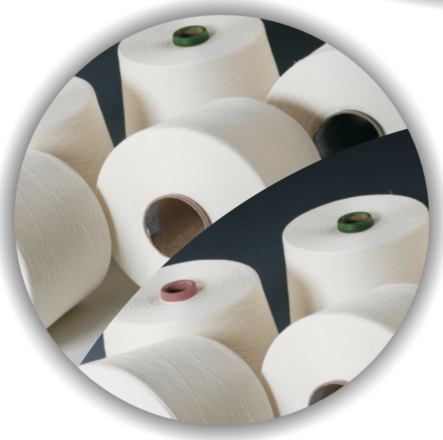
RUBY TEXTILE MILLS LIMITED



2024

Annual Report

VISION/MISSION STATEMENT

To transform the company into a modern and dynamic Textile products manufacturing company and to provide quality products to customers and explore new markets to promote/expand sales of the Company through Good Governance and foster a sound and dynamic team, so as to achieve optimum profitability for the Company for sustainable and equitable growth and prosperity of the Company, its employees and shareholders.

BOARD OF DIRECTORS	MR. NOOR ELAHI	- CHIEF EXECUTIVE
	MRS. PARVEEN ELAHI	- CHAIR PERSON
	Directors: MRS. NAHEED JAVED MR. IMTIAZ AHAMD MR. MUHAMMAD ASLAM ANSARI MR. AMJAD SHAHID MR. MANSOOB AHMED KHAN	
CHIEF FINANCIAL OFFICER	MR. ADREES AZAM	
COMPANY SECRETARY	MR. ADREES AZAM	
AUDIT COMMITTEE	MR. MANSOOB AHMED KHAN	- CHAIRMAN
	MRS. NAHEED JAVED	- MEMBER
	MR. MUHAMMAD ASLAM ANSARI	- MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. MANSOOB AHMED KHAN MR. IMTIAZ AHMAD MR. MUHAMMAD ASLAM ANSARI	- CHAIRMAN - MEMBER - MEMBER
BANKERS	M/S. MEEZAN BANK LIMITED	
	M/S. BANK AL-HABIB LIMITED	
	M/S. HABIB METROPOLITAN BANK LTD	
	M/S. NATIONAL BANK OF PAKISTAN	
	M/S. SILK BANK LTD	
	M/S. FAYSAL BANK LIMITED	
	M/S. MUSLIM COMMERCIAL BANK LTD	
	M/S. HABIB BANK LTD	
	M/S. BANK ALFALAH LTD	
AUDITORS	M/S. Sarwars Chartered Accountants, Office # 12-14, 2nd Floor, Lahore Centre, 77-D, Main Boulevard, Gulberg-III, Lahore email: sarwarsca@sarwarsca.com Tel: 35782920-22, Fax: 35773825	
INTERNAL AUDITOR	MR. TAHIR ALI	
LEGAL ADVISOR	M/S. MOHSIN & WAHEED LAW ASSOCIATES Office # S-3, 2nd Floor, West End Plaza, 72-The Mall Road, Lahore.	
HEAD OFFICE	35-Industrial Area, Gulberg -III, Lahore - 54660, Pakistan Phone: (+92-42) 3571-4601, 3576-1243-4 Fax: (+92-42) 3571-1400, 3576-1222 Email: info@rubytextile.com.pk	
REGISTERED OFFICE	35-Industrial Area, Gulberg -III, Lahore - 54660, Pakistan Phone: (+92-42) 3571-4601, 3576-1243-4 Fax: (+92-42) 3571-1400, 3576-1222 Email: info@rubytextile.com.pk	
MILLS	Raiwind-Manga Road, Raiwind, District Kasur. -55050. Pakistan. Phone: (+92-42) 3539-1031, 3539-2651-2 Fax: (+92-42) 3539-1032 Email: wasim@rubytextile.com.pk	
SHARE REGISTRAR	M/S. CORPLINK (PRIVATE) LIMITED 1-K, (Commercial) Wings Arcade, Model Town, Lahore. 54700 Phone: (+92-42) 35916714, 35839182 Fax: (+92-42) 3586-9037 Email: corplink786@gmail.com/shares@corplink.com.pk	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 44th Annual General Meeting (AGM) of the shareholders of Ruby Textile Mills Limited (the "Company") will be held at 03:00 P.M on Friday, the October 25, 2024, at office 35-Industrial Area, Gulberg III, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 25, 2023.
2. To consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' reports thereon.
3. To appoint auditors for the year ending June 30, 2025, and to fix their remuneration.

OTHER BUSINESS:

4. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD
(Adrees Azam)
Company Secretary

LAHORE
Dated: October 04, 2024

NOTES:

CLOSURE OF SHARE TRANSFER BOOKS:

The share transfer books of the Company shall remain closed from October 18, 2024 to October 25, 2024 (both days inclusive). Transfers received in order at Company's registrar, M/S Corplink (Private) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore up to close of business on October 18, 2024, will be considered in time for the purpose of determining above entitlement to the transferees for payment of final dividend and to attend the AGM.

PARTICIPATION IN MEETING:

A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid CNIC or Passport, not less than 48 hours before the time of the meeting during working hours. Attendance in the meeting shall be on production of original CNIC or passport. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 on dated: January 26, 2000, issued by the SECP.

MANDATORY SUBMISSION OF CNIC/NTN NUMBER & IBAN ON ELECTRONIC DIVIDEND:

All Shareholders are once again reminded to submit a copy of their valid CNIC, NTN and IBAN if not provided earlier to the Company's Share Registrar. Shareholders who holds shares in scrip less form on Central Depository Company of Pakistan Ltd. (CDC) are requested to update their IBAN details directly to the CDC participant (brokers)/CDC) Investor Account Services

PLACEMENT OF FINANCIAL STATEMENTS ON WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2024, have been placed on the website of the Company.

VIDEO CONFERENCE FACILITY:

Pursuant to Section 134(1)(b) of the Act, if Company receives consent from shareholders holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least seven days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please provide the following information and submit to the registered office of the Company.

TRANSFER OF SHARES INTO THE BOOK – ENTRY – FORM (CDC):

Pursuant to the provisions of Section 72 of the Companies Act, 2017 (The Act), all shareholders having their physical shares are requested to convert into book – entry – form (CDC).

CHANGE OF ADDRESS:

Shareholders are requested to notify the change of their address, if any, to Share Registrar M/S Corplink (Pvt.) Ltd., Wings Arcade 1-K Commercial, Model Town, Lahore. Tel # 042-35839182, 35916714-19.

