPENSES	118,464	70%	321,701	190%	506,137	298%	165,373	97%	133,636	79%	169,759	100%
	2,018,069	239%	1,973,552	234%	1,967,074	233%	972,036	115%	807,330	96%	842,738	100%
	3,623,977	338%	2,812,739	263%	4,193,629	391%	2,359,931	220%	1,691,296	158%	1,071,471	100%
OTHER OPERATING INCOME	424,702	204%	105,381	51%	266,184	128%	49,016	24%	12,214	6%	208,549	100%
PROFIT FROM OPERATIONS	4,048,679	316%	2,918,120	228%	4,459,813	348%	2,408,947	188%	1,703,510	133%	1,280,020	100%
FINANCE COST	2,407,236	623%	955,976	247%	371,888	96%	266,541	69%	396,618	103%	386,484	100%
PROFIT BEFORE TAXATION	1,641,443	184%	1,962,144	220%	4,087,925	457%	2,142,406	240%	1,306,892	146%	893,536	100%
PROVISION FOR TAXATION & LEVY	634,932	358%	142,045	80%	426,405	241%	330,726	187%	164,920	93%	177,186	100%
PROFIT AFTER TAXATION	1,006,511	141%	1,820,099	254%	3,661,520	511%	1,811,680	253%	1,141,972	159%	716,350	100%



# Key Operating and Financial Results

for last six years

PARTICULARS	RUPEES in 000						
	2024	2023	2022	2021	2020	2019	
<b>SUMMARIZED BALANCE SHEET</b>							
<b>NON-CURRENT ASSETS</b>							
Property, Plant And Equipment	11,290,876	11,664,607	7,170,940	5,418,923	4,518,840	4,321,763	
Long Term Loans	-	-	-	-	-	-	
Other Non-Current Assets	60,183	98,158	53,210	82,755	59,890	25,726	
<b>CURRENT ASSETS</b>							
Stores, Spares And Loose Tools	324,899	283,957	204,533	142,424	104,773	86,635	
Stock In Trade	10,674,019	8,489,011	6,911,108	5,809,836	4,805,601	3,746,854	
Trade Debts	4,293,691	4,009,764	3,049,876	1,697,846	1,267,348	786,273	
Other Current Assets	3,921,343	2,968,085	1,827,845	735,256	495,263	528,242	
<b>TOTAL ASSETS</b>	<b>30,565,011</b>	<b>27,513,582</b>	<b>19,217,512</b>	<b>13,887,040</b>	<b>11,251,715</b>	<b>9,495,493</b>	
Share Holders' Equity	12,897,562	11,891,051	10,275,587	6,767,543	5,028,947	4,033,143	
Surplus on Revaluation of Operating Fixed Assets	597,419	597,419	597,419	396,036	396,036	224,631	
<b>NON-CURRENT LIABILITIES</b>							
Long Term Financing	2,993,657	3,510,224	1,535,085	1,131,883	1,087,110	1,191,883	
Liabilities Against Assets Subject To Finance Lease	37,677	46,474	-	10,078	25,084	41,777	
Deferred Tax	-	-	212,220	231,949	228,902	274,815	
Other Non-Current Liabilities	-	-	-	2,217	27,616	26,233	
<b>CURRENT LIABILITIES</b>							
Short Term Borrowings	9,763,274	7,860,721	3,919,863	3,816,833	3,173,375	2,644,848	
Current Portion of Long Term Liabilities	919,687	862,382	564,323	591,354	380,927	255,241	
Other Current Liabilities	3,355,735	2,745,311	2,113,015	939,147	903,718	802,922	
<b>Total Equity And Liabilities</b>	<b>30,565,011</b>	<b>27,513,582</b>	<b>19,217,512</b>	<b>13,887,040</b>	<b>11,251,715</b>	<b>9,495,493</b>	
<b>PROFIT &amp; LOSS</b>							
Sales	41,816,395	36,128,679	27,332,542	17,402,936	14,827,225	13,687,117	
Gross Profit	5,642,046	4,786,291	6,160,703	3,331,967	2,498,626	1,914,209	
EBITDA	5,156,933	3,504,315	4,949,995	2,821,796	2,117,946	1,618,191	
Profit From Operations	4,048,679	2,918,120	4,459,813	2,408,947	1,703,510	1,280,020	
Profit Before Tax	1,641,443	1,962,144	4,087,925	2,142,406	1,306,892	893,536	
Profit After Tax	1,006,511	1,820,099	3,661,520	1,811,680	1,141,972	716,350	
<b>CASH FLOWS</b>							
Cash Flow From Operating Activities	(525,747)	(1,705,268)	2,680,369	483,835	37,203	396,078	
Cash Flow From Investing Activities	(657,330)	(4,055,843)	(2,961,622)	(1,279,971)	(406,053)	(1,177,132)	
Cash Flow From Financing Activities	1,433,707	5,995,990	313,501	809,690	386,658	826,766	
Changing In Cash & Cash Equivalents	250,630	234,879	32,248	13,554	17,808	45,712	
Cash & Cash Equivalents - Year End	618,656	372,236	137,357	105,109	91,555	73,747	
<b>PROFITABILITY RATIOS</b>							
Gross Profit	%	13.49	13.25	22.54	19.15	16.85	13.99
EBITDA To Sales	%	12.33	9.70	18.11	16.21	14.28	11.82
Pre Tax Profit	%	3.93	5.43	14.96	12.31	8.81	6.53
After Tax Profit	%	2.41	5.04	13.40	10.41	7.70	5.23
Return On Equity	%	7.80	15.31	35.63	26.77	22.71	17.76
Return On Capital Employed	%	6.33	11.82	31.00	22.93	18.67	13.71
Dividend Rate (Cash)	%	-	-	20.00	15.00	10.00	20.00
Leverage Ratio		1.06	1.03	0.59	0.82	0.93	1.02
<b>LIQUIDITY RATIOS</b>							
Current Ratio	Times	1.37	1.37	1.82	1.57	1.50	1.39
Quick Ratio	Times	0.59	0.61	0.74	0.46	0.40	0.35
Cash To Current Liabilities	Times	0.04	0.03	0.02	0.02	0.02	0.02
Cash Flows From Operation To Sales	Times	(0.01)	(0.05)	0.10	0.03	0.00	0.03
Debt To EBITDA	Times	2.66	3.50	1.22	1.97	2.20	2.55
EBITDA To Debt	Times	0.38	0.29	0.82	0.51	0.45	0.39
Debt Service Coverage Ratio (DSCR)	Times	1.68	2.44	5.62	4.08	3.32	2.63
Intrest Coverage Ratio (ICR)	Times	1.68	3.05	11.99	9.04	4.30	3.31





# Statement of Compliance

## With Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2024

**Name of Company:** J. K. Spinning Mills Limited  
**Year Ended:** June 30, 2024

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

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

Gender	Number
Male	5 (Five)
Female	2 (Two)

2. The composition of Board is as follows:

Category	Names
Independent Directors	Syed Sohaib Mansoor Naqvi Mr. Tayyab Zahid
Non-Executive Directors	Mr. Jawed Anwar
Executive Directors	Mr. Faiq Jawed Mr. Shaiq Jawed
Female Directors	Mrs. Farhat Jehan (Non-executive) Mrs. Sadaf Aamir Arshad (Non-executive)

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 significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by

the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of 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. Five of the seven board members have either completed directors' training program or are exempt due to the criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies. The remaining directors, appointed during the year after elections, are encouraged to complete training at the earliest.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee	Syed Sohaib Mansoor Naqvi, Chairman Mrs. Farhat Jehan, Member Mrs. Sadaf Aamir Arshad, Member
b) HR and Remuneration Committee	Mr. Muhammad Tayyab Zahid, Chairman Mr. Shaiq Jawed, Member Syed Sohaib Mansoor Naqvi, Member
c) Nomination Committee	Mr. Jawed Anwar, Chairman Mr. Faiq Jawed, Member Mr. Shaiq Jawed, Member
d) Risk Management Committee	Mr. Faiq Jawed, Chairman Mr. Shaiq Jawed, Member Syed Sohaib Mansoor Naqvi, Member

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

# Statement of Compliance

## With Listed Companies (Code of Corporate Governance) Regulations, 2019

as per following

a) **Audit Committee:**

Four meetings of Audit Committee were held during the financial year ended June 30, 2024.

b) **HR and Remuneration Committee:**

Two meetings of HR and Remuneration Committee were held during the financial year ended June 30, 2024.

c) **Nomination Committee:**

Two meetings of Nomination Committee were held during the financial year ended June 30, 2024.

d) **Risk Management Committee:**


One meeting of Risk Management Committee was held during the financial year ended June 30, 2024.

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with, except for the independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5.

ON BEHALF OF THE BOARD OF DIRECTORS



FAIQ JAWED  
Chief Executive Officer



SHAIQ JAWED  
Director

Date: September 11, 2024  
Faisalabad

15. The Board has set up an effective internal audit function, which are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

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

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



# Independent Auditor's Review Report To the members of J.K. Spinning Mills Limited

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

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

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party 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 30 June 2024..

**RIAZ AHMAD & COMPANY**  
Chartered Accountants

Faisalabad

**Date:** October 02, 2024

**UDIN:** CR202410184RxxkFIAU5G

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT 38th ANNUAL GENERAL MEETING OF THE MEMBERS OF J.K. SPINNING MILLS LIMITED WILL BE HELD ON MONDAY, 28 OCTOBER, 2024 AT 11.00 A.M. AT 29 K.M, SHEIKHUPURA ROAD, KHURRIANWALA, FAISALABAD/THROUGH VIDEO LINK, TO TRANSACT THE FOLLOWING BUSINESS::

## ORDINARY BUSINESS:

1. To confirm the minutes of 37th Annual General Meeting held on October 27, 2023.
2. To receive, consider and adopt the Annual Audited Accounts along with the reports of Directors and Auditors of the Company for the year ended June 30, 2024.

In accordance with Section 223(7) of the Companies Act, 2017 and S.R.O No.389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the Company's website which can be downloaded from the following link and QR enabled code:

[www.jkgroup.net/financial-reports](http://www.jkgroup.net/financial-reports)



3. To appoint Auditors for the year 2024-2025 and fix their remuneration. The present Auditors M/s Riaz Ahmad and Company, Chartered Accountants, being eligible, has offered themselves for reappointment.

## SPECIAL BUSINESS:

4. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2024 by passing the special resolution with or without modification.
5. To authorize the Board of Directors of the Company to approve transactions with Related Parties and for sale and purchase of Goods / Services to / from J.K. Tech (Pvt.) Limited, up to Rs. 200 million, J.K. Agriculture Farms (Pvt.) Limited, up to Rs. 100 million and Fine Fabrics (Pvt.) Limited, up to Rs. 350 million - Associated Companies for the year ending June 30, 2025 by passing the Special resolution with or without modification.

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned Special Business, as required under Section 134 (3) of the Companies Act, 2017).

## ANY OTHER BUSINESS

6. Any business with permission of Chair.

BY THE ORDER OF THE BOARD

## FAISALABAD:

Dated: September 11, 2024

SYED HUSSAIN SHAHID MANSOOR NAQVI  
COMPANY SECRETARY

## NOTES:

1. The Share Transfer Books of the Company will remain closed from October 21, 2024 to October 28, 2024 (both days included). Transfers received at the Company's Share Registrar, M/s CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore, at the close of business on 20 October, 2024 will be treated in time for the purpose of above entitlement to the transferees.
2. The members / proxies who wish to attend the Annual General Meeting, via Video Link, are requested to get themselves registered by sending their particulars at the designated email address [legal@jkgroup.net](mailto:legal@jkgroup.net) as per below table by the close of business hours (5:00 p.m.) on October 25, 2024:





# Notice of Annual General Meeting

Name of Member	CNIC No. / NTN	CDC Participant ID/Folio No.	Cell Number	Email Address

The Video link will be emailed to the registered members / proxies who have provided all the requested information.

- The CDC account holders / sub-account holders are requested to bring with them their original CNICs or Passports along with Participant(s) ID Number and CDC Account Numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such Shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced at the time of meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.

The members are also required to attach the copy of their CNIC and where applicable, copy of CNIC of member(s) of whom he / she / they hold proxy(ies) while sending the information with reference to Note 2 hereof. Without the copy of the CNIC, such member(s) shall not be registered for the Video link facility.

A member entitled to attend and vote at the meeting may appoint another member as proxy to attend, speak and vote instead of him / her. Proxies in order to be effective must be received at the Head Office of the Company duly stamped and signed not later than 48 hours before the meeting. A proxy must be a member of the Company.

#### PROCEDURE FOR E-VOTING FOR SPECIAL BUSINESS:

- Details of e-Voting facility will be shared through e-mail with those members of the Company who have valid cell numbers / e-mail addresses (Registered e-mail ID) available in the Register of Members of the Company by the end of business on October 20, 2024. Members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and email addresses on or before 18 October 2024.
- Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- E-Voting will start from October 25, 2024, 09:00 a.m. and shall close on October 27, 2024 at 5:00 p.m. Members can cast their votes any time during this period.
- Once the vote is cast by a member/proxyholder, he / she shall not be allowed to change it subsequently. E-voting Service Provider: M/s. Corptec Associates (Pvt.) Limited

#### PROCEDURE FOR VOTING THROUGH POSTAL BALLOT:

The members may alternatively opt for voting through postal ballot which is attached to the notice of meeting circulated to them. The postal ballot paper is also available for download from the website of the Company at [www.jkgroup.net](http://www.jkgroup.net).

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address 29-KM, Sheikhpura Road, Khurrainwala, Faisalabad, Pakistan or email at [chairman@jkgroup.net](mailto:chairman@jkgroup.net) on October 27, 2024 up to 5 p.m. A postal ballot received after this time / date shall not be considered for voting. The signature on the ballot paper shall match the signature on CNIC. Please note that in case of any dispute in voting including the casting of more than one vote, the decision of the Chairman of the meeting shall be final

- As per Section 72 of the Companies Act, 2017, all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017. The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their members who still hold shares in physical form, to convert their shares into

# Notice of Annual General Meeting

book-entry form. We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest..

5. Shareholders holding shares in physical form, are requested to notify any change in their addresses immediately to the Share Registrar of the Company. Shareholders having shares in their CDC accounts are required to have their addresses updated with their respective participants.
6. The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to the requirements of Sections 143 and 144 of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.
7. The notice of Annual General Meeting has also been posted on the Company's website.
8. The Proxy Form is attached.

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

The statement sets out the material facts pertaining to the special business to be transacted at the forthcoming Annual General Meeting of the Company to be held on October 28, 2024. The Directors in their meeting held on September 11, 2024 have recommended to the Shareholders to pass the following special resolutions.

