



AMIR NAWAZ & COMPANY

CHARTERED ACCOUNTANTS

Amir Nawaz Chaudhry

ACA, LLB, FPFA, FCPA, CICA, M.Com, B.Com
Chartered Accountant
Advocate High Court

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE)
LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

OPINION

We have audited the annexed financial statements of **SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE) LIMITED** ('the Company'), which comprises 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 statement, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion, to the best of our information and according to the explanation given to us, the statement of financial position, statement of profit or loss and other 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 information required by 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 and 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 Statement' section of our report. We are independent of the Company in accordance with the 'International Ethics Standards Board for Accountants' 'Code of Ethics for Professional Accountants' as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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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 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 Acts, 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. Boards 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. Misstatement 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 decision 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure 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 financial statement including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statements of financial position, the statement of profit or loss and other 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 agreement with the books of account and returns;
- Investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Amir Nawaz (ACA).

Amir Nawaz & Company
Chartered Accountants



Place: Multan

30th December 2024

UDIN# AR2024107582tTXmPhzW

Auditor's Report for the Year Ended 30 June 2024
SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE) LIMITED

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SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	<u>Note</u>	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
Assets			
Non current assets			
Property, plant and equipment	4	135,892,208	140,601,547
Intangible assets - software	5	67,411	74,901
Long term deposits	6	2,059,200	2,059,200
		<u>138,018,819</u>	<u>142,735,648</u>
Current assets			
Stores, spares and tools	7	205,960	1,148,980
Stock in trade	8	103,616,004	74,946,220
Trade debtors	9	645,000	542,800
Advance, deposits and investments	10	92,500	92,500
Advance taxes	11	26,749,804	12,407,877
Cash and bank balances	12	71,155	5,427,449
		<u>131,380,423</u>	<u>94,565,826</u>
		<u>269,399,242</u>	<u>237,301,474</u>
Equity and Liabilities			
Authorized capital			
160,971 (2023: 160,971) ordinary shares of Rs. 1,000/- each		<u>160,971,000</u>	<u>160,971,000</u>
Share capital and reserves			
Issued, subscribed and paid up capital	13	159,756,000	159,756,000
Deposit for shares	14	114,311,610	114,311,610
Unappropriated loss		<u>(84,788,286)</u>	<u>(81,235,456)</u>
		<u>189,279,324</u>	<u>192,832,154</u>
Current liabilities			
Trade and other payables	15	74,364,420	41,448,160
Taxation	16	5,755,498	3,021,160
		<u>80,119,918</u>	<u>44,469,320</u>
Contingencies and commitments			
	17	-	-
		<u>269,399,242</u>	<u>237,301,474</u>

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

Khawaja Muhammad Ali
Chief Executive




 Khawaja Muhammad Mansoor
Director

SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Note</u>	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
Sales - Net	18	460,623,080	241,715,183
Cost of sales	19	458,955,659	237,595,437
Gross profit		<u>1,667,421</u>	<u>4,119,746</u>
Distribution cost	20	635,930	595,420
Administrative expenses	21	4,084,936	3,668,342
Other operating expenses	22	-	313,608
Operating profit/(loss)		<u>4,720,866</u> <u>(3,053,445)</u>	<u>4,577,370</u> <u>(457,624)</u>
Other income	23	5,471,640	4,889,832
(Loss) / Profit before other cost		<u>2,418,195</u>	<u>4,432,208</u>
Other cost	24	479	-
(Loss) / Profit before finance cost		<u>2,417,716</u>	<u>4,432,208</u>
Finance cost	25	215,048	265,707
(Loss) / Profit before taxation		<u>2,202,668</u>	<u>4,166,501</u>
Taxation	26	5,755,498	3,021,160
(Loss) / Profit after taxation		<u>(3,552,830)</u>	<u>1,145,341</u>
(Loss) / Earning per share	27	<u>(22.24)</u>	<u>7.17</u>

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

Khawaja Muhammad Ali
Chief Executive

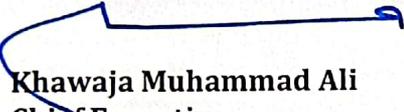
Khawaja Muhammad Mansoor
Khawaja Muhammad Mansoor
Director



SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
Profit for the year	(3,552,830)	1,145,341
Other comprehensive income	-	-
Total comprehensive profit	<u>(3,552,830)</u>	<u>1,145,341</u>

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


Khawaja Muhammad Ali
Chief Executive


Khawaja Muhammad Mansoor
Director



SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
Cash Flow From Operating Activities		
(Loss) / Profit before taxation	2,202,668	4,166,501
Adjustment for:		
Depreciation	11,160,736	11,878,826
Amortization	7,490	8,322
Finance cost	215,048	265,707
	11,383,274	12,152,855
Operating cash flows before changes in working capital	13,585,942	16,319,356
Changes in working capital		
<i>(Increase)/Decrease in current assets</i>		
Stores, spares and tools	943,020	(1,013,780)
Stock in trade	(28,669,784)	21,528,263
Trade debtors	(102,200)	416,340
Advance, deposits and investments	-	3,466,000
Advance taxes	(14,341,927)	(1,753,696)
	32,916,260	(38,134,115)
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	(9,254,631)	(15,490,988)
	4,331,311	828,368
Cash flow from/(used in) operating activities	(3,021,160)	(2,760,959)
Tax paid	(215,048)	(265,707)
Finance cost	1,095,103	(2,198,298)
Net cash flow from/(used in) operating activities		
Cash Flow From Investing Activities		
Purchase of operating fixed assets	(6,743,246)	(9,914,567)
Disposal of operating fixed assets	291,849	-
Net cash flow from/(used in) investing activities	(6,451,397)	(9,914,567)
Cash Flow From Financing Activities		
Payment of liabilities against LTF	-	(2,500,000)
Deposit for shares	-	14,329,335
Net cash flow from/(used in) financing activities	-	11,829,335
	(5,356,294)	(283,530)
Net increase/(decrease) in cash and cash equivalents	5,427,449	5,710,979
Cash and cash equivalents at the beginning of the year	71,155	5,427,449
Cash and cash equivalents at the end of the year		

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

Khawaja Muhammad Aif
Chief Executive

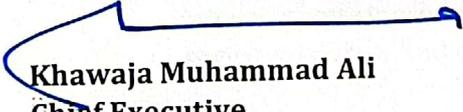


Khawaja Muhammad Mansoor
Director

SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid up capital	Deposit for shares	Unappropriated loss	Total
	----- Rupees -----			
Balance as at June 30, 2022	159,756,000	99,982,275	(82,380,797)	177,357,478
Received during the year		14,329,335		14,329,335
Profit for the year			1,145,341	1,145,341
Balance as at June 30, 2023	<u>159,756,000</u>	<u>114,311,610</u>	<u>(81,235,456)</u>	<u>192,832,154</u>
Profit for the year			(3,552,830)	(3,552,830)
Balance as at June 30, 2024	<u><u>159,756,000</u></u>	<u><u>114,311,610</u></u>	<u><u>(84,788,286)</u></u>	<u><u>189,279,324</u></u>

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


Khawaja Muhammad Ali
Chief Executive


Khawaja Muhammad Mansoor
Director



SPUN YARN RESEARCH AND DEVELOPMENT COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1- Legal Status and Operations

Spun Yarn Research and Development Company (Private) Limited (the Company) is limited by shares was incorporated in Pakistan on June 27, 2011 as a Private Limited Company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is principally engaged in manufacturing and sale of yarn.

Geographical location and addresses of business:

Registered office/Head office

House No. 1, Green Homes, Nawab Pur Road, Multan.

Mill

22-KM, Khanewal Road, Qadirpur Rawan, Multan.

2- Basis of Preparation

2.1- Statement of compliance

The 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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provision of and directives issued under the Companies Act, 2017 differ form IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2- Basis of measurement

These financial statements have been prepared under the historical cost convention except disclosed otherwise in the accounting policy notes.

2.3- Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency. All financial information presented in Pak Rupees has been rounded to the nearest Rupee unless otherwise stated.

2.4- Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed as follows;

2.4.1- Property, plant and equipment

The company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identifies.