CHAIRPERSON'S REVIEW REPORT

I am pleased to present the annual report and audited financial statements of the Company for the year ended 30 June, 2024 to our valued shareholders.

Over the year's higher input costs due to increased rates affected operational viability and gross margins of the industry. Due to unfavorable business environment the base of conventional industry has weakened in general as was evident from consistent plunge of Pakistan's share of textile in global market.

Pursuant to requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019, mechanism has been put in place for annual evaluation of the performance of the Board of Directors (the "Board") of Ruby Textile Mills Limited (the "Company"). The main objective of this exercise is to internally evaluate the performance of the Board and its Committees in order to facilitate the Management and to play an effective role as a coordinated team for the success of the Company. Strategic goals for the Management have been earmarked for the coming year and the Board's effectiveness is measured in the context of achievement of such objectives. Accordingly, the Board has completed its annual self-evaluation for the year 2024 and I am pleased to report that the overall performance benchmarked on the basis of criteria set for the year 2024, remained satisfactory. Such assessment was based on standards set by the Board in line with best corporate governance practices.

COMPOSITION OF THE BOARD:
The composition of the Board depicts reasonable balance of executive and non-executive Directors including independent Directors and as a Group, possesses the requisite skills, core competencies and industry knowledge to lead the Company. All Board members have exercised their individual business judgment and are involved in important Board decisions.

VISION & MISSION STATEMENTS:
The Board members are aware of the high level of ethical and professional standards laid down in our Vision & Mission Statements which are adopted by the Company and fully support the same in attaining the objectives dilated therein.

STRATEGIC DECISION MAKING:
Overall corporate strategy and objectives have been set in line with the strategic vision of the Board from which the annual business plan is derived, as well as, projected plans for the next five years have been set by the Management, covering all functional and operational areas by utilization of available resources, modernization and expansion of production facilities to ensure continued growth in the bottom line which should hopefully result in improved results.

DILIGENCE:
The Board reviews the quality and appropriateness of financial statements of the Company, reporting and transparency of disclosures, Company's accounting policies, corporate objective plans, budgets and other reports. The meetings of the Board are held at required frequencies and agenda along with working papers are circulated in sufficient time prior to Board and Committee meetings.

ADEQUATE GOVERNANCE:
The Board has framed the Code of Conduct which defines requisite behavior and has been disseminated throughout the Company, along with supporting policies and procedures. Adequate controls and robust.

PRESENTATIONS:
During the course of discussion and approvals of financial statements, comprehensive presentations are placed before the Board based on incisive, critical and strategic analysis of all functional areas relating to core business of the Company. Benchmarking compared with the industry's peer group are carried out. This practice provides ample opportunity for objective analysis of the Company's goals and evaluation of its own financial performance with the peer group. The Board provides appropriate directions and oversight emanated on the basis of thorough and detailed discussions.

For and on behalf of the Board of Directors

Parveen Elahi

LAHORE
October 04, 2024

MRS.PARVEEN ELLAHI
(CHAIRPERSON)

چیئر پرسن کی جائزہ رپورٹ

مجھے 30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالی گوشوارے ہمارے قابل قدر شیئر ہولڈرز کو پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

زیادہ شرحوں کی وجہ سے سال کے زیادہ پیداواری اخراجات نے صنعت کی آپریشنل افادیت اور مجموعی مارجن کو متاثر کیا۔ ناسازگار کاروباری ماحول کی وجہ سے روایتی صنعت کی بنیاد عام طور پر کمزور ہوئی ہے جیسا کہ عالمی مارکیٹ میں پاکستان کے ٹیکسٹائل کے حصے میں مسلسل کمی سے ظاہر ہوتا ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضہ کے مطابق، روبی ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز ("بورڈ") کی کارکردگی کی سالانہ تشخیص کے لئے میکانزم قائم کیا گیا ہے۔ اس مشق کا بنیادی مقصد بورڈ اور اس کی کمیٹیوں کی کارکردگی کا اندرونی طور پر جائزہ لینا ہے تا کہ انتظامیہ کو سہولت فراہم کی جاسکے اور کمپنی کی کامیابی کے لئے ایک مربوط ٹیم کے طور پر مؤثر کردار ادا کیا جاسکے۔ آئندہ سال کے لئے انتظامیہ کے لئے اسٹریٹجک اہداف مقرر کیے گئے ہیں اور بورڈ کی تاثیر کی ان مقاصد کے حصول کے تناظر میں پیمائش کی جاتی ہے۔ اس کے مطابق بورڈ نے سال 2024 کے لئے اپنی سالانہ خود تشخیصی مکمل کر لی ہے اور مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ سال 2024 کے لئے طے کردہ معیار کی بنیاد پر مجموعی کارکردگی اطمینان بخش رہی۔ اس طرح کا تخمینہ بہترین کارپوریٹ گورننس طریقوں کے مطابق بورڈ کی طرف سے طے کردہ معیارات پر مبنی تھا۔

بورڈ کی تشکیل:

بورڈ کی تشکیل آزاد ڈائریکٹرز سمیت ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معقول توازن کی عکاسی کرتی ہے اور ایک گروپ کی حیثیت سے کمپنی کی قیادت کرنے کے لئے مطلوبہ مہارت، بنیادی قابلیت اور صنعت کا علم رکھتا ہے۔ بورڈ کے تمام ممبران نے اپنے انفرادی کاروباری فیصلے کا استعمال کیا اور بورڈ کے اہم فیصلوں میں شریک ہیں۔

وژن اور مشن کے بیانات:

بورڈ کے ممبران ہمارے وژن اور مشن بیانات میں مقرر کردہ اعلیٰ سطح کے اخلاقی اور پیشہ ورانہ معیارات سے آگاہ ہیں جو کمپنی کی طرف سے اپنائے گئے ہیں اور اس میں بیان کردہ مقاصد کے حصول میں اس کی مکمل حمایت کرتے ہیں۔

اسٹریٹجک فیصلہ سازی:

مجموعی طور پر کارپوریٹ حکمت عملی اور مقاصد بورڈ کے اسٹریٹجک وژن کے مطابق طے کیے گئے ہیں جس سے سالانہ کاروباری منصوبہ اخذ کیا گیا ہے، ساتھ ہی انتظامیہ کی جانب سے اگلے پانچ سالوں کے لئے متوقع منصوبے مرتب کیے گئے ہیں، جس میں دستیاب وسائل کے استعمال، جدید کاری اور پیداواری سہولیات کی توسیع کے ذریعے تمام فعال اور آپریشنل شعبوں کا احاطہ کیا گیا ہے تا کہ نچلی سطح پر مسلسل ترقی کو یقینی بنایا جاسکے جس کے نتیجے میں اُمید ہے کہ بہتر نتائج برآمد ہوں گے۔