1. **Item Number 4 of the Notice - Ratification and approval of the related party transactions carried out during the year ended June 30, 2024.**

Transactions conducted with all related parties have to be approved by the Board of Directors, duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

However, during the year since Company's Directors were interested in certain transactions due to their common directorships in the Associated Companies, therefore, common directors did not participate for approval of these transactions pursuant to section 207 of the Companies Act, 2017. During the 37th Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case-to-case basis for the year ended June 30, 2024 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in next AGM for their formal approval / ratification. Accordingly, these transactions are being placed before the AGM for the formal approval / ratification by shareholders. All transactions with related parties to be ratified have been disclosed in the Note 40 to the financial statement for the year ended June 30, 2024. Party-wise details of such related party transactions are given below:

Name of Related Party	Basis of Relationship	Nature of transactions	PKR in '000'
Associate: J.K. Tech (Private) Limited (JKTPL)	30% Shareholding in JKTPL	Service charges	2,640
		Rental income	2,400
		Expenses paid on behalf of JKTPL	235
<b>Other related parties:</b>			
J.K. Spinning Mills Limited: Employees' Provident Fund Trust	Post-employment benefit plan	Contribution made	67,560
Chief Executive Officer and a Director	Members of Board of Directors	Loan obtained	500,000
Executives	Key Management Personnel	Vehicles Sold	11,517

The Company carries out transactions with its related parties on an Arm's Length Basis as per the approved policy with respect to "Transactions with Related Parties" in the normal course of business.



# Notice of Annual General Meeting

All transactions entered into with related parties require the approval of the Board's Audit Committee of the Company, which is chaired by an independent director of the Company. Upon the recommendation of the Board's Audit Committee, such transactions are placed before the Board of Directors for approval.

Transactions entered into with the related parties include, service charges paid / rental income recovered, dividends, loan repaid to directors and investments made (in accordance with the approval of shareholders and board where applicable).

The nature of relationship with these related parties has also been indicated in the Note 40 to the financial statement for the year ended June 30, 2024. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2024 by passing the following special resolution with or without modification:

***"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the Note 40 of the financial statements for the year ended June 30, 2024 as specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."***

2. **Item Number 5 of the Notice - Authorization for the Board of Directors to Approve the Related Party Transactions during the year ending June 30, 2025.**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2025 on an Arm's Length Basis as per the approved policy with respect to "Transactions with Related Parties" in the normal course of business. The Directors are interested in these transactions due to their common directorship in the Associated Companies and other related parties. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case-to-case basis for the year ending June 30, 2025, which transactions shall be deemed to be approved by the shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval / ratification. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

To ratify and approve transactions to be conducted with Related Parties for the year ended June 30, 2025 by passing the following special resolution with or without modification:

***"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2025."***

***"RESOLVED FURTHER THAT these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval."***

# Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED  
Report on the Audit of the Financial Statements

## Opinion

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

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

## Basis for Opinion

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

## Key Audit Matters

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

Following are the key audit matters:

Key Audit Matters	How the matter was addressed in our audit
<b>1. Inventory existence and valuation</b> As at 30 June 2024, inventories are stated at Rupees 10,998.918 million, break up of which is as follows: <ul style="list-style-type: none"><li>- Stores, spare parts and loose tools of Rupees 324.899 million</li><li>- Stock in trade of Rupees 10,674.019 million</li></ul> Inventories are stated at lower of cost and net realizable value.	Our procedures over existence and valuation of inventories included, but were not limited to: <ul style="list-style-type: none"><li>▪ To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.</li></ul>



# Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED  
Report on the Audit of the Financial Statements

Key Audit Matters	How the matter was addressed in our audit
<p>Inventories are stated at lower of cost and net realizable value.</p> <p>We identified existence and valuation of inventories as a key audit matter due to its size, representing 35.99% of total assets of the Company as at 30 June 2024, and the judgment involved in valuation.</p> <p>For further information on inventories, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Inventories (Note 2.12 to the financial statements).</li> <li>- Stores, spare parts and loose tools (Note 18) and Stock-in-trade (Note 19) to the financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>▪ For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.</li> <li>▪ On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any.</li> <li>▪ In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents.</li> <li>▪ We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.</li> <li>▪ We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.</li> </ul>
<p><b>2. Revenue recognition</b></p>	
<p>The Company recognized net revenue of Rupees 41,816.395 million for the year ended 30 June 2024.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information on revenue recognition, refer to the following:</p> <ul style="list-style-type: none"> <li>- Material accounting policy information, Revenue from contracts with customers (Note 2.15 to the financial statements).</li> <li>- Revenue from contracts with customers (Note 27 to the financial statements).</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>▪ We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue.</li> <li>▪ We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents.</li> <li>▪ We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period.</li> <li>▪ We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'.</li> <li>▪ We also considered the appropriateness of disclosures in the financial statements.</li> </ul>

# Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED  
Report on the Audit of 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Board of directors 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.



# Independent Auditors' Report

To the members of J.K. SPINNING MILLS LIMITED  
Report on the Audit of the Financial Statements

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

**RIAZ AHMAD & COMPANY**  
Chartered Accountants

Faisalabad

**Date:** September 11, 2024

UDIN: AR202410184FHKmuLM97

# Financial Statements

For the Year Ended June 30, 2024





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# Statement of Financial Position

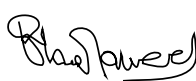
As at June 30, 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
200 000 000 (2023: 200 000 000) ordinary ordinary shares of Rs.10/- each			
		2,000,000	2,000,000
Issued, subscribed and paid up share capital	3	1,023,175	1,023,175
Reserves			
Capital reserves			
Merger reserve		289,636	289,636
Premium on issue of right shares	4.1	60,904	60,904
Surplus on revaluation of freehold land		597,419	597,419
		947,959	947,959
Revenue reserve - unappropriated profit		11,523,847	10,517,336
Total reserves		12,471,806	11,465,295
<b>TOTAL EQUITY</b>		<b>13,494,981</b>	<b>12,488,470</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	2,741,448	3,142,272
Lease liabilities	6	37,677	46,474
Deferred income - Government grant	7	252,209	367,952
		3,031,334	3,556,698
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	2,887,196	2,332,900
Accrued mark-up	9	355,641	411,628
Short term borrowings	10	9,763,274	7,860,721
Unclaimed dividend		749	783
Current portion of non-current liabilities	11	919,687	862,382
Provision for taxation and levy - net	12	112,149	-
		14,038,696	11,468,414
<b>TOTAL LIABILITIES</b>		<b>17,070,030</b>	<b>15,025,112</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,565,011</b>	<b>27,513,582</b>

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



Faiq Jawed  
Chief Executive Officer



Shaiq Jawed  
Director



Khawaja Nadeem Abbas  
Chief Financial Officer



# Statement of Financial Position

As at June 30, 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	11,290,876	11,664,607
Right-of-use assets	15	59,102	73,877
Long term investment	16	-	-
Long term deposits	17	1,081	24,281
		<b>11,351,059</b>	<b>11,762,765</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	18	324,899	283,957
Stock-in-trade	19	10,674,019	8,489,011
Trade debts	20	4,293,691	4,009,764
Advances	21	103,179	108,903
Short term deposits and prepayment	22	53,659	22,010
Other receivables	23	184,088	55,201
Sales tax refundable	24	2,940,152	2,293,891
Advance income tax and levy - net	12	-	94,089
Short term investments	25	21,609	21,755
Cash and bank balances	26	618,656	372,236
		<b>19,213,952</b>	<b>15,750,817</b>
<b>TOTAL ASSETS</b>		<b>30,565,011</b>	<b>27,513,582</b>

Faiq Jawed  
Chief Executive Officer

Shaiq Jawed  
Director

Khawaja Nadeem Abbas  
Chief Financial Officer

# Statement of Profit or Loss

For the Year ended June 30, 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
Revenue from contracts with customers	27	41,816,395	36,128,679
Cost of sales	28	(36,174,349)	(31,342,388)
<b>Gross profit</b>		<b>5,642,046</b>	<b>4,786,291</b>
Distribution cost	29	(1,316,123)	(1,146,835)
Administrative expenses	30	(583,482)	(505,016)
Other expenses	31	(118,464)	(321,701)
		(2,018,069)	(1,973,552)
		3,623,977	2,812,739
Other income	32	424,702	105,381
<b>Profit from operations</b>		<b>4,048,679</b>	<b>2,918,120</b>
Finance cost	33	(2,407,236)	(955,976)
<b>Profit before taxation and levy</b>		<b>1,641,443</b>	<b>1,962,144</b>
Levy	12.1	(634,932)	(392,171)
<b>Profit before taxation</b>		<b>1,006,511</b>	<b>1,569,973</b>
Taxation	34	-	250,126
<b>Profit after taxation</b>		<b>1,006,511</b>	<b>1,820,099</b>
<b>Earnings per share - basic and diluted (rupees)</b>	35	<b>9.84</b>	<b>17.79</b>

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



Faiq Jawed  
Chief Executive Officer



Shaiq Jawed  
Director



Khawaja Nadeem Abbas  
Chief Financial Officer



# Statement of Comprehensive Income

For the Year ended June 30, 2024

	2024 (RUPEES IN THOUSAND)	2023
PROFIT AFTER TAXATION	1,006,511	1,820,099
OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to statement of profit or loss in subsequent periods:	-	-
Items that may be reclassified to statement of profit or loss in subsequent periods	-	-
Other comprehensive income for the year	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1,006,511</b>	<b>1,820,099</b>

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

Faiq Jawed  
Chief Executive Officer

Shaiq Jawed  
Director

Khawaja Nadeem Abbas  
Chief Financial Officer

# Statement of Changes in Equity

For the Year ended June 30, 2024

Share capital	Reserves						Total	Total equity
	Capital reserves				Revenue reserve			
	Merger reserve	Premium on issue of right shares	Surplus on revaluation of freehold land	Sub Total	Unappropriated profit			

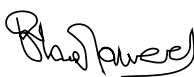
----- (RUPEES IN THOUSAND) -----

Balance as at 30 June 2022	1,023,175	289,636	60,904	597,419	947,959	8,901,872	9,849,831	10,873,006
Transactions with owners:								
Final dividend for the year ended 30 June 2022 at the rate of Rupees 2 per share	-	-	-	-	-	(204,635)	(204,635)	(204,635)
Profit for the year	-	-	-	-	-	1,820,099	1,820,099	1,820,099
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	1,820,099	1,820,099	1,820,099
Balance as at 30 June 2023	1,023,175	289,636	60,904	597,419	947,959	10,517,336	11,465,295	12,488,470
Profit for the year	-	-	-	-	-	1,006,511	1,006,511	1,006,511
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	1,006,511	1,006,511	1,006,511
Balance as at 30 June 2024	1,023,175	289,636	60,904	597,419	947,959	11,523,847	12,471,806	13,494,981

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



Faiq Jawed  
Chief Executive Officer



Shaiq Jawed  
Director



Khawaja Nadeem Abbas  
Chief Financial Officer



# Statement of Cash Flows

For the Year ended June 30, 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	36	2,444,915	(377,907)
Finance cost paid		(2,443,506)	(569,472)
Mark-up paid against lease liabilities		(10,137)	(7,678)
Income tax and levy paid		(428,695)	(581,898)
Net decrease / (increase) in long term deposits		23,200	(845)
Workers' profit participation fund paid	8.2	(111,524)	(221,018)
<b>Net cash used in operating activities</b>		<b>(525,747)</b>	<b>(1,758,818)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(769,716)	(5,090,787)
Proceeds from sale of property, plant and equipment		58,820	63,140
Proceeds from de-recognition of right-of-use asset		-	35,000
Profit on saving accounts and term deposit receipts received		35,720	2,587
Proceeds from sale of investments		17,846	934,217
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(657,330)</b>	<b>(4,055,843)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		350,631	2,827,934
Repayment of long term financing		(810,258)	(554,344)
Repayment of lease liabilities		(9,185)	(13,918)
Short term borrowings - net		1,902,553	3,940,858
Dividend paid		(34)	(204,540)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>1,433,707</b>	<b>5,995,990</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>250,630</b>	<b>181,329</b>
<b>NET FOREIGN EXCHANGE DIFFERENCE ON TRANSLATING BANK BALANCES</b>		<b>(4,210)</b>	<b>53,550</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>372,236</b>	<b>137,357</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	26	<b>618,656</b>	<b>372,236</b>

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

Faiq Jawed  
Chief Executive Officer

Shaiq Jawed  
Director

Khawaja Nadeem Abbas  
Chief Financial Officer

# Notes to the Financial Statements

For the Year ended 30 June 2024

## 1. THE COMPANY AND ITS ACTIVITIES

J.K. Spinning Mills Limited (the Company) is a public limited company incorporated in Pakistan on 07 January 1987 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited on 24 September 1990. Its registered office is situated at 34-Falcon Enclave, Tufail Road, Lahore Cantt. The head office and factory premises of the Company are located at 29-Kilometers, Sheikhpura Road, Faisalabad. A sales office is located at Montgomery Bazar, Opposite Habib Bank Limited, Near Clock Tower, Faisalabad while a godown is located at Dost Street, Maqbool Road, Faisalabad. The Company is engaged in business of textile manufacturing which comprises spinning, weaving, processing, stitching, buying, selling and otherwise dealing in yarn, fabrics and other goods.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information applied in the preparation of these financial statements are set out below. Further, accounting policies related to material class of accounts do not necessarily mean that these are material. These policies have been consistently applied to all years presented, except for the change in accounting policy of taxation and levy made in accordance with "Application Guidance on Accounting for Minimum Taxes" issued by The Institute of Chartered Accountants of Pakistan through circular 7/2024. The change has been explained in Note 2.6 to these financial statements.

### 2.1 Basis of preparation

#### a) 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 (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), 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 IFRSs and IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in respective accounting policies.

#### c) Critical accounting estimates and judgments

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





# Notes to the Financial Statements

For the Year ended 30 June 2024

## Useful lives, patterns of economic benefits and impairments

The estimate for revalued amount of freehold land is based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Any change in the estimates in future might affect the carrying amount of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

## Allowance for Expected Credit Losses (ECLs)

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

## Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

## Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by 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.

## Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

## Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

## Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

## Classification of investments

The management of the Company determines the appropriate classification at the time of purchase or increase in holding and classifies its investments in accordance with IFRS 9 'Financial instruments'.

# Notes to the Financial Statements

For the Year ended 30 June 2024

- d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2023:

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement' - Disclosure of Accounting Policies;
- Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Change in definition of 'Accounting Estimate'; and
- Amendments to IAS 12 'Income Taxes' - International Tax Reform - Pillar Two Model Rules.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

- e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

- f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2024. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.



# Notes to the Financial Statements

For the Year ended 30 June 2024

Classification and Measurements of Financial Instruments (Amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments') effective for annual periods beginning on or after 01 January 2026. These amendments address matters identified during the past - implementation review of the classification and measurement requirements of IFRS 9.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) **Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company**

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

## 2.2 Employees retirement benefit

The Company operates a recognized provident fund for all its permanent employees. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 8.33 percent of the basic salary. Obligation for contributions to defined contribution plan is recognized as an expense in the statement of profit or loss as and when incurred. Employees are eligible under the scheme on completion of prescribed qualifying period of service.