2.4.2- Stores & spares and stock-in-trade

The company estimates the net realizable value of stores & spares and stock in trade to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditure to make sale.

2.4.3- Income Taxes

In making the estimates for income taxes the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a katerial nature is in accordance with the law. The difference between the potential ans actual tax charge, if any, is disclosed as a contingent liability.

3- Significant Accounting Policies

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

3.1- Property, plant and equipment

Company's owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss except freehold land, and capital work-in-progress. Which are stated at cost. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the erection construction period and attributable expenses in bringing the assets to their working condition.

Depreciation on all assets except freehold land and capital work-in-progress is taken to profit and loss account applying reducing balance method at the rates stated in fixed assets schedule. Depreciation is charged when asset is put into the use as intended by the management till asset is derecognized.

Gains / Losses on disposal of fixed asset are taken to profit and loss account. Normal repairs and maintenance are taken to profit and loss account as and when incurred. Major improvements and modifications are capitalized and the assets replaced, if any, other than those kept as stand-by, are retired.



The management assesses at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the assets. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the period / year.

Capital work in progress

Capital work in progress is stated at cost. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

Intangible assets

Intangible fixed assets are stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income on straight line basis during the estimated useful life. The useful life is reviewed periodically to ensure that it is consistent with the expected pattern of economic benefits.

Amortization is charged from the month of acquisition and up to the month preceding the disposal respectively. Gain/loss on disposal of intangible assets is taken to profit and loss account.

Major improvements and modifications are capitalized. Minor repairs and replacements are taken to profit and loss account.

Leased assets

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligation of leases is accounted for as liability. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

Amortization is charged from the month of acquisition and up to the month preceding the disposal respectively. Gain/loss on disposal of intangible assets is taken to profit and loss account.

3.2- Stores, Spares and loose tools

These are valued at moving average cost less allowance for obsolete and slow moving items except items-in-transit which are stated at cost accumulated to the balance sheet date.

3.3- Stock in trade

Basis of valuation are as follows:

Particulars

Mode of Valuation

Raw materials

- At mill

- Weighted Average Cost

- In transit

- At cost accumulated to the balance sheet date.

Work in process

- At manufacturing cost.

Finished goods

- At lower of cost and net realizable value.

Waste

- At net realizable value.



Cost in relation to work in process and finished goods consists of prime cost and appropriate production overheads. Prime cost is allocated on the basis of annual average cost.

Provision for obsolete and slow moving stock-in-trade is determined based on the management's assessment regarding their future usability.

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

3.4- Trade debts & other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

3.5- Advances, deposits, prepayments and other receivables

Advances, deposits, prepayments and other receivables are included in current assets, except for having maturities greater than twelve months after the balance sheet date, which are classified as non-current assets.

3.6- Cash and cash equivalents

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

3.7- Borrowings & borrowing cost

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost using the effective interest method.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost that asset.

3.8- Trade and other payables

Trade and other payables are initially measured at cost, which is the fair value the consideration to be paid in future for goods and services, whether or not billed to the Company.

3.9- Provisions

Provisions are recognized when the Company has a present legal or constructive obligation 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 obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.



3.10- Taxation

3.10.1 Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and taxes rebate available, if any , or provisions of minimum tax However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

3.10.2 Deffered

Deferred tax is recognized using the balance sheet liability method in respect of all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the tax base (the amount used for taxation purposes). In this regard, the effects on deferred taxation of the portion of income subject to final tax regime are also considered in accordance with the requirement of Technical release-27 of Institute of Chartered Accounts of Pakistan.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits can be utilized. Deferred tax liabilities are generally recognized for the taxable temporary differences, Deferred, tax assets and liabilities are based on the expected tax rates applicable at the time of reversal.

3.11- Offsetting

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

3.12- Revenue Recognition

Sales are recorded on dispatch of goods to customers.

Return on investments and deposit is accounted for on time proportion basis.

Dividend incomes are accounted for when the right to receive is established.

Gain on sale and lease-back transactions is deferred and is credited to Profit and Loss Account over the term.