محنت:

بورڈ کمپنی کے مالی گوشواروں کے معیار اور مناسبت، رپورٹنگ اور انکشافات کی شفافیت، کمپنی کی اکاؤنٹنگ پالیسیوں، کارپوریٹ معروضی منصوبوں، بجٹ اور دیگر رپورٹس کا جائزہ لیتا ہے۔ بورڈ کے اجلاس مطلوبہ فریکوئنسی پر منعقد کیے جاتے ہیں اور بورڈ اور کمیٹی کے اجلاسوں سے کافی وقت پہلے ورکنگ پیپرز کے ساتھ ایجنڈا تقسیم کیا جاتا ہے۔

مناسب نظم ونسق:

بورڈ نے مطلوبہ طرز عمل کا ضابطہء اخلاق تیار کیا اور معاون پالیسیوں اور طریقہء کار، مناسب کنٹرول اور مضبوطی کے ساتھ کمپنی بھر میں لاگو کیا گیا ہے۔

پریزنٹیشن:

مالی حسابات پر بحث اور منظوری کے دوران، جامع پریزنٹیشنز کو بورڈ کے سامنے پیش کیا گیا ہے جو کمپنی کے بنیادی کاروبار سے متعلق تمام فعال شعبوں کے تیز، تنقیدی اور اسٹریٹجک تجزیہ پر مبنی ہے۔ صنعت کے ہم مرتبہ گروپ کے مقابلے میں بینچ مارکنگ کی جاتی ہے۔ یہ عمل کمپنی کے اہداف کے معروضی تجزیہ اور ہم مرتبہ گروپ کے ساتھ اس کی اپنی مالی کارکردگی کی تشخیص کے کافی مواقع فراہم کرتا ہے۔ بورڈ مکمل اور تفصیلی تبادلہء خیال کی بنیاد پر مناسب ہدایات اور نگرانی فراہم کرتا ہے۔

Parween Elahi

منجانب بورڈ آف ڈائریکٹرز
محترمہ پروین الٰہی
(چیئر پرسن)

لاہور: تاریخ: 04 اکتوبر 2024ء

DIRECTOR'S REPORT

In Compliance with Section 227 of the Companies Act, 2017, The Directors are pleased to present the Annual Report along with audited financial statements and auditors report thereon for the year ended June 30, 2024.

Principal Activities of the Company
The Company is engaged in the business of manufacturing and sale of yarn.

Overview
The period under review saw an unprecedented upheaval in the normal working patterns within the textile industry. Huge increases in interest rates and energy prices emerged during a large liquidity crisis This period also witnessed difficulty in procuring imported raw materials, spare parts and machinery for expansion due to the State Bank's tightening on import Controls. The domestic Spinning industry faced a harsh turnaround compared to the previous year, as rapidly escalating costs of energy and drop in sales prices resulted in significant reduction in profitability.

Performance of the Company

	2024 Rupees	2023 Rupees
Turnover – net	-	12,298,560
Cost of sales	-	(109,328,917)
Gross loss	-	(97,030,357)
Administrative and general expenses	(64,109,176)	(28,904,094)
Other income/ (Expenses)	13,028,906	60,859,629
Loss before finance cost	(51,080,270)	(65,074,822)
Finance cost	(3,066,048)	(4,325,260)
Loss before taxation	(54,146,318)	(69,400,082)
Taxation	8,901,374	9,128,702
Loss after taxation for the year	(45,244,944)	(60,271,380)
Earnings per share - basic and diluted	(0.87)	(1.15)

The Company's operations remained closed during the year like previous year. Financial constraints and closure of business units result in unsatisfactory financial performance of the Company and loss after tax reach to Rs. 45.245 million (2023: Rs. 60.271 million).

The overall results of the company remain adverse as the mainly due to non-operational activities during the year which was the main hurdle for raising finance from the banks. As the settlement/ restructuring with the bank will have positive effect as the regularization will pave the way for the raising working capital limit from the banks in foreseeable future because without the finance, it is not possible to have economical viable productivity plan implementation. The management is confident that it will make all efforts to start its production in next financial year by seeking financial supports from the bank with continuous support from the sponsors.

Global Market Conditions and Future Prospects

Due to devaluation of Pakistan Rupee, increase in imported raw materials and machinery cost witnessed decline in overall exports of country. Due to stiff competition and high cost of production, the exports remain undervalued both in term of quantity and value. The post Covid-19 environment, Pakistan's textile industry got an opportunity to have better export orders but at the same time, the higher input cost especially high power cost is adversely affecting to explore the opportunity available as compared with other regional players.

To counter this challenging economic situation, Pakistani textile sector shall have to be cost effective niche marketing, product and customer development as the essential tools to remain competitive domestically and internationally. The efforts on marketing side especially focused on international brands and technical textiles, will ensure increased revenue and better margin. On the cost side, better supply-chain management for raw materials and innovation in production processes shall remain pivotal parts of the strategy. The management is confident that the company shall be able to improve its operational performance and going forward.

The management of the company is working on alternate approach either the Unit-II shall be made operative on lease basis and unit-I shall be operated by the company itself and in this way the company shall be able to revive the operational facility at optimum level and also looking forward to arrange funds from their own sources to meet the working capital requirement. The management is confident and hopeful that the efforts for arrangement discussed will be finalized in next foreseeable future and then, the operation of the mill shall be run on optimum production capacity level.

The management of the company is determined to turn the unit as viable, operative and profitable unit by improving cost effective measures and cost saving efforts in future.