## 2.3 Government grants

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

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

## 2.4 Provisions

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

# Notes to the Financial Statements

For the Year ended 30 June 2024

## 2.5 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

## 2.6 Taxation and levy

### Change in accounting policy

#### Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in statement of profit or loss. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and resulted in following reclassification of corresponding figures:

Reclassified from	Reclassified to	RUPEES IN THOUSAND
<b>Statement of profit or loss:</b>		
Taxation	Levy	392,171
<b>Statement of financial position:</b>		
Advance income tax	Prepaid levy	196,712
Provision for taxation	Levy payable	392,171

Had there been no change in the above referred accounting policy, amount of Rupees 634.932 million of levy, Rupees 239.462 million of prepaid levy and Rupees 565.106 million of levy payable would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements. Further, this change in accounting policy has no impact on earnings per share of the Company.

#### Deferred

Deferred tax is accounted for using the liability method in respect of all 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 the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets 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 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 or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.



# Notes to the Financial Statements

For the Year ended 30 June 2024

## 2.7 Property, plant and equipment

### a) Cost / Revalued amount

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss, except freehold land which is stated at revalued amount less any recognized impairment loss. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the erection / construction period of qualifying assets and directly attributable costs of bringing the assets to working condition.

Increases in the carrying amount arising on revaluation of freehold land is recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decrease that reverses previous increase of the asset is first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which these are incurred.

### b) Depreciation

Depreciation on operating fixed assets is charged from the month in which an asset is available for use while no depreciation is charged for the month in which the asset is de-recognized. Depreciation is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of operating fixed assets over their expected useful lives at the rates mentioned in Note 14.1. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

### c) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

### d) Capital work-in-progress

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

## 2.8 Leases

### a) Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

# Notes to the Financial Statements

For the Year ended 30 June 2024

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments of these assets are recognized as expense on straight-line basis over the lease term.

## b) Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which these are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

## 2.9 Ijarah contracts

Under the Ijarah contracts, the Company obtains usufruct of an asset for an agreed period and consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognizes the Ujrah (lease) payments as an expense in the statement of profit or loss on straight line basis over the Ijarah term.

## 2.10 Financial instruments

### i) Classification and measurement of financial instruments

#### Investments and other financial assets

##### a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at Fair Value Through Profit or Loss (FVTPL), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value through profit or loss, gains and losses will be recorded in profit or loss. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.



# Notes to the Financial Statements

For the Year ended 30 June 2024

## b) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### 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. The Company classifies its debt instruments with following measurement categories:

#### Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

#### At Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortized cost or at Fair Value Through Other Comprehensive Income (FVTOCI) are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

### Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3). The Company classifies its equity instruments into following measurement category:

#### At fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments are to be recognized in profit or loss when the Company's right to receive payments is established.

# Notes to the Financial Statements

For the Year ended 30 June 2024

## Financial liabilities

### Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

### ii) Impairment of financial assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.





# Notes to the Financial Statements

For the Year ended 30 June 2024

## iii) De-recognition of financial assets and financial liabilities

### Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

### Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

## iv) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

## 2.11 Investment in associate

An associate is an entity over which the Company has significant influence. Investment in an associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of profit or loss of the investee after the date of acquisition.

The Company's share of post acquisition profit or loss is recognized in the statement of profit or loss with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or has made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the associate are changed where necessary to ensure consistency with the policies adopted by the Company.

Investment under the equity method of accounting, the associate is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

## 2.12 Inventories

Inventories, except for waste materials, are stated at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale. Cost is determined as follows:

### Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items-in-transit are stated at invoice amount plus other charges paid thereon.

# Notes to the Financial Statements

For the Year ended 30 June 2024

## Stock-in-trade

Stock of raw materials, except for stock-in-transit, is valued principally at weighted average cost.

Stocks-in-transit are valued at cost comprising invoice value plus other charges paid thereon.

Cost of work-in-process comprises of cost of estimated manufacturing cost including appropriate production overheads while cost of finished goods comprises of average manufacturing cost including appropriate production overheads.

Stock of waste materials is stated at net realizable value.

## 2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts along with other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

## 2.14 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. These are subsequently measured at amortized cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## 2.15 Revenue from contracts with customers

### i) Revenue recognition

#### Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

#### Processing services

The Company provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers.

## Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## Rent

Revenue is recognized when rent is accrued.



# Notes to the Financial Statements

For the Year ended 30 June 2024

## Dividend

Dividend on investments is recognized when right to receive the dividend is established.

## Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

### ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

### iii) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

### iv) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

## 2.16 Trade debts and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

## 2.17 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost. These are subsequently measured at amortized cost using the effective interest method.

## 2.18 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. These are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

## 2.19 Borrowing cost

General and specific 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, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which these are incurred.

# Notes to the Financial Statements

For the Year ended 30 June 2024

## 2.20 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

## 2.21 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's 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 (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

## 2.22 Functional and presentation currency along with foreign currency transactions and translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

## 2.23 Segment reporting

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

Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company's reportable business segments comprise of Spinning (Producing different quality of yarn using natural and artificial fibers) and Fabric (Buying yarn, fabric and selling after conversion and manufacturing of home textile articles).

Transactions among the business segments are recorded at arm's length prices using admissible valuation method. Inter segment sales and purchases are eliminated from the total.



# Notes to the Financial Statements

For the Year ended 30 June 2024

## 2.24 Earnings per share

The Company presents Earnings Per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

## 2.25 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

## 2.26 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

## 3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2024 (NUMBER OF SHARES)		2023	2024 (RUPEES IN THOUSAND)		2023
26,424,155	26,424,155	Ordinary shares of Rs. 10 each fully paid in cash	264,241		264,241
45,947,600	45,947,600	Ordinary shares of Rupees 10 each issued to shareholders of J.K. Fibre Mills Limited and Abid Faiq Textile Mills Limited under the scheme of merger	459,476		459,476
29,945,747	29,945,747	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	299,458		299,458
102,317,502	102,317,502		1,023,175		1,023,175

3.1 The share capital of the Company consists only of fully paid ordinary shares with a nominal value of Rupees 10 per share. All shares are equally eligible to receive dividends and the repayment of the capital and represent one vote at shareholders' meetings of the Company.

## 4. CAPITAL RESERVES

Merger reserve		289,636	289,636
Premium on issue of right shares	4.1	60,904	60,904
Surplus on revaluation of freehold land		597,419	597,419
		947,959	947,959

### 4.1 Premium on issue of right shares

This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

# Notes to the Financial Statements

For the Year ended 30 June 2024

		2024 (RUPEES IN THOUSAND)	2023
<b>5. LONG TERM FINANCING</b>			
From banking companies - secured			
Long term loans	5.1	2,689,459	3,225,519
Diminishing musharika	5.2	845,771	640,710
		<b>3,535,230</b>	<b>3,866,229</b>
Less: Current portion shown under current liabilities	11		
Long term loans		627,095	565,624
Diminishing musharakah		166,687	158,333
		<b>793,782</b>	<b>723,957</b>
		<b>2,741,448</b>	<b>3,142,272</b>

## 5.1 Long term loans

		2024					Rate of interest per annum	Repayment commencement date	Maturity date
Banking Companies	Note	Loan Amount							
		Opening	Received	(Repaid)	Impact of deferred grant - net	Closing			
(RUPEES IN THOUSAND)									
Askari Bank Limited	5.1.1	6,551	-	(6,551)	-	-	SBP rate for LTFF / 3 Month KIBOR + 1.25%	June 2019	October 2023
The Bank of Punjab	5.1.2	1,596,522	-	(372,818)	128,628	1,352,332	SBP rate for LTFF + 1.25% to 2%, SBP rate for TERF + 2%, 2% and 3 Month KIBOR + 1%	November 2017	May 2031
National Bank of Pakistan	5.1.3	954,031	-	(222,068)	-	731,963	SBP rate for LTFF + 1.25% and 3 Month KIBOR + 1%	October 2018	July 2028
Habib bank limited	5.1.4	168,950	-	(25,343)	-	143,607	2% p.a. and 3 Month KIBOR + 1.25%	October 2023	June 2028
Bank of Khyber	5.1.5	499,465	-	(37,908)	-	461,557	3 Month KIBOR + 1.5% and 8.25% p.a.	January 2024	January 2030
		<b>3,225,519</b>	<b>-</b>	<b>(664,688)</b>	<b>128,628</b>	<b>2,689,459</b>			

		2023					Rate of interest per annum	Repayment commencement date	Maturity date
Banking Companies	Note	Loan Amount							
		Opening	Received	(Repaid)	Impact of deferred grant - net	Closing			
(RUPEES IN THOUSAND)									
Askari Bank Limited		27,434	-	(20,883)	-	6,551	SBP rate for LTFF / 3 Month KIBOR + 1.25%	June 2019	October 2023
The Bank of Punjab		900,489	1,398,641	(239,053)	(463,555)	1,596,522	SBP rate for LTFF + 1.25% to 2%, SBP rate for TERF + 2%, 2% and 3 Month KIBOR + 1%	November 2017	May 2031
National Bank of Pakistan		673,473	454,560	(174,002)	-	954,031	SBP rate for LTFF + 1.25% and 3 Month KIBOR + 1%	October 2018	July 2028
Habib bank limited		44,542	168,950	(45,406)	864	168,950	2% p.a. and 3 Month KIBOR + 1.25%	October 2023	June 2028
Bank of Khyber		-	499,465	-	-	499,465	3 Month KIBOR + 1.5% and 8.25% p.a.	January 2024	January 2030
		<b>1,645,938</b>	<b>2,521,616</b>	<b>(479,344)</b>	<b>(462,691)</b>	<b>3,225,519</b>			



# Notes to the Financial Statements

For the Year ended 30 June 2024

- 5.1.1 Purpose of this facility was to finance expansion and Balancing Modernization and Replacement (BMR) of spinning unit. The principal has been completely repaid on 25 October 2023. This facility was secured against first specific charge of Rupees 201 million over imported machinery and personal guarantee of three directors of the Company.
- 5.1.2 These facilities were obtained for retirement of spinning machinery letters of credit established through the Bank and for renewable energy scheme. Current balance payable is aggregate of fifty six tranches. As per terms of the agreement, the tenors of loans are six, seven and ten years including one year grace period. The principal is to be repaid in twenty, twenty four and thirty six equal quarterly installments. These loans include certain tranches obtained under State Bank of Pakistan (SBP) Temporary Economic Refinance Facility (TERF). These are recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rate ranging from 12.77% to 20.03% (2023: 12.77% to 20.03%) per annum. Interest repricing and payment are made on quarterly basis. These facilities are secured against specific charge of Rupees 1,201 million over plant and machinery with 25% margin, specific charge of Rupees 102 million over imported machinery pertaining to solar project, ranking charge of Rupees 1,934 million over present and future fixed assets and personal guarantee of three directors of the Company.
- 5.1.3 These facilities were obtained to finance import of new machinery through retirement of import letters of credit opened by Bank. Current balance payable is aggregate of eighty tranches. As per terms of the agreement, the tenors of loans are six years including one year grace period. The principal is to be repaid in twenty consecutive quarterly installments. Interest repricing and payment are made on quarterly basis. These facilities are secured by way of exclusive hypothecation charge of Rupees 800 million, exclusive charge over plant and machinery with 25% margin and personal guarantee of three directors of the Company.
- 5.1.4 These facilities were obtained to finance new generator. Current balance payable shows one tranche only. As per the terms of the agreement, the tenor of loan is six years including one year grace period. The principal is to be repaid in twenty consecutive quarterly installments. Interest repricing and payment are made on quarterly basis. These facilities are secured by way of specific charge over plant and machinery amounting to Rupees 226 million and personal guarantee of three directors of the Company.
- 5.1.5 These facilities were obtained to finance new processing unit. Current balance payable is aggregate of five tranches. As per terms of the agreement, the tenor of loans is seven years including one year grace period. The principal is to be repaid in twenty four / twenty five equal quarterly installments. Interest repricing and payment are made on quarterly basis. These facilities are secured against specific charge with 25% margin on machinery imported and lien over import documents.

## 5.2 Diminishing musharika

		2024				Rate of profit per annum	Repayment commencement date	Maturity date
Banking Company	Note	Loan Amount						
		Opening	Received	(Repaid)	Closing			
		(RUPEES IN THOUSAND)						
Meezan Bank Limited	5.2.1	640,710	191,831	(145,570)	686,971	SBP rate for ILTFF + 1.25% to 2%, 3 Month KIBOR + 0.50% to 1%	September 2020	June 2035
First Habib Modaraba	5.2.2	-	158,800	-	158,800	3 Month KIBOR + 1.25%	January 2025	June 2027
		640,710	350,631	(145,570)	845,771			

		2023				Rate of profit per annum	Repayment commencement date	Maturity date
Banking Company		Loan Amount						
		Opening	Received	(Repaid)	Closing			
		(RUPEES IN THOUSAND)						
Meezan Bank Limited		409,392	306,318	(75,000)	640,710	SBP rate for ILTFF + 1.25% to 2%, 3 Month KIBOR + 0.50%	September 2020	June 2029

# Notes to the Financial Statements

For the Year ended 30 June 2024

5.2.1 These facilities were obtained to finance generator / spinning machinery / solar project of the Company along with spares parts. Current balance payable is aggregate of eight tranches. As per terms of the agreement, principal is to be repaid on quarterly basis in five, seven and ten years including one year grace period. After expiry of grace period, facility will be repaid in sixteen, twenty four and forty equal quarterly installments. Interest repricing and payment are made on quarterly basis. These facilities are secured against exclusive charge over assets of Rupees 1,334 million and specific fixed assets of the new spinning projects and solar project with 25% margin, joint equitable mortgage over specific land of the project and personal guarantee of three directors of the Company.

5.2.2 This facility was obtained for purchase of vehicles. As per terms of the agreement, principal is to be repaid on monthly basis in three years including six months grace period. After expiry of grace period, facility will be repaid in thirty equal monthly installments. Interest repricing is made on quarterly basis while payment will be made on monthly basis. This facility is secured against post dated cheques of Rupees 229.146 million.

5.3 As per the financing documents, the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, minimum interest coverage ratio, minimum gross profit margin and maximum leverage ratio.