	2023	2024	2023
	Rupees	Rupees	Rupees
4.1	135,892,208	140,601,547	

4- Property, plant and equipment
Operating fixed assets

4.1- Operating fixed assets

	Freehold land	Building on freehold land	Plant & machinery	Electric installations	Furniture & fixture equipments	Office equipments	Vehicles	Mechanical/ Electric appliances	Total	Note	Rate of depreciation	
											5%	10%
----- Rupees -----												
Cost												
Balance as at June 30, 2022	13,046,960	81,905,830	98,195,236	34,469,423	603,023	867,558	3,646,502	1,563,507	234,298,039			
Addition during the year	-	-	276,000	1,800,000	242,567	-	7,596,000	-	9,914,567			
Balance as at June 30, 2023	13,046,960	81,905,830	98,471,236	36,269,423	845,590	867,558	11,242,502	1,563,507	244,212,606			
Depreciation												
Balance as at June 30, 2022	-	23,822,408	46,841,184	16,846,780	275,418	357,009	2,845,937	743,497	91,732,233			
Charge for the year	-	2,904,171	5,163,005	1,942,264	57,017	51,055	1,679,313	82,001	11,878,826			
Balance as at June 30, 2023	-	26,726,579	52,004,189	18,789,044	332,435	408,064	4,525,250	825,498	103,611,059			
Written down value as at June 30, 2023	13,046,960	55,179,251	46,467,047	17,480,379	513,155	459,494	6,717,252	738,009	140,601,547			
Cost												
Balance as at June 30, 2023	13,046,960	81,905,830	98,471,236	36,269,423	845,590	867,558	11,242,502	1,563,507	244,212,606			
Disposal during the year	-	-	4,423,000	-	-	268,790	(1,113,315)	-	(1,113,315)			
Balance as at June 30, 2024	13,046,960	81,905,830	102,894,236	36,269,423	845,590	1,136,348	12,180,643	1,563,507	249,842,537			
Depreciation												
Balance as at June 30, 2023	-	26,726,579	52,004,189	18,789,044	332,435	408,064	4,525,250	825,498	103,611,059			
Disposal during the year	-	-	5,089,005	1,748,038	51,316	72,828	(821,466)	-	(821,466)			
Charge for the year	-	2,758,963	57,093,194	20,537,082	383,751	480,892	1,366,785	73,801	11,160,736			
Balance as at June 30, 2024	-	29,485,542	57,093,194	20,537,082	383,751	480,892	5,070,569	899,299	113,950,329			
Written down value as at June 30, 2024	13,046,960	52,420,288	45,801,042	15,732,341	461,839	655,456	7,110,074	664,208	135,892,208			

Rate of depreciation

	5%	10%	10%	10%	10%	20%
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Depreciation for the year has been apportioned as under:

	2024	2023
	Rupees	Rupees
Cost of sales	10,937,521	11,641,249
Administrative expense	223,215	237,577
	<u>11,160,736</u>	<u>11,878,826</u>



	<u>Note</u>	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
5- Intangible assets - software			
Computer software license fee	5.1	<u>67,411</u>	<u>74,901</u>
5.1- Computer software license fee			
Cost			
Opening balance		156,600	156,600
Addition during the year		-	-
Closing balance		<u>156,600</u>	<u>156,600</u>
Amortization			
Opening balance		81,699	73,377
Charge for the year		7,490	8,322
Closing balance		<u>89,189</u>	<u>81,699</u>
Written down value		<u>67,411</u>	<u>74,901</u>
Rate of Amortization		10%	10%
6- Long term deposits			
Security deposit - MEPCO		<u>2,059,200</u>	<u>2,059,200</u>
It represents bank guarantee provided to MEPCO issued by Bank Al Habib Limited Gulgasht Branch, Multan against 100% cash margin.			
		<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
7- Stores, spares and tools			
Stores		<u>205,960</u>	<u>1,148,980</u>
8- Stock in trade			
Raw material		40,825,400	26,297,600
Work in process		3,518,230	2,991,520
Finished goods		56,931,970	40,958,000
Packing material		1,895,204	2,180,200
Waste		445,200	2,518,900
		<u>103,616,004</u>	<u>74,946,220</u>
9- Trade debtors - Considered good			
Local - unsecured		<u>645,000</u>	<u>542,800</u>
10- Advance, deposits and investments			
Security deposit - office building		<u>92,500</u>	<u>92,500</u>