Composition of the Board
The Board of Directors as at June 30, 2024, consists of:

Total number of directors:

a)	Male	05
b)	Female	02

Composition including the following:

a)	Independent Directors	02
b)	Non-Executive Directors	05
c)	Executive Director	02

The name of the Director's as at June 30, 2024 are as follows:

(1)	Mr. Noor Elahi	Chief Executive
(2)	Mrs. Perveen Elahi	Chairperson
(3)	Mrs. Naheed Javed	Director
(4)	Mr. Imtiaz Ahmad	Director
(5)	Mr. Muhammad Aslam Ansari	Director
(6)	Mr. Amjad Shahid	Director
(7)	Mr. Mansoob Ahmed Khan	Director

The Board has formed two sub committees namely Audit Committee and Human Resource & Remuneration Committee. The composition of both these committees is disclosed as follows:

Audit Committee

Mr. Mansoob Ahmed Khan	Chairman (Independent)
Mrs. Naheed Javed	Member
Mr. Muhammad Aslam Ansari	Member

Human Recourse and Remuneration Committee

Mr. Mansoob Ahmed Khan	Chairman (Independent)
Mr. Imtiaz Ahmad	Member
Mr. Muhammad Aslam Ansari	Member

Corporate and Financial Reporting Framework
The Company's Management is fully cognizant of its responsibility as recognized by the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 issued by the Securities and Exchange Commission of Pakistan (SECP) and the Rule Book of Pakistan Stock Exchange (PSX). The following comments are acknowledgement of company's commitment to high standards of Corporate Governance and Continuous Improvement:

1. The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting/Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure from there have been adequately disclosed.
5. The system of internal control is sound and has been effectively implemented and monitored.
6. There is no significant doubt upon the company's ability to continue as a going concern.
7. There has been no material departure from the best practices of Code of Corporate Governance, as detailed in Listing Regulations.
8. Outstanding taxes and levies are given in the Notes to the Financial Statements.
9. Statement of compliance with Code of Corporate Governance and Financial Highlights for the last six years is annexed.

During the year, four Board of Directors Meetings, four Audit Committee Meetings and one Human Resource and Remuneration Committee Meetings were held. The attendance of the Directors is as follows:

Name of Director	Number of meeting attended		
	Board of Directors	Audit Committee	Human Resource and Remuneration Committee
Mr. Noor Elahi	4		
Mrs. Parveen Elahi	4		
Mrs. Naheed Javed	4	4	
Mr. Mansoob Ahmed Khan	4	4	1
Mr. Imtiaz Ahmad	4	4	1
Mr. Muhammad Aslam Ansari	4		1
Mr. Amjad Shahid	4		

Appointment of Statutory Auditors
The present auditors M/S Sarwars, Chartered Accountants, have completed their tenure for the year (FY 2023-24) and will be retiring at the conclusion of forthcoming Annual General Meeting (AGM). Being eligible, they have offered themselves for reappointment. The Audit Committee has recommended their re-appointment as auditors of the company for the year (FY 2024-25).

Corporate Social Responsibility
Ruby Textile Mills Ltd. is committed to achieving tangible, sustainable fulfillment of its corporate social responsibility.

Significant features of remuneration policy of non-executive directors
Non-executive directors including the independent director are entitled only for fee for attending the meetings.

Board Evaluation
During the year, the Board and its sub committees have undertaken a formal process of evaluation of their performance. The overall performance of the Board and its sub-committees measured on the defined parameters for the year was satisfactory.

Related Party Transactions
All transactions with related parties were approved by the Board, and details of all such transactions were placed before Audit committee. During the year, the company carried out transactions with its related parties. Details of these transactions are disclosed in note 32 to financial statements.

Pattern of share holding
Pattern of Shareholding as at June 30, 2024, which is required to be disclosed under the reporting framework, is annexed to this report.

Auditors' Report Qualification
The auditors have qualified there report as under:

Auditors' have given adverse audit report in respect of going concern issue that company may not be considered as going concern and therefore, the preparation of the financial statement on the basis of going concern basis is inappropriate. The company's overall assets exceed the financial liability by Rs.913 million and the company is able to meet its financial commitment in normal course of business. The company is working on a comprehensive plan of revival by arranging working capital needed as well as the considering the lease or operation on conversion option basis to make the unit operative, and the full utilization of the production capacity along with the improvement of product quality will be ensured.

Internal Financial Controls
The directors are aware of their financial responsibility with respect to internal financial controls. Through discussion with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the company.

Principal Risk and Uncertainty
Businesses face numerous risk and uncertainties which if not properly addressed might cause serious loss to the company. The Board of Directors of the company has carried out vigilant and thorough of both internal and external risks that the company might face. Following are some risks which the company is facing.

- Technological advancement making it more challenging for the company to compete on the national and international level.
- Non-renewal of financial facilities.

Personnel and Working Environment
Company is well aware of the importance of team of skilled worker and staff. Therefore, in-house programs designed for this purpose are regularly undertaken. At the same time, other important areas like health, safety and better working environment are also being looked after very well.

Health, Safety, & Environment
The Company maintains working conditions which are safe and without risk to the health of all employees and public at large. Our focus remains on improving all aspects of safety specially, with regards to the safety, production, delivery, storage and handling of materials. Your Company always ensures environment preservation and adopts all possible means for environment protection. The company strictly complies with the standards of the safety rules and regulations. It also follows environmental friendly policies.

Acknowledgments
The Directors are grateful to the Company's members, financial institutions and customers for their co-operation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

For and on behalf of the Board

Imtiaz Ahmad

Dated: October 04, 2024
Lahore

Mr. Imtiaz Ahmad
Director

Mr. Noor Elahi
Chief Executive Officer

متعلقہ پارٹی ٹرانزیکشنز

متعلقہ فریقوں کے ساتھ تمام لین دین کو بورڈ کی طرف سے منظور کیا گیا تھا، اوراس طرح کے تمام لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے رکھی گئیں۔ سال کے دوران، کمپنی نے اپنے متعلقہ فریقوں کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات مالیاتی حسابات کے نوٹ 32 میں بیان کی گئی ہیں۔

نمونہء حصص داری

30 جون، 2024 کو شیئر ہولڈنگ کا پیٹرن، جسے رپورٹنگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، رپورٹ ہذا کے ساتھ منسلک ہے۔

آڈیٹرز کی رپورٹ کی کوالیفکیشن

آڈیٹر نے حسبِ ذیل کے مطابق اپنی رپورٹ کی توثیق کی ہے:

آڈیٹرز نے تشویش کے معاملے کے حوالے سے منفی آڈٹ رپورٹ دی ہے کہ کمپنی کو گوئنگ تشویش کے طور پر نہیں سمجھا جا سکتا ہے اور ہو سکتا ہے کہ گوئنگ تشویش کی بنیاد پر مالی گوشوارہ کی تیاری نامناسب ہو۔ کمپنی کے مجموعی اثاثے مالی ذمہ داری 913 ملین روپے سے زیادہ ہیں اور کمپنی معمول کے کاروبار میں اپنے مالی وعدوں کو پورا کرنے کے قابل ہے۔ کمپنی بحالی کے ایک جامع منصوبے پر کام کر رہی ہے جس میں یونٹ کو آپریٹو بنانے کے لیے تبادلوں کے آپشن کی بنیاد پر لیز یا آپریشن پر غور اور درکار ورکنگ کیپیٹل کا بندوبست کیا جائے گا، اور پروڈکٹ کے معیار میں بہتری کے ساتھ ساتھ پیداواری صلاحیت کا مکمل استعمال یقینی بنایا جائے گا۔