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>6. LEASE LIABILITIES</b>			
Total lease liabilities	6.1	47,839	56,271
Less: Current portion shown under current liabilities	11	(10,162)	(9,797)
		<b>37,677</b>	<b>46,474</b>
<b>6.1 Reconciliation of lease liabilities</b>			
Balance as on 01 July		56,271	10,189
Add:			
Addition during the year		-	60,000
Interest accrued on lease liabilities	33	10,890	7,678
		<b>67,161</b>	<b>77,867</b>
Less: Payments made during the year		(19,322)	(21,596)
		<b>47,839</b>	<b>56,271</b>
<b>6.2</b>			
This relates to a vehicle acquired under finance lease agreement from The Bank of Punjab (BOP). The implicit interest rates used to arrive at the present value of minimum lease payments are 1 Year KIBOR + 1.25% per annum. Taxes, repairs and insurance costs are to be borne by the Company. This is secured against the leased assets and personal guarantee of three directors of the Company.			
<b>6.3 Maturity analysis of the lease liabilities is as follows:</b>			
Not later than one year		20,162	18,144
Later than one year but not later than two years		20,162	18,144
Later than two years but not later than five years		28,565	43,851
		<b>68,889</b>	<b>80,139</b>
Less: Future finance cost		(21,050)	(23,868)
Present value of lease liabilities		<b>47,839</b>	<b>56,271</b>





# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>7. DEFERRED INCOME - GOVERNMENT GRANT</b>			
Balance as on 01 July		496,580	33,889
Add: Recognized during the year		-	555,426
Less: Amortized during the year		128,628	92,735
		367,952	496,580
Less: Current portion shown under current liabilities	11	115,743	128,628
		252,209	367,952
<b>7.1</b>			
<p>State Bank of Pakistan (SBP), through its Circular No. 01 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units. One of the key feature of the refinance facilities is that borrowers can obtain loans at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of Government loan at the below market rate of interest is treated as a Government Grant. The Company has obtained these loans as disclosed in Note 5.1.2 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities have been initially recognized at fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for similar instruments. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant.</p>			
<b>8. TRADE AND OTHER PAYABLES</b>			
Creditors	8.1	1,003,252	533,755
Accrued liabilities		724,167	749,268
Contract liabilities - unsecured		459,833	386,498
Retention money payable		517	6,538
Income tax deducted at source		2,950	1,146
Sales tax payable		55,382	88,384
Fair value of forward exchange contracts		-	3,526
Workers' profit participation fund	8.2	77,898	101,944
Workers' welfare fund	8.3	192,404	162,803
Payable to banks under bill discounting arrangement	20.5	152,107	-
Other payables		218,686	299,038
		2,887,196	2,332,900
<b>8.1</b>			
<p>These include Rupees 0.256 million (2023: Rupees 0.251 million) due to J.K. Tech (Private) Limited, a related party.</p>			
<b>8.2 Workers' profit participation fund</b>			
Balance as on 01 July		101,944	210,329
Interest for the year	33	9,580	10,689
Provision for the year	31	77,898	101,944
		189,422	322,962
Less: Payments made during the year		111,524	221,018
Balance as on 30 June		77,898	101,944
<b>8.3 Workers' welfare fund</b>			
Balance as on 01 July		162,803	122,759
Provision for the year	31	29,601	40,044
Balance as on 30 June		192,404	162,803

# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>9. ACCRUED MARK-UP</b>			
Long term financing		107,027	160,007
Short term borrowings		248,614	251,621
		<b>355,641</b>	<b>411,628</b>
<b>10. SHORT TERM BORROWINGS</b>			
From banking companies - secured			
Export refinances	10.1 & 10.3	2,190,331	2,656,000
Other short term finances	10.2 & 10.3	7,072,943	5,204,721
		<b>9,263,274</b>	<b>7,860,721</b>
Others - unsecured			
Related parties	10.4	500,000	-
		<b>9,763,274</b>	<b>7,860,721</b>
<b>10.1</b>	Rate of markup is SBP rate + 1% (2023: SBP rate + 1%) per annum on the balance outstanding.		
<b>10.2</b>	Rate of markup is 1 Month KIBOR, 3 Month KIBOR and 6 Month KIBOR + 0.70% to 1.50% (2023: 1 Month KIBOR, 3 Month KIBOR and 6 Month KIBOR + 0.70% to 1.50%) per annum on the balance outstanding.		
<b>10.3</b>	These finances are obtained from banking companies under mark-up arrangements on quarterly basis and are secured against joint pari passu hypothecation charge on present and future current assets and joint pari passu charge on fixed assets, pledge of stock of cotton, yarn and polyester with specific margin, lien over import / export documents, letter of indemnity and personal guarantee of three directors of the Company. The sanctioned credit facilities are Rupees 19,666 million (2023: Rupees 15,692 million).		
<b>10.4</b>	These represent interest free loans obtained from Chief Executive Officer and a Director of the Company to meet the Company's working capital requirements. These are repayable on demand.		
<b>11. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>			
Current portion of long term financing	5	793,782	723,957
Current portion of lease liabilities	6	10,162	9,797
Current portion of deferred income - Government grant	7	115,743	128,628
As at 30 June		<b>919,687</b>	<b>862,382</b>
<b>12. PROVISION FOR TAXATION AND LEVY PAYABLE - NET / ADVANCE INCOME TAX AND PREPAID LEVY - NET</b>			
Advance income tax - net			
Provision for taxation		-	-
Less: Advance income tax		213,495	289,548
		<b>(213,495)</b>	<b>(289,548)</b>
Levy payable - net			
Levy payable	12.1	565,106	392,171
Less: Prepaid levy		239,462	196,712
		<b>325,644</b>	<b>195,459</b>
		<b>112,149</b>	<b>(94,089)</b>
<b>12.1 Levy for the year</b>			
Levy	12	565,106	392,171
Prior year adjustment		69,826	-
		<b>634,932</b>	<b>392,171</b>



# Notes to the Financial Statements

For the Year ended 30 June 2024

## 13. CONTINGENCIES AND COMMITMENTS

### Contingencies

- i) Additional Commissioner Inland Revenue (ADCIR) amended the assessment for tax year 2012, vide assessment order dated 21 March 2017, by amending the Company's apportionment of expenses, disallowing certain expenses and tax credits and created a tax demand of Rupees 29.860 million (2023: Rupees 29.860 million). Being aggrieved with the order, the Company preferred an appeal before the Commissioner Inland Revenue, Appeals (CIR (A)) on 04 May 2017 which is pending for adjudication.
- ii) The Company has filed an appeal on 30 April 2020 before the Appellate Tribunal Inland Revenue against the tax demand created by Assistant Commissioner Inland Revenue amounting to Rupees 31.659 million (2023: Rupees 31.659 million) vide assessment order dated 10 August 2018, relating to tax year 2016. The appeal is pending for adjudication.
- iii) The Company has filed an appeal before the Appellate Tribunal Inland Revenue on 30 June 2021 against the re-assessment made by Additional Commissioner Inland Revenue, regarding the Company's apportionment of expenses, disallowing certain expenses and creating tax demand of Rupees 178.887 million (2023: Rupees 178.887 million) for the tax year 2015 vide order dated 07 January 2019. The appeal is pending for adjudication.
- iv) The Company filed writ petition on 25 January 2022 in Lahore High Court, Lahore to avail the relief of tax credit under section 65-B of the Income Tax, Ordinance, 2001. In response to which, Lahore High Court, Lahore allowed the Company to file return of income tax by taking the effect of section 65-B of the Ordinance. Moreover the income tax department was advised by Lahore High Court, Lahore to complete the process of determination regarding entitlement of tax credit under section 65-B of the Ordinance. By getting this interim relief, the Company filed its revised income tax return on 27 January 2022 by taking the effect of tax credit under section 65-B of the Ordinance amounting to Rupees 79.011 million (2023: Rupees 79.011 million). However the outcome of the petition is pending.
- v) Deputy Commissioner Inland Revenue passed Order-in-Original No.60/2016 dated 11 April 2016 for the recovery of Rupees 7.904 million (2023: Rupees 7.904 million) along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue, Appeals (CIR (A)) who passed Order in Appeal No.465/2016 dated 12 July 2016 and reduced amount to the extent of Rupees 3.107 million (2023: Rupees 3.107 million). Being aggrieved with decision, the Company filed before Appellate Tribunal Inland Revenue (ATIR) who remanded back the case to CIR (A). Case is still pending for adjudication before CIR(A).
- vi) Audit Officer Inland Revenue passed Order-in-Original No. 69/2019 dated 27 June 2019 for the recovery of inadmissible input tax along with default surcharge. The Company filed appeal before Commissioner Inland Revenue, Appeals (CIR(A)) who remanded back the case to Audit Officer Inland Revenue vide Order in Appeal No. 397/2019 dated 18 September 2019. Being aggrieved with decision the Company filed appeal before Appellate Tribunal Inland Revenue (ATIR) against the total amount of Rupees 9.680 million (2023: Rupees 9.680 million) on 28 October 2019 which is pending for adjudication.
- vii) Assistant Commissioner Inland Revenue passed Order-in-Original No. 30/2020 dated 05 March 2020 for the recovery of sales tax against packing material of Rupees 2.935 million (2023: Rupees 2.935 million) along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue, Appeals (CIR (A)) who passed Order in Appeal No. 149/21 dated 24 March 2021 and rejected the appeal. Being aggrieved with decision, the Company filed appeal before Appellate Tribunal Inland Revenue (ATIR) on 20 April 2021 which is pending for adjudication.
- viii) Deputy Commissioner Inland Revenue (DCIR) passed Order-in-Original No. 66/2020 dated 12 October 2020 for the recovery of post refund audit for the period 2014-2015 of Rupees 1.704 million (2023: Rupees 1.704 million) recoverable along with default surcharge and penalty. The Company filed appeal before Commissioner Inland Revenue, Appeals (CIR (A)) who passed Order in Appeal No. 213/ST dated 10 February 2021 and rejected the appeal. Being aggrieved with decision, the Company filed appeal before Appellate Tribunal Inland Revenue (ATIR) on 29 March 2021 which is pending for adjudication.

# Notes to the Financial Statements

For the Year ended 30 June 2024

- ix) Deputy Commissioner Inland Revenue passed Order-in-Original No. 09/2022-23 dated 07 June 2023, in post refund audit for the tax period July 2016 to April 2019, raising demand of Rupees 50.936 million (2023: Rupees 50.936 million), recoverable along with default surcharge and penalty. Being aggrieved with decision, the Company filed appeal before Commissioner Inland Revenue, Appeals (CIR (A)) on 04 July 2023, which is pending for adjudication.
- x) Assistant Commissioner Inland Revenue passed Order-in-Original No.12/2021-22 dated 20 July 2022 for the recovery of Rupees 3.227 million in violation of various clauses section 8(1) of the Sales Tax Act, 1990 along with default surcharge and penalty under section 34 and 33 of the Sales Tax Act, 1990. The Company filed appeal before Commissioner Inland Revenue, Appeals (CIR (A)) who rejected the appeal on 13 July 2023. Being aggrieved with decision, the Company filed appeal before Appellate Tribunal Inland Revenue (ATIR) on 23 August 2023 which is pending for adjudication.
- xi) The Company filed a writ petition in the Lahore High Court, Lahore on 13 March 2023 against the recovery of demand on increased rate of minimum wages raised by Employees Old Age Benefits Institution (EOBI) in which stay has been obtained. The collective amount of EOBI contribution on increased rate uptill 30 June 2024 is Rupees 35.098 million.
- xii) Messrs Sitara Fabrics (Private) Limited (SFPL) lodged a case in Civil Court, Faisalabad on 10 April 2023 against the Company claiming payment of processing services provided by SFPL amounting to Rupees 15.511 million (2023: Rupees 15.511 million). The case is pending with the Court for adjudication.
- The management, based on the opinion of its tax consultants and lawyers, believes that there is a reasonable probability that these matters will be decided in favor of the Company. Pending the outcome of the matters, no provision has been made in these financial statements.
- xiii) Guarantees of Rupees 440.423 million (2023: Rupees 219.328 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited and Faisalabad Electric Supply Company Limited against gas connections and electricity connection.
- xiv) Post dated cheques and security cheques of Rupees 6,329.303 million (2023: Rupees 5,626.249 million) have been issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans along with covering full amount plus profit against diminishing musharakah to First Habib Modaraba. If documents of exports / rentals are not provided / paid on due dates, cheques issued as security shall be encashable.

## Commitments

- i) Letters of credit for capital expenditure are of Rupees 59.078 million (2023: Rupees 12.632 million).
- ii) Letters of credit other than for capital expenditure are of Rupees 3,802.973 million (2023: Rupees 2,933.176 million).
- iii) Outstanding foreign currency forward contracts are of Rupees 4,818.549 million (2023: Rupees 49.612 million).
- iv) Company has entered into Ijarah lease agreements with Meezan Bank Limited and Dubai Islamic Bank Pakistan Limited in respect of vehicles. Further ujarah payments under Ijarah are as follows:

		2024	2023
		(RUPEES IN THOUSAND)	
	Not later than one year	5,110	9,354
	Later than one year and not later than five years	1,874	6,984
		6,984	16,338
<b>14.</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	14.1	11,030,486
	Capital work-in-progress	14.2	260,390
		11,290,876	11,664,607



# Notes to the Financial Statements

For the Year ended 30 June 2024

## 14.1 OPERATING FIXED ASSETS

	Freehold land	Buildings on freehold land	Plant and machinery	Factory tools and equipment	Electric installations and appliances	Vehicles	Furniture and fixtures	Office equipment	Stand-by equipment	Total
----- (RUPEES IN THOUSAND) -----										
<b>At 30 June 2022</b>										
Cost / revalued amount	958,332	1,496,467	5,432,777	89,800	468,470	372,942	16,500	29,664	237,598	9,102,550
Accumulated depreciation	-	(640,124)	(2,459,277)	(48,677)	(241,422)	(154,758)	(10,039)	(28,668)	(14,1685)	(3,724,650)
Net book value	958,332	856,343	2,973,500	41,123	227,048	218,184	6,461	996	95,913	5,377,900
<b>Year ended 30 June 2023</b>										
Opening net book value	958,332	856,343	2,973,500	41,123	227,048	218,184	6,461	996	95,913	5,377,900
Additions	12,555	546,348	4,775,778	228,829	223,801	352,960	8,938	-	201,338	6,350,547
Transferred from right-of-use assets:										
Cost	-	-	-	-	-	37,602	-	-	-	37,602
Accumulated depreciation	-	-	-	-	-	(22,316)	-	-	-	(22,316)
Disposals:										
Cost	-	-	(88,741)	-	-	(57,087)	-	-	-	(145,828)
Accumulated depreciation	-	-	76,661	-	-	28,193	-	-	-	104,854
	-	-	(12,080)	-	-	(28,894)	-	-	-	(40,974)
Depreciation charge during the year	-	(92,097)	(362,423)	(9,611)	(24,769)	(70,154)	(810)	(299)	(11,269)	(571,432)
Closing net book value	970,887	1,310,594	7,374,775	260,341	426,080	487,382	14,589	697	285,982	11,131,327
<b>At 30 June 2023</b>										
Cost / revalued amount	970,887	2,042,815	10,119,814	318,629	692,271	706,417	25,438	29,664	438,936	15,344,871
Accumulated depreciation	-	(732,221)	(2,745,039)	(58,288)	(266,191)	(219,035)	(10,849)	(28,967)	(152,954)	(4,213,544)
Net book value	970,887	1,310,594	7,374,775	260,341	426,080	487,382	14,589	697	285,982	11,131,327
<b>Year ended 30 June 2024</b>										
Opening net book value	970,887	1,310,594	7,374,775	260,341	426,080	487,382	14,589	697	285,982	11,131,327
Additions	2,198	459,720	173,231	29,788	251,946	125,723	-	-	-	1,042,606
Disposals:										
Cost	-	-	(38,197)	-	-	(110,509)	-	-	-	(148,706)
Accumulated depreciation	-	-	27,279	-	-	71,459	-	-	-	98,738
	-	-	(10,918)	-	-	(39,050)	-	-	-	(49,968)
Depreciation charge during the year	-	(139,357)	(743,577)	(27,397)	(44,860)	(108,022)	(1,459)	(209)	(28,598)	(1,093,479)
Closing net book value	973,085	1,630,957	6,793,511	262,732	633,166	466,033	13,130	488	257,384	11,030,486
<b>At 30 June 2024</b>										
Cost / revalued amount	973,085	2,502,535	10,254,848	348,417	944,217	721,631	25,438	29,664	438,936	16,238,771
Accumulated depreciation	-	(871,578)	(3,461,337)	(85,685)	(311,051)	(255,598)	(12,308)	(29,176)	(181,552)	(5,208,285)
Net book value	973,085	1,630,957	6,793,511	262,732	633,166	466,033	13,130	488	257,384	11,030,486
Annual rate of depreciation (%)	-	10	10	10	10	20	10	30	10	

# Notes to the Financial Statements

For the Year ended 30 June 2024

14.1.1 Value of freehold land of the Company has been determined by an independent valuer, M Y K Associates (Private) Limited on 06 December 2021 and 15 January 2022 applying fair market value. Previously it was revalued by an independent valuer as at 30 June 2020 and 30 June 2017. Had there been no revaluation, the value of freehold land would have been lower by Rupees 597.419 million (2023: Rupees 597.419 million). The book value of freehold land on cost basis is Rupees 375.666 million (2023: Rupees 373.468 million).