	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
11- Advance taxes		
Advance sales tax	6,236,267	889,098
Advance income tax	<u>20,513,537</u>	<u>11,518,779</u>
	<u><u>26,749,804</u></u>	<u><u>12,407,877</u></u>
12- Cash and bank balances		
Cash in hand	22,823	12,540
Cash at bank		
Current account	<u>48,028</u>	<u>5,409,846</u>
Deposit account	<u>304</u>	<u>5,063</u>
	<u><u>48,332</u></u>	<u><u>5,414,909</u></u>
	<u><u>71,155</u></u>	<u><u>5,427,449</u></u>
13- Issued, subscribed and paid up capital		
Number of shares		
2024		2023
100,010	100,010	Ordinary shares of Rs. 1,000/- each issued to private sector fully paid in cash
	<u>100,010,000</u>	100,010,000
59,746	59,746	Ordinary shares of Rs. 1,000/- each issued to Ministry of Industries, Govt. of Pakistan fully paid in cash
	<u>59,746,000</u>	59,746,000
	<u><u>159,756,000</u></u>	<u><u>159,756,000</u></u>
14- Deposit for shares		
It represents the deposit from private sector shareholders for the issuance of ordinary shares by the company.		
	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
15- Trade and other payables		
Trade creditors	32,998,368	505,568
Accrued liabilities	17,374,159	10,987,410
Advances from customers	<u>23,991,893</u>	<u>29,955,182</u>
	<u><u>74,364,420</u></u>	<u><u>41,448,160</u></u>
16- Taxation		
Opening balance	3,021,160	2,760,959
Add: Provision made during the year		
Current year	5,755,498	3,021,160
Prior year	-	-
	<u>8,776,658</u>	<u>5,782,119</u>
Less: Payments/Adjustments against completed assessments	<u>(3,021,160)</u>	<u>(2,760,959)</u>
	<u><u>5,755,498</u></u>	<u><u>3,021,160</u></u>



The income tax assessment of the company has been completed upto the tax year 2023.

17- Contingencies and commitments

There are no contingencies and commitments at the statement of financial position date.

		2024	2023
		Rupees	Rupees
18- Sales - Net			
Local			
Gross Sales		542,456,711	281,788,532
Sales Tax		<u>(82,747,633)</u>	<u>(41,839,432)</u>
		459,709,078	239,949,100
Export		<u>914,002</u>	<u>1,766,083</u>
		<u>460,623,080</u>	<u>241,715,183</u>
19- Cost of sales			
Raw material consumed	19.1	262,045,336	114,077,645
Stores and spares consumed	19.2	943,020	2,011,898
Packing material consumed	19.3	5,510,716	5,977,219
Salaries, wages and benefits	19.4	14,614,571	14,696,880
Power and fuel		177,592,576	89,518,355
Communication		88,560	84,550
Rent expense		798,600	726,000
Repair and maintenance		396,450	476,740
Depreciation	4.1	10,937,521	11,641,249
Others		<u>455,289</u>	<u>861,471</u>
		<u>473,382,639</u>	<u>240,072,007</u>
Adjustment of work in process			
Opening stock		2,991,520	1,860,050
Closing stock		<u>(3,518,230)</u>	<u>(2,991,520)</u>
		<u>(526,710)</u>	<u>(1,131,470)</u>
Cost of goods manufactured		472,855,929	238,940,537
Adjustment of finished goods			
Opening stock		40,958,000	41,389,300
Closing stock		<u>(56,931,970)</u>	<u>(40,958,000)</u>
		<u>(15,973,970)</u>	431,300
		456,881,959	239,371,837
Adjustment of waste			
Opening stock		2,518,900	742,500
Closing stock		<u>(445,200)</u>	<u>(2,518,900)</u>
		<u>2,073,700</u>	<u>(1,776,400)</u>
		<u>458,955,659</u>	<u>237,595,437</u>