داخلی مالیاتی کنٹرولز

ڈائریکٹرز داخلی مالیاتی کنٹرول کے حوالے سے اپنی مالی ذمہ داریوں سے بخوبی آگاہ ہیں۔ مینجمنٹ اور آڈیٹرز (دونوں اندرونی اور بیرونی) کے ساتھ گفت وشنید کے ذریعے، وہ توثیق کرتے ہیں کہ کمپنی کی طرف سے موزوں کنٹرول نافذ کیا گیا ہے۔

بنیادی خطرہ اور غیر یقینی

کاروباری اداروں کو متعدد خطرات اور غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے جس کو اگر مناسب طریقے سے حل نہ کیا گیا تو کمپنی کو شدید نقصان پہنچ سکتا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے اندرونی اور بیرونی دونوں خطرات جن کا کمپنی کو سامنا کرنا پڑ سکتا ہے سے چوکس اور مکمل طور پر حل کیا ہے۔ کمپنی کو درپیش چند خطرات مندرجہ ذیل ہیں۔

. تکنیکی ترقی کمپنی کے لیے قومی اور بین الاقوامی سطح پر مسابقت کو زیادہ مشکل بنا رہی ہے۔
. مالی سہولیات کی تجدید نہ ہونا۔

پرسنل اور ورکنگ ماحول۔

آپ کی کمپنی ہنر مند کارکن اور عملے کی ٹیم کی اہمیت سے بخوبی واقف ہے۔ لہٰذا، اس مقصد کے لیے اِن ہاؤس پروگرام باقاعدگی سے منعقد کیے جاتے ہیں۔ ساتھ ہی ساتھ، دیگر اہم شعبوں مثلاً صحت، حفاظت اور بہتر کام کے ماحول کی بھی بہت اچھی طرح سے دیکھ بھال کی جا رہی ہے۔

صحت، حفاظت، اور ماحول

کمپنی کام کے ایسے حالات کو برقرار رکھتی ہے جو محفوظ اور بڑے پیمانے پر تمام ملازمین اور عوام کی صحت کے لئے خطرے سے خالی ہیں۔ خاص طور پر حفاظت، پیداوار، ترسیل، اسٹوریج اور مواد کی ہینڈلنگ کے حوالے سے ہماری توجہ تحفظ کے تمام پہلوؤں کو بہتر بنانے پر مرکوز ہے آپ کی کمپنی ہمیشہ ماحول کے تحفظ کو یقینی بناتی ہے اور ماحولیاتی تحفظ کے لئے تمام ممکنہ ذرائع کو بروئے کار لاتی ہے۔ کمپنی حفاظتی قواعد وضوابط کے معیارات کی سختی سے تعمیل کرتی ہے۔ یہ ماحول دوست پالیسیوں پر بھی عمل پیرا رہتی ہے۔

اظہارِ تشکر

ڈائریکٹرز کمپنی کے ممبران، مالیاتی اداروں اور صارفین کے تعاون اور حمایت کے لئے ان کے مشکور ہیں۔ وہ مختلف ڈویژنز میں کام کرنے والے تمام ملازمین کی محنت اور لگن کو بھی سراہتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

نور الٰہی
(چیف ایگزیکٹو)

امتیاز احمد
ڈائریکٹر

لاہور
04 اکتوبر 2024ء

کارپوریٹ گورننس کا ضابطہء اخلاق

کمپنی کی انتظامیہ کمپنیز ایکٹ، 2017، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور پاکستان اسٹاک ایکسچینج (پی ایس ایکس) کی رول بک کے تحت تسلیم شدہ اپنی ذمہ داریوں سے بخوبی آگاہ ہے۔ مندرجہ ذیل تبصرے کارپوریٹ گورننس اور مسلسل بہتری کے اعلی معیار کے لئے کمپنی کے عزم کا اعتراف ہیں:

1• کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

2• کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

3• مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4• مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات / بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔

5• اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

6• کمپنی کے رواں دواں رہنے کی صلاحیت بارے کوئی نمایاں شکوک وشبہات نہیں ہیں۔

7• فہرستی قواعد میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا۔

8• بقایا ٹیکسوں اور لیویز کے بارے میں معلومات مالی گوشواروں کے نوٹس میں دی گئی ہیں۔

9• کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان اور گزشتہ چھ سالوں کی مالی جھلکیاں لف ہیں۔

زیرِ جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چار اجلاس، آڈٹ کمیٹی کے چار اجلاس اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

نام ڈائریکٹر	تعداد حاضری اجلاس		
	بورڈ کے اجلاس	آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمنریشن کمیٹی
جناب نورالٰہی	4		
محترمہ پروین الٰہی	4		
محترمہ ناہید جاوید	4	4	
جناب منسوب احمد خان	4	4	1
جناب امتیاز احمد	4	4	1
جناب محمد اسلم انصاری	4		1
جناب امجد شاہد	4		

قانونی آڈیٹرز

موجودہ آڈیٹرز میسرز سرورز، چارٹرڈ اکاؤنٹنٹس نے سال (مالی سال 24-2023) کی اپنی مدت مکمل کرلی ہے اور آئندہ سالانہ اجلاس عام (AGM) کے اختتام پر ریٹائر ہوجائیں گے۔ اہل ہونے کے سبب، انہوں نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی نے سال (مالی سال 25-2024) کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ سماجی ذمہ داری

روبی ٹیکسٹائل ملز لمیٹڈ اپنی کارپوریٹ سماجی ذمہ داری کی ٹھوس، پائیدار تکمیل کے حصول کے لئے پُرعزم ہے۔

نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی کی اہم خصوصیات

غیر جانبدار ڈائریکٹر سمیت غیر ایگزیکٹو ڈائریکٹرز فقط اجلاسوں میں شرکت کی فیس کے مستحق ہیں۔

بورڈ کی تشخیص

سال کے دوران بورڈ اور اس کی ذیلی کمیٹیوں نے اپنی کارکردگی کا جائزہ لینے کا باضابطہ عمل شروع کیا ہے۔ بورڈ اور اس کی ذیلی کمیٹیوں کی مجموعی کارکردگی کو سال کے لئے متعین کردہ پیرامیٹرز پر پیمائش کیا گیا جو تسلی بخش رہی۔