14.1.2 Forced sale value of freehold land as per last revaluation carried out during the financial year ended 30 June 2022 was Rupees 741.631 million.

	Note	2024 (RUPEES IN THOUSAND)	2023
14.1.3 Depreciation charge for the year has been allocated as follows:			
Cost of sales	28	983,789	500,169
Administrative expenses	30	109,690	71,263
		<b>1,093,479</b>	<b>571,432</b>

14.1.4 Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area (kanal)	Coverage area (sq. ft.)
Head office and plants	29 Kilometer, Sheikhpura Road, Faisalabad	725.28	1 853 616
Sales Office	Main Bazar, Montgomery Road, Near Clock Tower, Opposite Habib Bank Limited, Faisalabad	0.05	272
Godown	Dost Street, Maqbool Road, Faisalabad	6.24	26 546
		<b>731.57</b>	<b>1 880 434</b>



# Notes to the Financial Statements

For the Year ended 30 June 2024

14.1.5 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Qty.	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (Loss)	Mode of disposal	Particulars of purchasers
Nos. ----- (RUPEES IN THOUSAND) -----								
Vehicles								
Mercedes Benz S-400	1	22,500	19,666	2,834	5,000	2,166	Negotiation	Mr. Asim Ahmed Buksh, DHA Phase - III, Lahore
Toyota Corolla Grande Altis LEA-16A-4515	1	2,487	1,939	548	838	290	Company Policy	Mr. Muhammad Wasif Hanif (Company's employee)
Mercedes Benz AEE-938	1	11,250	8,482	2,768	4,000	1,232	Negotiation	Mr. Asim Ahmed Buksh, DHA Phase - III, Lahore
Honda City LE-18-8309	1	1,755	1,197	558	994	436	Company Policy	Mr. Muzaffar Hussain (Company's employee)
Honda BR-V AKG-268	1	2,416	1,571	845	1,069	224	Company Policy	Mr. Asad Ullah (Company's employee)
Toyota Corolla Altis ALF-431	1	2,791	1,830	961	1,384	423	Company Policy	Mr. Qayyum Mohsin Malik (Company's employee)
Honda City LEA-18A-6709	1	1,818	1,158	660	761	101	Company Policy	Mr. Khurram Siddique (Company's employee)
Honda City LEA-17A-7152	1	1,732	1,138	594	777	183	Company Policy	Mr. Abdul Waheed (Company's employee)
Honda City Vtec Aspire FDA-18-153	1	2,069	1,305	764	797	33	Company Policy	Mr. Zahid Nadeem (Company's employee)
Audi A8 ALS-980	1	35,435	23,304	12,131	15,000	2,869	Negotiation	Mr. Raheel Ishaq, DHA Phase - V, Lahore
Kia Sportage AQK-727	1	4,661	2,658	2,003	2,941	938	Company Policy	Mr. Tariq Hassan (Company's employee)
Suzuki Wagon R AHU-218	1	1,530	593	937	1,002	65	Company Policy	Mr. Muhammad Ahmad (Company's employee)
Toyota Grande AHJ-633	1	3,530	1,115	2,415	3,530	1,115	Company Policy	Mr. Shahid Rafique (Company's employee)
Suzuki Cultus AKU-798	1	1,781	497	1,284	1,781	497	Company Policy	Mr. Shahid Hussain Zaidi (Company's employee)
Hyundai Elantra AQA-297	1	6,642	664	5,978	6,599	621	Insurance Claim	United Insurance Company Of Pakistan Limited
Suzuki Wagon R AJQ-522	1	1,877	31	1,846	2,000	154	Negotiation	Mr. Imran Ali, Chak No. 426 G.B., Tehsil Tandlianwala, District Faisalabad.
Sub Total		104,274	67,148	37,126	48,473	11,347		
Plant and machinery								
Gas Generator	2	38,197	27,279	10,918	6,558	(4,360)	Negotiation	Omega Energy, Toba Tek Singh
		142,471	94,427	48,044	55,031	6,987		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000		6,235	4,311	1,924	3,789	1,865		
Total		148,706	98,738	49,968	58,820	8,852		

# Notes to the Financial Statements

For the Year ended 30 June 2024

## 14.2 CAPITAL WORK-IN-PROGRESS

Description	Balance as at 30 June	Additions	Transfer to operating fixed assets	Balance as at 30 June 2024	Balance as at 30 June 2022	Additions	Transferred to operating fixed assets	Adjustment	Balance as at 30 June 2023
----- RUPEES IN THOUSAND -----									
Freehold land	4,034	13,007	(2,198)	14,843	16,628	-	(12,555)	(39)	4,034
Buildings on freehold land	476,784	131,742	(459,720)	148,806	675,386	347,746	(546,348)	-	476,784
Plant and machinery	13,490	159,741	(173,231)	-	761,986	4,027,282	(4,775,778)	-	13,490
Electric installations and appliances	8,209	247,834	(251,946)	4,097	100,529	332,819	(425,139)	-	8,209
Vehicles	30,763	187,604	(125,723)	92,644	238,511	145,212	(352,960)	-	30,763
	533,280	739,928	(1,012,818)	260,390	1,793,040	4,853,059	(6,112,780)	(39)	533,280

14.3 Borrowing cost of Rupees Nil (2023: Rupees 173.627 million) was capitalized during the year using the capitalization rate of Nil (2023: 3.25% to 23.08% per annum).

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>15. RIGHT-OF-USE ASSETS</b>			
Vehicle			
Opening book value		73,877	29,774
Add: Addition during the year		-	85,241
Less:			
Book value of assets transferred to operating fixed assets		-	15,286
De-recognition of right-of-use asset		-	11,089
		-	26,375
		73,877	88,640
Less: Depreciation charged during the year	30	14,775	14,763
		59,102	73,877

15.1 There is no impairment against right-of-use assets.

## 16. LONG TERM INVESTMENT

Investment in equity accounted associate J.K. Tech (Private) Limited - Unquoted 450 (2023: 450) fully paid ordinary shares of Rupees 10 each	16.5	5	5
Less: Accumulated impairment		(5)	(5)
		-	-

16.1 Cumulative unrecognized share of loss after taxation is Rupees 2.869 million (2023: Rupees 2.829 million). The results of the equity accounted associate are based on un-audited financial statements for the year ended 30 June 2024.





# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>16.2 Summarized statement of financial position</b>			
Current assets		949	975
Non-current assets		3,765	3,771
Total assets		4,714	4,746
Current liabilities		(333)	(231)
Non-current liabilities		(13,888)	(13,888)
Total liabilities		(14,221)	(14,119)
<b>Net assets</b>		<b>(9,507)</b>	<b>(9,373)</b>
<b>16.3 Reconciliation to carrying amounts:</b>			
As at 01 July		(9,373)	(9,242)
Loss after taxation		(134)	(131)
<b>As at 30 June</b>		<b>(9,507)</b>	<b>(9,373)</b>
<b>16.4 Summarized statement of comprehensive income</b>			
Revenue		2,640	2,520
Loss for the year		(134)	(131)
<b>Total comprehensive loss</b>		<b>(134)</b>	<b>(131)</b>
<b>16.5</b>	The Company holds 30% (2023: 30%) shares in J.K. Tech (Private) Limited (JKTPL), a limited liability company incorporated in Pakistan and holding its principal place of business at 29 Kilometer Sheikhpura Road, Faisalabad. The principal activity of JKTPL is generation and supply of electricity. This is a strategic investment of the Company for vertical integration. The Company has provided for the investment in full in previous years as JKTPL has negative equity at year end.		
<b>16.6</b>	There was no contingent liabilities relating to the Company's interest in JKTPL.		
<b>17. LONG TERM DEPOSITS</b>			
Security deposits against Ijarah		24,045	24,045
Security deposits - others		236	236
		24,281	24,281
Less: Current portion shown under current assets	22	23,200	-
		1,081	24,281
<b>18. STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores	18.1	225,243	212,317
Spare parts		98,740	70,460
Loose tools		916	1,180
		324,899	283,957

**18.1** These include store in transit of Rupees 47.418 million (2023: Rupees 17.863 million).

**18.2** Stores, spare parts and loose tools include items which may result in fixed capital expenditure but are not distinguishable.

# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>19. STOCK-IN-TRADE</b>			
Raw materials	19.1&19.2	5,941,099	4,518,654
Work-in-process	19.3	1,105,335	957,701
Finished goods	19.4	3,555,917	2,948,675
Waste		71,668	63,981
		<b>10,674,019</b>	<b>8,489,011</b>
19.1	These include stock in transit of Rupees 1,146.138 million (2023: Rupees 740.896 million).		
19.2	These include stock of Rupees 1,214.749 million (2023: Rupees 1,007.347 million) sent to outside parties for conversion.		
19.3	This includes stock of Rupees 185.992 million (2023: Rupees 140.042 million) sent to outside parties for processing.		
19.4	These include stock in transit of Rupees 609.683 million (2023: Rupees 756.401 million).		
19.5	Stock-in-trade of Rupees 4,890.310 million (2023: Rupees 3,663.200 million) is being carried at net realizable value.		
19.6	The aggregate amount of Rupees 361.033 million (2023: Rupees 1,098.671 million) has been charged to cost of sales, being the cost of inventory written down during the year.		
<b>20. TRADE DEBTS</b>			
<b>Considered good:</b>			
Secured		1,858,226	1,905,479
Unsecured		2,438,220	2,107,594
		<b>4,296,446</b>	<b>4,013,073</b>
Less: Allowance for expected credit losses	20.3	2,755	3,309
		<b>4,293,691</b>	<b>4,009,764</b>



# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
20.1	Trade debts in respect of foreign and local jurisdictions is given under:		
	Belgium	67,198	138,320
	Brazil	-	9,915
	Croatia	-	8,192
	Cyprus	-	6,678
	Ecuador	29,518	-
	France	145,493	455,823
	Germany	-	520
	Great Britain	697,867	245,856
	Italy	278,215	175,746
	Jamaica	15,830	21,987
	Lithuania	56,504	11,755
	Mexico	84,533	53,874
	Poland	-	3,730
	Portugal	65,555	249,712
	Romania	47,370	-
	Spain	118,530	182,079
	United States of America	226,738	341,292
	Ukraine	24,875	-
	Pakistan	2,435,465	2,104,285
		<b>4,293,691</b>	<b>4,009,764</b>
20.2	Revenue from the sale of goods is recognized at the time of delivery, while payment is generally due within 10 to 75 days from delivery in case of local sales and 30 to 120 days in case of export sales.		
20.3	Allowance for expected credit losses		
	As at 01 July	3,309	2,938
	Add: Recognized during the year	31	2,012
		<b>5,321</b>	<b>3,594</b>
	Less: Recovered during the year	32	2,566
	As at 30 June	<b>2,755</b>	<b>3,309</b>
20.4	As at 30 June 2024, trade debts aggregating to Rupees 4,293.691 million (2023: Rupees 4,009.764 million) are not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:		
	Not yet due	3,959,292	2,576,464
	Upto 1 month	212,497	1,149,572
	1 to 6 months	117,925	282,754
	More than 6 months	3,977	974
	As at 30 June	<b>4,293,691</b>	<b>4,009,764</b>
20.5	Trade debts include Rupees 152.107 million (2023: Rupees Nil) related to bill discounting arrangement with full recourse (Note 8).		

# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>21. ADVANCES</b>			
Considered good:			
Against expenses			
- Executives		3,713	5,658
- Other employees		4,156	9,683
		7,869	15,341
Employees against salary	21.1	111	55
Advances to suppliers / service providers		89,457	78,809
Letters of credit		5,742	14,698
		103,179	108,903
21.1	These represent interest free loans given to Company's employees for general purposes and are secured against balance to the credit of employees in the Provident Fund Trust. These are recoverable in monthly installments based on approval at the time of advances given.		
<b>22. SHORT TERM DEPOSITS AND PREPAYMENTS</b>			
Deposits		30,212	22,010
Prepayment		247	-
Current portion of long term deposits	17	23,200	-
		53,659	22,010
<b>23. OTHER RECEIVABLES</b>			
Considered good:			
Export rebate and claims		59,845	39,154
Fair value of forward exchange contracts		105,289	-
Other receivables		7,410	12,511
Profit on saving accounts and term deposit receipts		11,544	3,536
		184,088	55,201
<b>24. SALES TAX REFUNDABLE</b>			
Sales tax and federal excise duty refundable		3,049,347	2,403,086
Less: Provision for doubtful sales tax and federal excise duty refundable		109,195	109,195
		2,940,152	2,293,891
<b>25. SHORT TERM INVESTMENTS</b>			
At fair value through profit or loss			
Equity investments - quoted	25.1	19,901	20,312
Mutual funds	25.2	1,708	1,443
		21,609	21,755



# Notes to the Financial Statements

For the Year ended 30 June 2024

## 25.1 Equity investments - quoted

	2024			2023		
	Carrying value	Fair value adjustment	Market value	Carrying value	Fair value adjustment	Market value
------(RUPEES IN THOUSAND)-----						
Attock Refinery Limited Nil (2023: 17 500) fully paid ordinary shares of Rupees 10 each	-	-	-	3,076	(72)	3,004
D.G. Khan Cement Company Limited 10 000 (2023: 10 000) fully paid ordinary shares of Rupees 10 each	513	390	903	625	(112)	513
National Refinery Limited 1 000 (2023: 1 000) fully paid ordinary shares of Rupees 10 each	150	115	265	252	(102)	150
Oil and Gas Development Company Limited Nil (2023: 1 000) fully paid ordinary shares of Rupees 10 each	-	-	-	79	(1)	78
Pakistan State Oil Company Limited 35 920 (2023: 35 920) fully paid ordinary shares of Rupees 10 each	3,987	1,983	5,970	6,172	(2,185)	3,987
Habib Bank Limited 13 200 (2023: 13 200) fully paid ordinary shares of Rupees 10 each	967	671	1,638	1,205	(238)	967
Ghandhara Industries Limited 23 000 (2023: 23 000) fully paid ordinary shares of Rupees 10 each	1,852	4,436	6,288	3,633	(1,781)	1,852
The Searle Company Limited 47 282 (2023: 47 282) fully paid ordinary shares of Rupees 10 each	1,811	889	2,700	4,122	(2,311)	1,811
United Bank Limited 5 000 (2023: 5 000) fully paid ordinary shares of Rupees 10 each	588	693	1,281	566	22	588
International Steels Limited 5 000 (2023: 5 000) fully paid ordinary shares of Rupees 10 each	203	220	423	297	(94)	203
Lucky Cement Limited Nil (2023: 12 950) fully paid ordinary shares of Rupees 10 each	-	-	-	5,945	816	6,761
Dost Steels Limited 75 000 (2023: 75 000) fully paid ordinary shares of Rupees 10 each	398	35	433	401	(3)	398
	10,469	9,432	19,901	26,373	(6,061)	20,312

# Notes to the Financial Statements

For the Year ended 30 June 2024

	2024			2023		
	Carrying value	Fair value adjustment	Market value	Carrying value	Fair value adjustment	Market value
------(RUPEES IN THOUSAND)-----						
25.2	Mutual funds					
	NBP NAFA Stock Fund 20 999 (2023: 15 378) units held					
	223	-	223	187	-	187
	NBP NAFA Financial Sector Income fund 146 953 (2023: 124 293) units held					
	1,470	-	1,470	1,243	-	1,243
	Al meezan investment management ltd 298 (2023: 253) units held					
	15	-	15	13	-	13
	1,708	-	1,708	1,443	-	1,443

25.2.1 The fair value of funds are based on the Net Asset Value (NAV) being the current bid price at reporting date as quoted by the respective asset management companies.