	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
19.1- Raw material consumed		
Opening stock	26,297,600	51,802,433
Add: Purchase during the year	<u>276,573,136</u>	<u>88,572,812</u>
	302,870,736	140,375,245
Less: Closing stock	<u>(40,825,400)</u>	<u>(26,297,600)</u>
	<u>262,045,336</u>	<u>114,077,645</u>
19.2- Stores and spares consumed		
Opening stock	1,148,980	135,200
Add: Purchase during the year	<u>-</u>	<u>3,025,678</u>
	1,148,980	3,160,878
Less: Closing stock	<u>(205,960)</u>	<u>(1,148,980)</u>
	<u>943,020</u>	<u>2,011,898</u>
19.3- Packing material consumed		
Opening stock	2,180,200	680,200
Add: Purchase during the year	<u>5,225,720</u>	<u>7,477,219</u>
	7,405,920	8,157,419
Less: Closing stock	<u>(1,895,204)</u>	<u>(2,180,200)</u>
	<u>5,510,716</u>	<u>5,977,219</u>
19.4- Salaries, wages and benefits		
Factory staff salaries	12,705,850	11,556,300
Staff welfare expenses	798,350	734,000
Travelling and conveyance	85,100	109,250
Mixing, packing and bale pressing charges	499,280	501,360
Vehicle running and maintenance	85,980	68,010
Labour electricity bill	171,251	575,420
Staff house rent	<u>268,760</u>	<u>1,152,540</u>
	<u>14,614,571</u>	<u>14,696,880</u>
20- Distribution cost		
Freight expenses	<u>635,930</u>	<u>595,420</u>



	<u>Note</u>	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
21- Administrative expenses			
Salaries and wages		1,411,867	1,245,360
Directors meeting expenses		20,000	84,000
Travelling and conveyance		177,475	95,403
Vehicle running and maintenance		305,896	261,450
Rent expense		878,450	642,050
Entertainment		37,207	44,380
Communication		125,669	205,160
Printing and stationery		151,705	176,900
Legal and professional charges		225,200	194,250
Auditors remuneration	21.1	100,000	100,000
Depreciation	4.1	223,215	237,577
Amortization	5.1	7,490	8,322
Repair and maintenance		28,960	42,130
Fee and subscriptions		16,000	30,600
Insurance		324,740	250,000
Market committee		25,300	9,500
Others		25,762	41,260
		<u>4,084,936</u>	<u>3,668,342</u>
21.1- Auditors remuneration			
Audit fee		85,000	85,000
Out of pocket expenses		15,000	15,000
		<u>100,000</u>	<u>100,000</u>
22- Other operating expenses			
Workers profit participation fund		-	224,006
Workers welfare fund		-	89,602
		<u>-</u>	<u>313,608</u>
23- Other income			
Profit from bank/deposits		302,929	455,955
Sale of scrape		4,290,560	3,195,360
Gain on disposal of assets		878,151	-
Gain on foreign currency exchange		-	413,517
Misc income		-	825,000
		<u>5,471,640</u>	<u>4,889,832</u>
24- Other cost			
Loss on foreign currency exchange		479	-
25- Finance cost			
Bank charges and commission		215,048	265,707



	<u>Note</u>	<u>2024</u> <u>Rupees</u>	<u>2023</u> <u>Rupees</u>
26- Taxation			
Current year	26.1	<u>5,755,498</u>	<u>3,021,160</u>

26.1- Provision for current year taxation represents tax payable U/S 113 and 154 of the Income Tax Ordinance, 2001.

27- (Loss) / Earning per share

Basic

(Loss) / Profit for the year
Number of share

	<u>(3,552,830)</u>	<u>1,145,341</u>
	<u>159,756</u>	<u>159,756</u>

(Loss) / Earning per share

	<u>(22.24)</u>	<u>7.17</u>
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28- Number of Employees

	<u>137</u>	<u>137</u>
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29- General

Figures have been rounded off to the nearest rupee.

30- Date of authorization

These financial statements have been authorized for issue on _____ by the board of directors of the Company.

Khawaja Muhammad Ali
Chief Executive


Khawaja Muhammad Mansoor
Director