اس مشکل معاشی صورتحال کا مقابلہ کرنے کے لیے پاکستانی ٹیکسٹائل سیکٹر کو ایک سرمایہ کاری مؤثر مقام مارکیٹنگ ہونا چاہیے، ملکی اور بین الاقوامی سطح پر مسابقتی رہنے کے لیے مصنوعات اور کسٹمر کی ترقی ضروری ہتھیار ہیں۔ بین الاقوامی برانڈز اور تکنیکی ٹیکسٹائل پر مرکوز خاص طور پر مارکیٹنگ کی کوششیں، آمدنی میں اضافہ اور بہتر مارجن کو یقینی بنائے گی۔ لاگت کے لحاظ سے، خام مال کی سپلائی چین کا بہتر انتظام اور پیداواری عمل میں جدت حکمت عملی کے اہم حصے رہیں گے۔ انتظامیہ کو یقین ہے کہ کمپنی اپنی آپریشنل کارکردگی کو بہتر بنانے اور آگے بڑھنے میں کامیاب ہوگی۔

کمپنی کی انتظامیہ متبادل نقطہ نظر پر بھی کام کر رہی ہے یا تو یونٹ-II کو لیز کی بنیاد پر آپریٹ کیا جائے گا اور یونٹ-I کو کمپنی خود چلائے گی اور اس طرح کمپنی زیادہ سے زیادہ سطح پر آپریشنل سہولت کو بحال کر سکے گی اور ورکنگ کیپیٹل کی ضرورت کو پورا کرنے کے لیے اپنے ذرائع سے فنڈز کا بندوبست کرنے کے منتظر ہیں۔ انتظامیہ پُر اعتماد اور پُر امید ہے کہ زیر بحث انتظامات کی کوششوں کو اگلے مستقبل قریب میں حتمی شکل دی جائے گی اور پھر مل کا آپریشن بہترین پیداواری صلاحیت کی سطح پر چلایا جائے گا۔

کمپنی کی انتظامیہ مستقبل میں لاگت کے مؤثر اقدامات اور لاگت بچانے کی کوششوں کو بہتر بنا کر یونٹ کو قابل عمل، آپریٹو اور منافع بخش یونٹ میں تبدیل کرنے کے لیے پُرعزم ہے۔

بورڈ کی تشکیل

30 جون 2024 کے مطابق بورڈ آف ڈائریکٹرز کی تشکیل مندرجہ ذیل ہے:

ڈائریکٹرز کی کل تعداد

a) مرد	5
b) خاتون	2

تشکیل

i۔ غیر جانبدار ڈائریکٹرز	02
ii۔ نان ایگزیکٹو ڈائریکٹرز	05
iii۔ ایگزیکٹو ڈائریکٹرز	02

30 جون 2024 کے مطابق ڈائریکٹرز کے نام درج ذیل ہیں

1) جناب نور الٰہی	چیف ایگزیکٹو
2) محترمہ پروین الٰہی	چیئرپرسن
3) محترمہ ناہید جاوید	ڈائریکٹر
4) جناب امتیاز احمد	ڈائریکٹر
5) جناب محمد اسلم انصاری	ڈائریکٹر
6) جناب امجد شاہد	ڈائریکٹر
7) جناب منسوب احمد خان	ڈائریکٹر

بورڈ نے آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی نامی دو ذیلی کمیٹیاں تشکیل دی ہیں۔ ان دونوں کمیٹیوں کی تشکیل کی وضاحت اس طرح کی گئی ہے۔

آڈٹ کمیٹی

جناب منسوب احمد خان۔ چیئرمین (غیر جانبدار)

محترمہ ناہید جاوید۔ ممبر

جناب محمد اسلم انصاری۔ ممبر

ہیومن ریسورس اینڈ ریمنریشن کمیٹی

جناب منسوب احمد خان۔ چیئرمین (غیر جانبدار)

جناب امتیاز احمد۔ ممبر

جناب محمد اسلم انصاری۔ ممبر

ڈائریکٹرز رپورٹ

ڈائریکٹرز رپورٹ

کمپنیز ایکٹ، 2017 کی دفعہ 227 کی تعمیل میں، ڈائریکٹرز 30 جون 2024ء کو ختم ہونے والے سال کے لئے سالانہ رپورٹ کے ہمراہ کمپنی کے نظرثانی شدہ مالی گوشوارے اور اُن پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

کمپنی کی بنیادی سرگرمیاں

کمپنی دھاگہ کی مینوفیکچرنگ اور فروخت کے کاروبار میں مشغول ہے۔

جائزہ

زیرِ جائزہ مدت میں ٹیکسٹائل صنعت کے اندر معمول کے کام کے طریقوں میں غیر معمولی ہلچل دیکھی گئی۔ شرح سود اور توانائی کی قیمتوں میں بہت زیادہ اضافہ لیکویڈیٹی بحران کے دوران سامنے آیا اس عرصے میں اسٹیٹ بینک پاکستان کی جانب سے درآمدی کنٹرول پر سختی کی وجہ سے توسیع کے لیے درآمدی خام مال، اسپئیر پارٹس اور مشینری کی خریداری میں بھی مشکلات کا سامنا کرنا پڑا۔ مقامی اسپننگ انڈسٹری کو گزشتہ سال کے مقابلے میں سخت تبدیلی کا سامنا کرنا پڑا، کیونکہ توانائی کی تیزی سے بڑھتی ہوئی لاگت اور فروخت کی قیمتوں میں کمی کے نتیجے میں منافع میں نمایاں کمی واقع ہوئی۔

کمپنی کی کارکردگی

سال کے لئے کمپنی کی آپریشنل کارکردگی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:۔

	2024 روپے	2023 روپے
ٹرن اوور - خالص	-	12,298,560
فروخت کی لاگت	-	(109,328,917)
مجموعی (نقصان)	-	(97,030,357)
تقسیم اور عام اخراجات	(64,109,176)	(28,904,094)
دیگر آمدنی / (اخراجات)	13,028,906	60,859,629
مالی لاگت سے قبل خسارہ	(51,080,270)	(65,074,822)
مالیاتی اخراجات	(3,066,048)	(4,325,260)
ٹیکس سے پہلے نقصان	(54,146,318)	(69,400,082)
ٹیکس کی فراہمی	8,901,374	9,128,702
ٹیکس کے بعد نقصان	(45,244,944)	(60,271,380)
فی شیئر آمدنی - بنیادی اور معتدل	(0.87)	(1.15)

گزشتہ سال کی طرح اس سال کے دوران بھی کمپنی کے آپریشن بند رہے ہیں۔ کمپنی کو درپیش مالی رکاوٹوں اور کاروباری یونٹوں کے بند ہونے کی وجہ سے، رواں سال کے دوران کمپنی کی مجموعی کارکردگی غیر تسلی بخش رہی اور ٹیکس کے بعد خسارہ 45.245 ملین روپے (2023: 60.271 ملین روپے) ہے۔