	NOTE	2024 (RUPEES IN THOUSAND)	2023 (RUPEES IN THOUSAND)
26.	CASH AND BANK BALANCES		
	With banks:		
	On current accounts		
		132,620	13,130
		141,166	189,242
	26.1	273,786	202,372
		7,905	26,334
	26.2	330,000	120,000
		611,691	348,706
		6,965	23,530
		618,656	372,236

26.1 These represent US\$ 507,246 (2023: US\$ 660,301).

26.2 Rate of profit on saving accounts was ranging from 0.25% to 15.97% (2023: 2.04% to 10%) per annum.

26.3 These represent Term Deposit Receipts (TDRs) with banking companies having maturity period of 3 months and carry profit at the rate of 18.75% to 21% per annum (2023: 19% to 21.25% per annum).

27.	REVENUE FROM CONTRACTS WITH CUSTOMERS		
	Export sales:		
		21,665,325	19,877,739
		-	212,891
		21,665,325	20,090,630
	27.1	22,948,832	18,905,295
		44,614,157	38,995,925
		2,873,674	2,928,171
		41,740,483	36,067,754
		75,912	60,925
		41,816,395	36,128,679



# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023	
27.1	Local sales			
	Textile products	21,629,743	17,962,842	
	Waste	1,172,526	913,356	
	Processing income	146,563	29,097	
		<b>22,948,832</b>	<b>18,905,295</b>	
27.2	The Company has recognized revenue of Rupees 368.105 million (2023: Rupees 264.163 million) from amounts included in contract liabilities at the year end.			
28.	<b>COST OF SALES</b>			
	Raw materials consumed	28.1	25,819,279	23,819,275
	Stores, spare parts and loose tools consumed		1,319,906	1,010,659
	Packing materials consumed		615,718	457,536
	Processing, sizing and conversion charges		2,461,599	1,990,593
	Fuel and power		4,020,247	2,638,617
	Salaries, wages and other benefits	28.2	1,614,724	1,618,622
	Repair and maintenance		45,070	35,721
	Insurance		37,529	23,371
	Depreciation on property, plant and equipment	14.1.3	983,789	500,169
	Other factory overheads	28.3	19,051	23,554
			<b>36,936,912</b>	<b>32,118,117</b>
	Work-in-process			
	Opening stock		957,701	915,302
	Closing stock		(1,105,335)	(957,701)
			<b>(147,634)</b>	<b>(42,399)</b>
	Cost of goods manufactured		<b>36,789,278</b>	<b>32,075,718</b>
	Finished goods			
	Opening stock		3,012,656	2,279,326
	Closing stock		(3,627,585)	(3,012,656)
			<b>(614,929)</b>	<b>(733,330)</b>
			<b>36,174,349</b>	<b>31,342,388</b>
28.1	Raw materials consumed			
	Opening stock		4,518,654	3,716,480
	Add: Purchased during the year		27,241,724	24,621,449
			<b>31,760,378</b>	<b>28,337,929</b>
	Less: Closing stock		(5,941,099)	(4,518,654)
			<b>25,819,279</b>	<b>23,819,275</b>

28.2 Salaries, wages and other benefits include provident fund contribution of Rupees 54.228 million (2023: Rupees 40.205 million) by the Company.

28.3 These include Rupees 2.640 million (2023: Rupees 2.520 million) related to short term lease in respect of rental expenses to J.K. Tech (Private) Limited, a related party.

# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>29. DISTRIBUTION COST</b>			
Salaries and other benefits	29.1	45,933	45,032
Freight and shipment		617,047	586,072
Commission to selling agents		462,920	329,053
Travelling and conveyance		25,120	62,483
Export development surcharge		53,820	44,671
Insurance		9,350	8,488
Miscellaneous		101,933	71,036
		<b>1,316,123</b>	<b>1,146,835</b>

29.1 Salaries and other benefits include provident fund contribution of Rupees 2.521 million (2023: Rupees 2.501 million) by the Company.

<b>30. ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	30.1	313,480	270,453
Travelling and conveyance		17,016	43,638
Vehicles' running and maintenance		30,817	25,677
Rent, rates and taxes	30.2	10,134	9,498
Utilities		212	90
Repair and maintenance		2,908	3,298
Insurance		12,562	9,983
Printing and stationery		91	44
Advertisement		541	562
Communication		23,736	14,953
Fee and subscription		27,280	27,354
Entertainment		12,793	9,317
Legal and professional		310	384
Auditor's remuneration	30.3	3,285	3,135
Depreciation on property, plant and equipment	14.1.3	109,690	71,263
Depreciation on right-of-use assets	15	14,775	14,763
Other charges		3,852	604
		<b>583,482</b>	<b>505,016</b>

30.1 Salaries and other benefits include provident fund contribution of Rupees 10.811 million (2023: Rupees 8.894 million) by the Company.

30.2 These include ljarah rentals amounting to Rupees 9.861 million (2023: Rupees 9.243 million) of vehicles.





# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>30.3 Auditors' remuneration:</b>			
Audit fee		2,800	2,800
Half yearly review		150	150
Certifications required by various regulations		185	35
Reimbursable expenses		150	150
		<b>3,285</b>	<b>3,135</b>
<b>31. OTHER EXPENSES</b>			
Donations	31.1 & 31.2	8,949	10,749
Allowance for expected credit losses	20.3	2,012	656
Workers' profit participation fund	8.2	77,898	101,944
Workers' welfare fund	8.3	29,601	40,044
Unrealized loss on remeasurement of investments at FVTPL		-	6,061
Fair value loss on forward exchange contracts		-	3,526
Net exchange loss		-	157,258
Minor balances written off		4	1,463
		<b>118,464</b>	<b>321,701</b>
<b>31.1</b> The name of donees to whom donation made exceeded 10% of total donation or Rupees 1 million, whichever is higher are as follows:			
Shaukat Khanum Memorial Trust		1,080	1,080
The Life Care Foundation Trust		1,200	1,200
Mofad e Amma Chiniot Sheikh Association		1,200	1,200
<b>31.2</b> None of the directors or their spouses have any interest in the donees.			
<b>32. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Dividend income on investments at FVTPL		1,486	24,606
Unrealized gain on remeasurement of investments at FVTPL	25.1	9,432	-
Gain on sale of investments at FVTPL		8,003	-
Profit on saving accounts and TDRs		43,728	6,123
Net exchange gain		320,752	-
Reversal of allowance for expected credit losses	20.3	2,566	285
		<b>385,967</b>	<b>31,014</b>
<b>Income from non-financial assets</b>			
Rental income		2,400	2,280
Scrap sales		27,035	25,672
Gain on sale of property, plant and equipment		8,852	22,166
Gain on de-recognition of right-of-use asset		-	23,911
Credit balances written back		448	338
		<b>38,735</b>	<b>74,367</b>
		<b>424,702</b>	<b>105,381</b>

# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>33. FINANCE COST</b>			
<b>Mark up / profit on:</b>			
Long term financing		467,485	173,040
Short term borrowings		1,832,787	705,190
Lease liabilities	6.1	10,890	7,678
Interest on workers' profit participation fund	8.2	9,580	10,689
Bank charges and commission		86,494	59,379
		<b>2,407,236</b>	<b>955,976</b>
<b>34. TAXATION</b>			
Prior year adjustment		-	(37,906)
Deferred tax		-	(212,220)
		-	<b>(250,126)</b>

34.1 Due to unused tax losses, the Company falls under the ambit of section 113 of the Income Tax Ordinance, 2001 and therefore minimum tax is being accounted for. Minimum tax, tax deducted against export sales and final tax deducted on different heads of other income is included in levy as shown in Note 12.1. Unused tax losses available for carry forward as at 30 June 2024 representing unabsorbed depreciation are of Rupees 2,648.678 million (2023: unabsorbed depreciation of Rupees 1,842.423 and tax losses of Rupees 1,336.745 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not given in view of unused tax losses of the Company. Total minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2024 is of Rupees 438.223 million (2023: Rupees 195.223 million), while deferred tax asset is recognized on minimum tax to the extent of Rupees 422.621 million. The minimum tax will expire as follows:

Accounting year to which the minimum tax relates	Amount of minimum tax (RUPEES IN THOUSAND)	Accounting year in which minimum tax will expire
2024	243,000	2027
2023	195,223	2026
	<b>438,223</b>	



# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>34.2</b>	<b>Deferred income tax</b>		
	Taxable temporary differences on		
	Accelerated tax depreciation	1,496,477	424,765
	Right-of-use assets	23,050	8,317
		1,519,527	433,082
	Deductible temporary differences on		
	Lease liabilities	18,657	6,335
	Allowance for expected credit losses	1,074	960
	Unrealized loss on FVTPL investments	1,605	3,288
	Provision for doubtful sales tax refundable	42,586	12,293
	Unused tax losses and minimum tax	1,455,605	410,206
		1,519,527	433,082
	<b>Deferred income tax liability</b>	-	-

**34.3** Deferred income tax asset on minimum tax and unused tax losses available for carry forward are recognized to the extent that the realization of related tax benefits through future taxable profits is probable. Therefore, the Company has not recognized deferred income tax asset of Rupees 15.602 million (2023: Rupees 706.965 million) in respect of unused tax losses and minimum tax as sufficient tax profits may not be available to set off these in the foreseeable future.

## **35. EARNING PER SHARE - BASIC AND DILUTED**

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

Profit attributable to ordinary shareholders (Rupees in thousand)	1,006,511	1,820,099
Weighted average number of ordinary shares (Numbers)	102,317,502	102 317 502
Earnings per share (Rupees)	9.84	17.79

# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>36. CASH GENERATED FROM / (USED IN) OPERATIONS</b>			
Profit before taxation and levy		1,641,443	1,962,144
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment	14.1.3	1,093,479	571,432
Depreciation on right-of-use assets	15	14,775	14,763
Net exchange gain		(97,239)	(50,024)
Finance cost	33	2,407,236	955,976
Provision for workers' profit participation fund	31	77,898	101,944
Profit on saving accounts and TDRs	32	(43,728)	(6,123)
Gain on sale of property, plant and equipment	32	(8,852)	(22,166)
Gain on de-recognition of right-of-use asset		-	(23,911)
Credit balances written back	32	(448)	(338)
Gain on sale of investments at FVTPL	32	(8,003)	-
Minor balances written off	31	4	-
Other receivables written off		-	1,463
Allowance for expected credit losses	31	2,012	656
Reversal of allowance for expected credit losses	32	(2,566)	(285)
Unrealized (gain) / loss on remeasurement of investments at FVTPL		(9,432)	6,061
Working capital changes	36.1	(2,621,664)	(3,889,499)
		<b>2,444,915</b>	<b>(377,907)</b>
<b>36.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
- Stores, spare parts and loose tools		(40,942)	(79,424)
- Stock-in-trade		(2,185,008)	(1,577,903)
- Trade debts		(283,189)	(960,259)
- Advances		5,720	26,815
- Short term deposits and prepayment		(31,649)	(19,252)
- Other receivables		(19,126)	(17,596)
- Sales tax refundable		(646,261)	(1,764,685)
		<b>(3,200,454)</b>	<b>(4,392,304)</b>
Increase in trade and other payables		578,790	502,805
		<b>(2,621,664)</b>	<b>(3,889,499)</b>



# Notes to the Financial Statements

For the Year ended 30 June 2024

## 36.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2024					2023				
	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total	Long term financing	Lease liabilities	Short term borrowings	Unclaimed dividend	Total
Balance as at 01 July	3,866,229	56,271	7,860,721	783	11,784,004	2,055,330	10,189	3,919,863	688	5,986,070
Proceeds from long term financing	350,631	-	-	-	350,631	2,827,934	-	-	-	2,827,934
Lease liability recognized	-	-	-	-	-	-	60,000	-	-	60,000
Other charges accrued but not paid	-	753	-	-	753	-	-	-	-	-
Amortization of deferred grant - net	128,628	-	-	-	128,628	(462,691)	-	-	-	(462,691)
Borrowings obtained - net	-	-	1,902,553	-	1,902,553	-	-	3,940,858	-	3,940,858
Repayment of long term financing	(810,258)	-	-	-	(810,258)	(554,344)	-	-	-	(554,344)
Repayment of lease liabilities	-	(9,185)	-	-	(9,185)	-	(13,918)	-	-	(13,918)
Dividend declared	-	-	-	-	-	-	-	-	204,635	204,635
Dividend paid	-	-	-	(34)	(34)	-	-	-	(204,540)	(204,540)
Balance as at 30 June	3,535,230	47,839	9,763,274	749	13,347,092	3,866,229	56,271	7,860,721	783	11,784,004

(RUPEES IN THOUSAND)

# Notes to the Financial Statements

For the Year ended 30 June 2024

	NOTE	2024 (RUPEES IN THOUSAND)	2023
<b>36.3 Non cash financing activities</b>			
Deferred income - Government grant - net		128,628	(462,691)
Lease liability recognized		-	60,000
Other charges accrued but not paid		753	-

## 37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive Officer, directors and executives of the Company is as follows:

	Chief Executive Officer		Executive Director		Non-Executive Director		Executives	
	2024	2023	2024	2023	2024	2023	2024	2023
	----- (RUPEES IN THOUSAND) -----							
Managerial remuneration	18,000	12,000	18,000	12,000	19,200	13,200	116,575	115,135
Other allowances	8,955	4,697	8,381	3,840	8,989	5,228	-	-
Reimbursable expenses	5,957	4,264	3,904	2,751	3,852	3,224	-	-
Contribution to provident fund	1,000	666	1,000	666	1,066	733	5,396	5,274
<b>Total</b>	<b>33,912</b>	<b>21,627</b>	<b>31,285</b>	<b>19,257</b>	<b>33,107</b>	<b>22,385</b>	<b>121,971</b>	<b>120,409</b>
Number of persons	1	1	1	1	1	1	38	38

37.1 The Chief Executive Officer, directors and certain executives are provided with free use of the Company maintained vehicles. Certain directors and executives are also provided reimbursement of travelling expenses, club and other utilities.

37.2 No meeting fee was paid to any director of the Company.

## 38. PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the regulations formulated for this purpose.

	2024 (NUMBER OF PERSONS)	2023
<b>39. NUMBER OF EMPLOYEES</b>		
Number of employees as at 30 June	3,198	3,218
Average number of employee during the year	3,237	3,012

## 40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the associate, other related parties, employees' provident fund trust and key management personnel. The Company in the normal course of business carried out transactions with various related parties. Detail of transactions with related parties along with basis of relationship, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:



# Notes to the Financial Statements

For the Year ended 30 June 2024

			2024	2023
			(RUPEES IN THOUSAND)	
Name of related party	Basis of relationship	Nature of transaction		
<b>Associated Company</b>				
J.K. Tech (Private) Limited	30% shareholding in JKTPL	Service charges	2,640	2,520
		Rental income	2,400	2,280
		Expenses paid on behalf of JKTPL	235	262
<b>Other related parties</b>				
J.K. Spinning Mills Limited - Employees' Provident Fund Trust (Note 40.2)	Post employment benefit plan	Contribution made	67,560	52,166
Chief Executive Officer, directors, and their spouses	Members of Board of Directors and their relatives	Dividend paid	-	201,607
Chief Executive Officer and a Director	Members of Board of Directors	Loans obtained	500,000	-
Executives	Key management personnel	Dividend paid	-	17
		Vehicles sold	11,517	25,434

40.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 37.

40.2 The contribution to employee's provident fund trust includes Rupees 0.566 million (2023: Rupees 0.096 million) accounted for in capital work-in-progress during the year related to employees involved in the construction of Company's buildings.

## 41. PLANT CAPACITY AND ACTUAL PRODUCTION

### Spinning

100 % plant capacity converted to 20s count based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)

(Kgs.)

64,442

64,255

Actual production converted to 20s count based on 3 shifts per day for 1,094 shifts (2023: 1,094 shifts)

(Kgs.)

47,910

42,107

### Weaving

100 % plant capacity converted to 50 picks based on 3 shifts per day for 1,098 shifts (2023: 1,095 shifts)

(Sq. Mtr.)

20,986

20,986

Actual production converted to 50 picks based on 3 shifts per day for 1,068 shifts (2023: 1,050 shifts)

(Sq. Mtr.)

17,882

17,334

### Fabric and Home textile

The plant capacity of these divisions is indeterminable due to multi product plants involving varying processes of manufacturing and run length of order lots.

## 41.1 REASON FOR LOW PRODUCTION

### Spinning

Under utilization of available capacity is mainly due to relocation of some ring frames and producing specialized yarn during the year. Moreover power shut downs / jerks were also the reason for low production.

### Weaving

Under utilization of available capacity is mainly due to power shutdowns / jerks and articles changing during the year.

# Notes to the Financial Statements

For the Year ended 30 June 2024

## 42. SEGMENT INFORMATION

	Spinning		Fabric Division		Elimination of Inter-segment transactions		Total - Company	
	2024	2023	2024	2023	2024	2023	2024	2023
----- (RUPEES IN THOUSAND) -----								
Revenue from contracts with customers								
External	19,405,557	16,099,053	22,410,838	20,029,626	-	-	41,816,395	36,128,679
Intersegment	2,632,063	3,063,295	-	-	(2,632,063)	(3,063,295)	-	-
	22,037,620	19,162,348	22,410,838	20,029,626	(2,632,063)	(3,063,295)	41,816,395	36,128,679
Cost of sales	(19,930,897)	(19,506,717)	(18,875,515)	(14,898,966)	2,632,063	3,063,295	(36,174,349)	(31,342,388)
Gross (loss) / profit	2,106,723	(344,369)	3,535,323	5,130,660	-	-	5,642,046	4,786,291
Distribution cost	(111,318)	(106,965)	(1,204,805)	(1,039,870)	-	-	(1,316,123)	(1,146,835)
Administrative expenses	(401,679)	(352,011)	(181,803)	(153,005)	-	-	(583,482)	(505,016)
	(512,997)	(458,976)	(1,386,608)	(1,192,875)	-	-	(1,899,605)	(1,651,851)
'Profit / (loss) before taxation and unallocated income and expenses	1,593,726	(803,345)	2,148,715	3,937,785	-	-	3,742,441	3,134,440
Unallocated income and expenses:								
Other expenses							(118,464)	(321,701)
Other income							424,702	105,381
Finance cost							(2,407,236)	(955,976)
Levy							(634,932)	(392,171)
Taxation							-	250,126
Profit after taxation							1,006,511	1,820,099

### 42.1 Reconciliation of reportable segment assets and liabilities:

	Spinning		Fabric Division		Total - Company	
	2024	2023	2024	2023	2024	2023
----- (RUPEES IN THOUSAND) -----						
Total assets for reportable segments	18,944,944	17,919,702	8,679,915	7,205,900	27,624,859	25,125,602
Sales tax refundable					2,940,152	2,293,891
Advance income tax - net					-	94,089
Total assets as per statement of financial position					30,565,011	27,513,582
Total liabilities for reportable segments	11,277,108	10,680,545	5,410,471	4,079,820	16,687,579	14,760,365
Unallocated liabilities					382,451	264,747
Total liabilities as per statement of financial position					17,070,030	15,025,112

All segment liabilities are allocated to reportable segments other than corporate liabilities.

### 42.2 The Company's revenue from external customers in respect of products is detailed below:

Yarn	18,518,328	15,359,405	422,586	173,444	18,940,914	15,532,849
Fabric	-	-	5,266,859	4,377,377	5,266,859	4,377,377
Made ups	-	-	16,490,750	15,416,751	16,490,750	15,416,751
Processing income	-	-	124,206	24,745	124,206	24,745
Waste	887,229	739,648	106,437	37,309	993,666	776,957
	19,405,557	16,099,053	22,410,838	20,029,626	41,816,395	36,128,679





# Notes to the Financial Statements

For the Year ended 30 June 2024

## 42.3 Geographical Information

The Company's revenue from external customers by geographical locations is detailed below:

	Spinning		Fabric		Total Company	
	2024	2023	2024	2023	2024	2023
	------(RUPEES IN THOUSAND)-----					
Bangladesh	-	-	2,797	-	2,797	-
Belgium	-	-	1,138,875	487,607	1,138,875	487,607
Brazil	-	-	30,650	54,045	30,650	54,045
Bulgaria	-	-	244,095	154,981	244,095	154,981
Colombia	-	-	60,574	-	60,574	-
Croatia	-	-	1,087	33,473	1,087	33,473
Cyprus	-	-	26,167	6,645	26,167	6,645
Czech Republic	-	-	-	4,414	-	4,414
Ecuador	-	-	215,212	402,141	215,212	402,141
Egypt	178,237	286,467	-	-	178,237	286,467
Estonia	-	-	-	40,089	-	40,089
Fiji	-	-	9,283	-	9,283	-
France	-	-	3,073,014	4,891,008	3,073,014	4,891,008
Germany	-	-	119,971	174,950	119,971	174,950
Great Britain	-	-	6,733,069	5,656,971	6,733,069	5,656,971
Greece	-	-	4,525	-	4,525	-
Italy	-	-	1,866,265	641,299	1,866,265	641,299
Jamaica	-	-	112,608	99,125	112,608	99,125
Lithuania	-	-	340,397	253,414	340,397	253,414
Malaysia	-	-	16,012	17,886	16,012	17,886
Mauritius	-	-	-	4,574	-	4,574
Mexico	-	-	440,748	242,425	440,748	242,425
Netherlands	-	-	47,786	10,709	47,786	10,709
Poland	-	-	159,712	50,771	159,712	50,771
Portugal	-	-	435,487	848,810	435,487	848,810
Romania	-	-	304,613	197,823	304,613	197,823
Saudi Arabia	-	-	56,916	65,471	56,916	65,471
Serbia	-	-	4,384	-	4,384	-
Slovakia	-	-	20,020	-	20,020	-
Slovenia	-	-	-	26,725	-	26,725
South Africa	-	-	75,504	-	75,504	-
Spain	-	-	2,001,100	1,542,413	2,001,100	1,542,413
Sweden	-	-	-	9,105	-	9,105
Tunisia	-	-	13,629	-	13,629	-
Turkey	-	-	34,613	-	34,613	-
United Arab Emirates	-	-	23,401	-	23,401	-
Ukraine	-	-	48,831	-	48,831	-
United States of America	-	-	3,809,532	3,674,398	3,809,532	3,674,398
Vietnam	-	-	16,212	-	16,212	-
Pakistan	19,227,314	15,599,607	847,844	377,517	20,075,158	15,977,124
Export rebate	6	88	75,905	60,837	75,911	60,925
Others - SPOs	-	212,891	-	-	-	212,891
	19,405,557	16,099,053	22,410,838	20,029,626	41,816,395	36,128,679

# Notes to the Financial Statements

For the Year ended 30 June 2024

42.4 All non-current assets of the Company as at reporting date are located and operating in Pakistan.

42.5 Revenue is recognized at the point in time as per terms and conditions of underlying contracts with customers.

42.6 Revenue from major customers

There is one major customer (2023: Nil) of the Company's Fabric Segment representing revenue of Rupees 5,684.221 million (2023: Rupees Nil). Revenue from Spinning Segment of the Company does not include any major customer.

## 43. FINANCIAL RISK MANAGEMENT

43.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposure.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

### (a) Market risk

#### (i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro and Great Britain Pound (GBP). Currently, the Company's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:



# Notes to the Financial Statements

For the Year ended 30 June 2024

	2024	2023
Cash at banks - USD	507,246	660,301
Trade debts - USD	4,157,455	3,670,750
Trade debts - Euro	1,267,184	2,038,912
Trade debts - GBP	488,667	586,107
Trade and other payables - USD	(183,000)	(206,720)
Net exposure - USD	4,481,701	4,124,331
Net exposure - Euro	1,267,184	2,038,912
Net exposure - GBP	488,667	586,107
Following significant exchange rates were applied during the year:		
<b>Rupees per US Dollar</b>		
Average rate	282.96	242.65
Reporting date rate	278.30	286.60
<b>Rupees per Euro</b>		
Average rate	306.45	274.05
Reporting date rate	297.88	313.72
<b>Rupees per GBP</b>		
Average rate	356.88	288.91
Reporting date rate	351.22	364.77

## Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro and GBP with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 74.506 million (2023: Rupees 93.804 million) higher / lower mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

## (ii) Other price risk

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

## Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Index of Pakistan Stock Exchange Limited (PSX) and Mutual Funds Association of Pakistan (MUFAP) on the Company's profit after taxation for the year. The analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and the Company's equity instruments moved according to the historical correlation with the index:

# Notes to the Financial Statements

For the Year ended 30 June 2024

Index	Impact on profit after taxation	
	2024	2023
	(RUPEES IN THOUSAND)	
PSX 100 / MUFAP (10% increase)	2,012	2,067
PSX 100 / MUFAP (10% decrease)	(2,012)	(2,067)

### (iii) Interest rate risk

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

The Company's interest rate risk arises from long term financing, lease liabilities, short term borrowings, bank balances in saving account and term deposit receipts. However the Company has no significant long term interest bearing assets. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2024	2023
	(RUPEES IN THOUSAND)	
<b>Fixed rate instruments:</b>		
<b>Financial assets</b>		
Term deposit receipts	330,000	120,000
<b>Financial liabilities:</b>		
Long term financing	1,758,271	2,215,936
Short term borrowings	2,190,331	2,656,000
<b>Floating rate instruments:</b>		
<b>Financial assets</b>		
Bank balances - saving accounts	7,905	26,334
<b>Financial liabilities</b>		
Long term financing	1,776,959	1,650,293
Lease liabilities	47,839	56,271
Short term borrowings	7,072,943	5,204,721

### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

### Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 74.488 million (2023: Rupees 64.101 million) lower / higher mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.



# Notes to the Financial Statements

For the Year ended 30 June 2024

## (b) Credit risk

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

	2024 (RUPEES IN THOUSAND)	2023
Trade debts	4,293,691	4,009,764
Advances	111	55
Deposits	54,493	46,291
Investments	21,609	21,755
Other receivables	121,773	13,577
Bank balances	611,691	348,706
	<b>5,103,368</b>	<b>4,440,148</b>

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the senior management and where considered necessary, advance payments are obtained from certain parties. Export sales to major customers are secured through letters of credit. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due, adjusted for forward-looking factors specific to the debtors and the economic environment to determine expected credit loss allowance.

Based on the past experience and deliberations management has recognized expected credit losses in respect of trade debts as given in Note 20.3 to the financial statements.

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

# Notes to the Financial Statements

For the Year ended 30 June 2024

	Rating			2024	2023
	Short term	Long term	Agency	(RUPEES IN THOUSAND)	
<b>Banks / Term deposit receipts</b>					
National Bank of Pakistan	A1+	AAA	PACRA	25,500	48,861
Allied Bank Limited	A1+	AAA	PACRA	16	13
Askari Bank Limited	A1+	AA+	PACRA	15,308	15,623
Habib Bank Limited	A-1+	AAA	VIS	30,585	28,295
MCB Bank Limited	A1+	AAA	PACRA	13	13
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	32,524	29,023
The Bank of Punjab	A1+	AA+	PACRA	237,716	145,724
Bank of Khyber	A1	A+	PACRA	131,342	503
Bank Makramah Limited		Suspended	VIS	25	25
Industrial and Commercial Bank of China	P-1	A2	Moody's	450	138
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	22,949	17,416
Meezan Bank Limited	A-1+	AAA	VIS	81,889	62,621
BankIslami Pakistan Limited	A1	AA-	PACRA	99	-
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	33,275	451
<b>Sub total</b>				<b>611,691</b>	<b>348,706</b>
<b>Short term investments</b>					
Attock Refinery Limited	A1+	AA	PACRA	-	3,004
D.G. Khan Cement Company Limited	A1+	AA-	PACRA	903	513
National Refinery Limited	A1	AA	PACRA	265	150
Oil and Gas Development Company Limited	A-1+	AAA	VIS	-	78
Pakistan State Oil Company Limited	A-1+	AA+	VIS	5,970	3,987
Habib Bank Limited	A-1+	AAA	VIS	1,638	967
Ghandhara Industries Limited	A1	A+	PACRA	6,288	1,852
The Searle Company Limited	A-1	AA-	VIS	2,700	1,811
United Bank Limited	A-1+	AAA	VIS	1,281	588
International Steels Limited	A-1	A+	VIS	423	203
Lucky Cement Limited	A-1+	AA+	VIS	-	6,761
Dost Steels Limited		Unknown		433	398
				<b>19,901</b>	<b>20,312</b>
<b>Mutual funds</b>					
NBP Financial Sector Income Fund	A+(f)		PACRA	223	187
NBP Islamic Daily Dividend Fund	AA+(f)		PACRA	1,470	1,243
Al Meezan Investment Management Limited	AM1		PACRA	15	13
				<b>1,708</b>	<b>1,443</b>
<b>Sub total</b>				<b>21,609</b>	<b>21,755</b>
<b>Grand Total</b>				<b>633,300</b>	<b>370,461</b>

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



# Notes to the Financial Statements

For the Year ended 30 June 2024

## (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash, marketable securities and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2024, the Company had Rupees 10,411 million (2023: Rupees 7,831 million) available funded borrowing limits from financial institutions and Rupees 618.656 million (2023: Rupees 372.236 million) cash and bank balances. Moreover, the Company has Rupees 587 million (2023: Rupees 320 million) unfunded borrowing limits out of which Rupees 440 million (2023: Rupees 219 million) were utilized. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	More than 2 years
----- (RUPEES IN THOUSAND) -----						
Non-derivative financial liabilities:						
Long term financing	3,535,230	4,573,545	459,305	481,823	892,896	2,739,521
Lease liabilities	47,839	68,889	10,081	10,081	20,162	28,565
Trade and other payables	2,098,729	2,098,729	2,098,729	-	-	-
Accrued mark-up	355,641	355,641	355,641	-	-	-
Short term borrowings	9,763,274	10,506,518	10,506,518	-	-	-
Unclaimed dividend	749	749	749	-	-	-
Derivative financial liabilities	-	-	-	-	-	-
	15,801,462	17,604,071	13,431,023	491,904	913,058	2,768,086

Contractual maturities of financial liabilities as at 30 June 2023:

Non-derivative financial liabilities:						
Long term financing	3,866,229	5,429,685	723,294	653,337	1,183,729	2,869,325
Lease liabilities	56,271	80,139	9,072	9,072	18,144	43,851
Trade and other payables	1,580,599	1,580,599	1,580,599	-	-	-
Accrued mark-up	411,628	411,628	411,628	-	-	-
Short term borrowings	7,860,721	7,860,721	8,483,028	-	-	-
Unclaimed dividend	783	783	783	-	-	-
Derivative financial liabilities						
Fair value of forward exchange contracts	3,526	3,526	3,526	-	-	-
	13,779,757	15,367,081	11,211,930	662,409	1,201,873	2,913,176

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates / profit rates effective as at 30 June. The rates of interest / mark-up / profit have been disclosed in Note 5, Note 6 and Note 10 to these financial statements.

# Notes to the Financial Statements

For the Year ended 30 June 2024

## 4.3.2 Financial instruments by categories

	2024			2023		
	At fair value through profit or loss	At amortized cost	Total	At fair value through profit or loss	At amortized cost	Total
----- RUPEES IN THOUSAND -----						
As at 30 June						
Financial assets as per statement of financial position						
Trade debts	-	4,293,691	4,293,691	-	4,009,764	4,009,764
Advances	-	111	111	-	55	55
Deposits	-	54,493	54,493	-	46,291	46,291
Short term investments	21,609	-	21,609	21,755	-	21,755
Other receivables	105,289	121,773	227,062	-	13,577	13,577
Cash and bank balances	-	618,656	618,656	-	372,236	372,236
	126,898	5,088,724	5,215,622	21,755	4,441,923	4,463,678

	2024		2023	
	At amortized cost	At fair value through profit or loss	At amortized cost	Total
----- RUPEES IN THOUSAND -----				
As at 30 June				
Financial assets as per statement of financial position				
Long term financing	3,535,230	-	3,866,229	3,866,229
Lease liabilities	47,839	-	56,271	56,271
Trade and other payables	2,098,729	3,526	1,580,599	1,584,125
Accrued mark-up	355,641	-	411,628	411,628
Short term borrowings	9,763,274	-	7,860,721	7,860,721
Unclaimed dividend	749	-	783	783
	15,801,462	3,526	13,776,231	13,779,757

Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2024			2023		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
----- RUPEES IN THOUSAND -----						
As at 30 June						
Assets as per statement of financial position						
Trade debts	4,293,691	-	4,293,691	4,009,764	-	4,009,764
Advances	111	103,068	103,179	55	108,848	108,903
Long term deposits	1,081	-	1,081	24,281	-	24,281
Short term deposits and prepayment	53,412	247	53,659	22,010	-	22,010
Short term investments	21,609	-	21,609	21,755	-	21,755
Other receivables	121,773	62,315	184,088	13,577	41,624	55,201
Cash and bank balances	618,656	-	618,656	372,236	-	372,236
	5,110,333	165,630	5,275,963	4,463,678	150,472	4,614,150





# Notes to the Financial Statements

For the Year ended 30 June 2024

	2024			2023		
	Financial liabilities	Other than financial liabilities	Total as per statement of financial position	Financial liabilities	Other than financial liabilities	Total as per statement of financial position
----- RUPEES IN THOUSAND -----						
<b>As at 30 June</b>						
<b>Liabilities as per statement of financial position</b>						
Long term financing	3,535,230	-	3,535,230	3,866,229	-	3,866,229
Lease liabilities	47,839	-	47,839	56,271	-	56,271
Trade and other payables	2,098,729	788,467	2,887,196	1,584,125	748,775	2,332,900
Accrued mark-up	355,641	-	355,641	411,628	-	411,628
Short term borrowings	9,763,274	-	9,763,274	7,860,721	-	7,860,721
Unclaimed dividend	749	-	749	783	-	783
	15,801,462	788,467	16,589,929	13,779,757	748,775	14,528,532

### 43.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

### 43.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, and to make adjustments to it in the light of changes in economic conditions, the Company may adjust the amount of dividends to be paid to shareholders or issue new shares. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred to Note 5 and Note 10 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

	2024	2023
RUPEES IN THOUSAND		
Borrowings	13,298,504	11,726,950
Total equity	13,494,981	12,488,470
Total capital employed	26,793,485	24,215,420
(PERCENTAGE)		
Gearing ratio	49.63	48.43

The increase in the gearing ratio resulted primarily from increase in borrowings of the Company.

# Notes to the Financial Statements

For the Year ended 30 June 2024

## 44. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### (i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
	----- (RUPEES IN THOUSAND) -----			
<b>Recurring fair value measurement</b>				
<b>Financial assets</b>				
<b>At 30 June 2024</b>				
At fair value through profit or loss	21,609	-	-	21,609
Derivative financial asset	-	105,289	-	105,289
<b>Total financial assets</b>	<b>21,609</b>	<b>105,289</b>	<b>-</b>	<b>126,898</b>
<b>At 30 June 2023</b>				
At fair value through profit or loss	21,755	-	-	21,755
Derivative financial assets	-	-	-	-
<b>Total financial liabilities</b>	<b>21,755</b>	<b>-</b>	<b>-</b>	<b>21,755</b>
<b>Financial liabilities</b>				
<b>At 30 June 2024</b>				
Derivative financial liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 June 2023</b>				
Derivative financial liabilities	-	3,526	-	3,526
<b>Total financial liabilities</b>	<b>-</b>	<b>3,526</b>	<b>-</b>	<b>3,526</b>

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.



# Notes to the Financial Statements

For the Year ended 30 June 2024

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value listed financial instruments include the use of quoted market prices.

45. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for the non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

	Level 1	Level 2	Level 3	Total
	----- (RUPEES IN THOUSAND) -----			
At 30 June 2024				
Freehold land	-	973,085	-	973,085
Total non-financial assets	-	973,085	-	973,085
At 30 June 2023				
Freehold land	-	970,887	-	970,887
Total non-financial assets	-	970,887	-	970,887

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfer between level 1 and 2 for recurring fair value measurement during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land (classified as property, plant and equipment). The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land. Last valuation of freehold land was performed by Messrs M Y K Associates (Private) Limited.

Changes in fair values are analyzed during the valuation discussion between the Chief Financial Officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

# Notes to the Financial Statements

For the Year ended 30 June 2024

## 46. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on September 11, 2024.

## 47. CORRESPONDING FIGURES

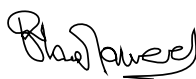
Corresponding figures have been re-arranged, wherever necessary for the purpose of comparison. However, no significant re-arrangements have been made except for as given in Note 2.6 to these financial statements.

## 48. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



Faiq Jawed  
Chief Executive Officer



Shaiq Jawed  
Director



Khawaja Nadeem Abbas  
Chief Financial Officer



# Pattern of Shareholding

As on June 30, 2024

No. of Share Holders	Share Holding		Total Shares Held
	From	To	
57	1	100	666
58	101	500	18,330
41	501	1,000	31,908
65	1,001	5,000	175,692
19	5,001	10,000	132,235
6	10,001	15,000	71,664
1	15,001	20,000	18,900
2	20,001	25,000	43,955
3	25,001	30,000	81,159
1	40,001	45,000	43,619
2	55,001	60,000	113,126
1	60,001	65,000	64,974
1	100,001	105,000	101,000
2	500,001	505,000	1,008,000
1	510,001	515,000	511,499
1	700,001	705,000	703,690
1	790,001	795,000	790,818
1	860,001	865,000	864,360
1	1,060,001	1,065,000	1,061,256
1	1,265,001	1,270,000	1,266,022
1	1,540,001	1,545,000	1,543,500
1	3,515,001	3,520,000	3,516,095
1	3,560,001	3,565,000	3,563,429
1	12,370,001	12,375,000	12,372,816
1	18,930,001	18,935,000	18,930,118
1	22,745,001	22,750,000	22,747,774
1	32,540,001	32,545,000	32,540,897
272			102,317,502

Shareholders' Category	No. of Share Holders/Folios	No. of Shares Held	Percentage
<b>Directors, Chief Executive Officer and their spouse :</b>			
-Directors and Spouse	12	71,417,064	69.7995
-Chief Executive Officer	3	24,804,614	24.2428
<b>Banks, Development Financial Institutions, Non Banking Financial Institutions Insurance Companies Modarbas</b>			
Banks, Development Financial Institutions, Non Banking Financial Institutions	3	3,666	0.0036
Insurance Companies	2	7,644	0.0075
Modarbas	1	4,557	0.0045
<b>General Public:</b>			
a. Local	243	6,025,265	5.8888
b. Foreign	-	-	-
Other	8	54,692	0.0535
<b>Total</b>	<b>272</b>	<b>102,317,502</b>	<b>100.0000</b>

## Shareholders More Than 10%

Mr. Jawed Anwar	34,084,397	33.31
Mr. Faiq Jawed	24,804,614	24.24
Mr. Shaiq Jawed	19,441,617	19.00
Mrs. Farhat Jehan	13,237,176	12.94

# GENDER PAY GAP STATEMENT

UNDER CIRCULAR NO.10 DATED 17 APRIL 2024

Following is gender pay gap calculated for the year ended June 30, 2024:

I.	Mean Gender Pay Gap	Nil
II.	Median Gender Pay Gap	Nil



Faiq Jawed  
Chief Executive Officer  
September 11, 2024



# Form of Proxy

## 38<sup>th</sup> Annual General Meeting

I/We, \_\_\_\_\_ of \_\_\_\_\_, holding Computerized National Identity Card (CNIC)/Passport No. \_\_\_\_\_ and being a member of J.K. Spinning Mills Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_, holding CNIC/Passport No. \_\_\_\_\_, or failing him/her hereby appoint \_\_\_\_\_ of \_\_\_\_\_, holding CNIC/Passport No. \_\_\_\_\_, as my/our proxy to vote for me/us and on my/our behalf at the 38<sup>th</sup> Annual General Meeting of the Company, to be held on the 28th day of October, 2024 and at any adjournment thereof.

At witness my/our hand /seal this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

### Witnesses:

1. Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 CNIC/Passport No. \_\_\_\_\_

2. Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 CNIC/Passport No. \_\_\_\_\_

CDC Account No.

Revenue Stamps of Rs 50/-

**To be signed by the above named shareholder**

### Notes:

1. This Proxy Form, duly completed and signed, must be received at the Head Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy need not to be a member of the Company.
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/her original CNIC at the time of the 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.

# پراکسی فارم

اڑتیسواں سالانہ اجلاس عام  
میں / ہم ساکن \_\_\_\_\_ حامل کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر \_\_\_\_\_  
اور بطور رکن جے کے سپننگ ملز لمیٹڈ \_\_\_\_\_ حامل کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر \_\_\_\_\_ یا اس  
کی عدم موجودگی میں \_\_\_\_\_ حامل (CNIC) یا پاسپورٹ نمبر \_\_\_\_\_ کو مورخہ 28 اکتوبر 2024 کو منعقد  
ہونے والے اڑتیسواں سالانہ اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لئے میری / ہماری جانب سے ووٹ ڈالنے کے لئے بطور نمائندہ (پراکسی) تقرر  
کرتا ہوں / کرتی ہوں / کرتے ہیں

گواہان کی موجودگی میں میرے / ہمارے دستخط / مہر بروز \_\_\_\_\_ 2024 ثبت کیے گئے / کی گئی  
گواہان

1. دستخط \_\_\_\_\_  
نام \_\_\_\_\_  
پتہ \_\_\_\_\_  
کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر \_\_\_\_\_
2. دستخط \_\_\_\_\_  
نام \_\_\_\_\_  
پتہ \_\_\_\_\_  
کمپیوٹرائزڈ شناختی کارڈ / پاسپورٹ نمبر \_\_\_\_\_

پچاس روپے کا ریونیو اسٹمپ

سی ڈی سی اکاؤنٹ نمبر

حصص یافتہ کے دستخط

- نوٹس
1. یہ پراکسی فارم مکمل اور دستخط شدہ کمپنی کے ہیڈ آفس میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ پراکسی کا ممبر ہونا لازمی نہیں۔
  2. پراکسی فارم پر دو گواہان کے نام، پتے اور شناختی کارڈ نمبر درج ہونے چاہئیں۔
  3. پراکسی فارم کے ساتھ تقرر کرنے والے اور پراکسی کے حامل فرد کے شناختی کارڈ کی تصدیق شدہ نقول جمع کی جائیں گی۔
  4. اجلاس کے وقت پراکسی کا حامل شخص اپنا اصل شناختی کارڈ فراہم کرے گا۔
  5. کارپوریٹ ادارے کی صورت میں، ادارے کے بورڈ وف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بشمول نمونہ دستخط پراکسی فارم کے ساتھ جمع ہوگی۔







[jkgroup.net](http://jkgroup.net)

## **J.K. SPINNING MILLS LIMITED**

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Lahore Cantt. Lahore.  
Telephone No. +92-42-36672695  
E-mail: [jkgroup@jkgroup.net](mailto:jkgroup@jkgroup.net)