بنیادی طور پر سال کے دوران غیر آپریشنل سرگرمیوں کی وجہ سے کمپنی کے مجموعی نتائج منفی ہی رہے جو کہ بینکوں سے قرض حاصل کرنے میں اہم رکاوٹ تھی۔ بینک کے ساتھ تصفیہ/تنظیم نو کا مثبت اثر پڑے گا اور مستقبل قریب میں بینکوں سے ورکنگ کیپیٹل کی حد میں اضافے کی راہ ہموار کرے گی کیونکہ فنانس کے بغیر، اقتصادی طور پر قابل عمل پیداواری منصوبہ پر عمل درآمد ممکن نہیں ہے۔ انتظامیہ کو یقین ہے کہ وہ اسپانسرز کے مسلسل تعاون کے ساتھ بینک سے مالی تعاون حاصل کر کے اگلے مالی سال میں اپنی پیداوار شروع کرنے کی تمام تر کوششیں کرے گی۔

عالمی مارکیٹ کے حالات اور مستقبل کے امکانات

پاکستانی روپیہ کی قدر میں کمی کی وجہ سے درآمدی خام مال اور مشینری کی لاگت میں اضافے سے ملک کی مجموعی برآمدات میں کمی دیکھنے میں آئی۔ سخت مسابقت اور پیداواری لاگت زیادہ ہونے کی وجہ سے برآمدات دونوں مقدار اور قیمت کے لحاظ سے کم اہمیت کی حامل رہیں۔ کوویڈ 19 کے بعد کے ماحول میں پاکستان کی ٹیکسٹائل انڈسٹری کو بہتر برآمدی آرڈرز حاصل کرنے کا موقع ملا لیکن اس کے ساتھ ساتھ زیادہ پیداوری لاگت خاص طور پر بجلی کی زیادہ لاگت دیگر علاقائی حریفوں کے مقابلے میں دستیاب مواقع سے فائدہ اُٹھانے پر منفی اثر ڈال رہی ہے۔

FINANCIAL HIGHLIGHTS

Particulars		2024	2023	2022	2021	2020	2019
Net Assets Employed							
Fixed assets		902,793,832	931,131,964	831,685,365	859,088,709	888,729,335	900,269,654
Long term deposits		1,303,945	1,303,945	1,303,945	4,539,645	4,534,645	4,397,945
Current assets		26,178,115	32,983,612	157,622,511	153,927,494	140,911,245	259,251,548
Current liabilities		(145,138,271)	(135,209,361)	(224,128,143)	(273,455,695)	(276,298,880)	(305,197,548)
		(118,960,156)	(102,225,749)	(66,505,632)	(119,528,201)	(135,387,635)	(45,946,000)
Long term liabilities		(768,252,165)	(767,493,010)	(748,616,946)	(661,795,575)	(601,867,564)	(671,649,983)
Net assets		16,885,456	62,717,150	17,866,732	82,304,578	156,008,781	187,071,616
Represented by							
Paid up capital		522,144,000	522,144,000	522,144,000	522,144,000	522,144,000	522,144,000
Reserves		(922,125,325)	(884,698,655)	(835,989,446)	(780,213,844)	(712,816,139)	(690,764,308)
Revaluation surplus		416,866,781	425,271,805	331,712,177	340,374,422	346,680,920	355,691,924
		16,885,456	62,717,150	17,866,732	82,304,578	156,008,781	187,071,616
Operating Results							
Sales		-	12,298,560	-	184,862,000	275,027,255	719,841,132
Gross (Loss)		-	(97,030,357)	(27,924,492)	(77,822,466)	(117,399,630)	(101,632,274)
Operating (Loss)		(51,080,270)	(65,074,822)	(15,161,221)	(64,910,457)	(26,687,983)	(16,867,368)
(Loss) before Taxation		(54,146,318)	(69,400,082)	(27,563,148)	(76,052,809)	(32,970,320)	(98,449,739)
Financial Ratios							
Gross Profit	%	0%	-789%	0%	-42%	-43%	-14%
Operating Profit	%	0%	-529%	0%	-35%	-10%	-2%
Profit / (Loss) before taxation	%	0%	-564%	0%	-41%	-12%	-14%
Earnings per share	Rs.	(0.87)	(1.15)	(0.53)	(1.40)	(0.54)	(1.89)
Current ratio	Times	(0.18)	(0.24)	(0.70)	(0.56)	(0.51)	(0.85)
Fixed assets turnover	Times	-	0.01	-	0.22	0.31	0.80
Plant capacity and production							
Spindles Installed and worked	Nos.	33,072	33,072	33,072	33,072	33,072	33,072
Actual production converted into 20/S count	Kgs.	-	-	-	711,019	1,364,044	3,796,277

PATTERN OF SHAREHOLDING

THE COMPANIES ACT, 2017 (Section 227(2)(f)) **FORM 34**

1.1 Name of the Company **RUBY TEXTILE MILLS LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2024**

2.2 No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
105	1	100	3,096
668	101	500	320,175
51	501	1,000	46,387
71	1,001	5,000	193,290
11	5,001	10,000	84,893
4	10,001	15,000	53,545
5	15,001	20,000	97,500
2	20,001	25,000	45,500
3	25,001	30,000	85,500
3	30,001	35,000	97,502
1	35,001	40,000	40,000
1	45,001	50,000	50,000
1	50,001	55,000	50,459
1	55,001	60,000	55,829
1	65,001	70,000	70,000
1	95,001	100,000	100,000
1	105,001	110,000	105,500
1	135,001	140,000	139,179
1	185,001	190,000	185,747
1	225,001	230,000	229,664
1	295,001	300,000	300,000
1	3,870,001	3,875,000	3,873,500
1	6,495,001	6,500,000	6,500,000
1	8,655,001	8,660,000	8,655,900
1	13,170,001	13,175,000	13,173,834
1	17,655,001	17,660,000	17,657,400
939			52,214,400

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	43,637,313	83.5733%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	6,900,500	13.2157%
2.3.3 NIT and ICP	232,564	0.4454%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	343	0.0007%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	50,105,313	95.9607%
2.3.8 General Public		
a. Local	1,383,092	2.6489%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- Joint Stock Companies	2,800	0.0054%
- Pension Funds	55,829	0.1069%
- Others	1,959	0.0038%

Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	NAHEED NOOR ENTERPRISES LTD.	300,000	0.5746%
2	NAHEED NOOR (PVT) LIMITED.	100,500	0.1925%
3	SUNRISE BOTTLING CO. (PVT) LTD.	6,500,000	12.4487%
Mutual Funds (Name Wise Detail)			
		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. NOOR ELAHI	17,796,579	34.0837%
2	MRS. PARVEEN ELAHI	8,761,400	16.7797%
3	MRS. NAHEED JAVED	17,047,334	32.6487%
4	MR. MUHAMMAD TANVEER	500	0.0010%
5	MR. MANSOOB AHMED KHAN	30,500	0.0584%
6	MR. MUHAMMAD ASLAM ANSARI	500	0.0010%
7	MR. IMTIAZ AHMAD	500	0.0010%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		56,172	0.1076%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	MR. NOOR ELAHI	17,796,579	34.0837%
2	MST. NAHEED JAVED	17,047,334	32.6487%
3	MRS. PARVEEN ELAHI	8,761,400	16.7797%
4	SUNRISE BOTTLING CO. (PVT) LTD.	6,500,000	12.4487%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	NAME	SALE	PURCHASE
1	MR. MANSOOB AHMED KHAN (CDC)	-	1,000

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (the Regulations) FOR THE YEAR ENDED 30 JUNE 2024

Name of the Company: Ruby Textile Mills Ltd Year Ending: June 30, 2024

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

1. Total number of directors are seven (7) as per the following:

Gender	Number
Male	5
Female	2

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

Category	Name
Independent Director	Mr. Amjad Shahid Mr. Mansoob Ahmed Khan
Executive Director	Mr. Noor Elahi Mr. Imtiaz Ahmad
Non-Executive Director	Mrs. Parveen Elahi Mrs. Naheed Javed Mr. Muhammad Aslam Ansari

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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 Chairperson and, in her 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 board.

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

9. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

11. The board has formed committees comprising of members given below:

a. Audit Committee

Mr. Mansoob Ahmed Khan	Chairman (Independent)
Mrs. Naheed Javed	Member
Mr. Muhammad Aslam Ansari	Member

b. Human Recourse and Remuneration Committee

Mr. Mansoob Ahmed Khan	Chairman (Independent)
Mr. Imtiaz Ahmad	Member
Mr. Muhammad Aslam Ansari	Member

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

13. The frequency of meetings of the committee were as per following:

    a. Audit Committee: Four quarterly meetings during the financial year ended June 30, 2024.

    b. HR and Remuneration Committee: One meeting during the financial year ended June 30, 2024.

14. The board has setup an effective internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

15. 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 incompliance 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

16. 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.

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

For and behalf of the Board

Dated: October 04, 2024	**Mr. Imtiaz Ahmad**	**Mr. Noor Elahi**
Lahore	**Director**	**Chief Executive Officer**

SARWARS
Chartered Accountants

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of the Ruby Textile Mills Limited

Review Report on the Statement of Compliance contained in the listed Companies (Code of Corporate Governance) Regulation, 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 **Ruby Textile Mills Limited** for the year ended June 30, 2024, in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on Our Review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June30,2024.

SARWARS CHARTERED ACCOUNTANTS

SARWARS
CHARTERED ACCOUNTANTS

Place: Lahore.
Date: October 04,2024
UDIN : CR202410208swuQ3UJbK

INDEPENDENT AUDITOR'S REPORT

To the Members of the Ruby Textile Mills Limited

Report on the Audit of the Financial Statements

Adverse opinion

We have audited the annexed financial statements of **RUBY TEXTILE MILLS LIMITED (the Company)**, which comprise the statement of financial position as at June 30, 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements (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 do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion:

The Company was unable to operate its unit-I and unit-II during the whole financial year. The Company has been incurring continuous gross losses due to the no commercial production activity. The Company's accumulated losses stand at Rs. 922.12 million and net loss after taxation amounting to Rs. 45.24 million, its current liabilities exceed its current asset by Rs. 118.96 million and financial results show adverse key financial ratios. However, the company has given godowns /warehouses on rentals to improve cash flows during the year. The company is trying hard to bring back the operational activity of the company besides the future outlook of the economy and current economical and political situation is adverse. The management is also trying to operate unit-2 subject to clearance from CIB – State Bank of Pakistan.

These conditions and events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore it may unable to realize its assets and discharges its liabilities in the normal course of business. However, as described in Note 1.1, these financial statements have been prepared under the going concern assumption. In our opinion, the company cannot be considered to be a going concern and the amounts at which the assets would be realized and liabilities would be settled would be different from the amounts given in these financial statements and thus the preparation of these financial statements on a going concern basis is inappropriate. We are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy. Therefore, we have given an adverse opinion on these financial statements.

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 Standard 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 adverse opinion.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgement, 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:

There are no key audit matters worth reportable.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2024, 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. Other information is misstated to the extent of matters raised in basis for adverse opinion.

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 approved 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.

The Board of Directors is responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year 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 except for the matters stated in Basis for Adverse Opinion section of our report:

- proper books of account have been kept by the company as required by the Companies Act, 2017 (XIX of 2017).

- because of the effects of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;

- investments 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 audit resulting in this independent auditor's report is Mr. Rashid Sarwar (FCA).

SARWARS
CHARTERED ACCOUNTANTS

Place: Lahore.
Date: October 04,2024
UDIN : AR202410208wbR9cqnYX

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Notes	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment & CWIP	4	902,793,832	931,131,964
Long term deposits	5	1,303,945	1,303,945
		904,097,777	**932,435,909**
CURRENT ASSETS			
Stores, spare parts and loose tools	6	-	-
Stock-in-trade	7	-	-
Trade debts	8	10,848,426	17,737,426
Advances and prepayments	9	3,946,206	6,310,764
Due from Government	10	11,266,727	8,296,745
Cash and bank balances	11	116,756	638,678
		26,178,115	**32,983,612**
TOTAL ASSETS		930,275,892	**965,419,521**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		700,000,000	**700,000,000**
Issued, subscribed and paid up share capital	12	522,144,000	522,144,000
Accumulated losses		(922,125,325)	(887,128,572)
Surplus on revaluation of property, plant and equipment	13	416,866,781	425,271,805
Loan from sponsors and other related parties	14	688,003,209	653,309,709
		704,888,665	**713,596,942**
NON-CURRENT LIABILITIES			
Long term financing from others	15	59,062,500	79,477,250
Long term security deposits	16	1,791,660	7,731,660
Deferred liabilities	17	19,394,796	29,404,308
		80,248,956	**116,613,218**
CURRENT LIABILITIES			
Trade and other payables	18	78,181,586	78,088,715
Accrued markup	19	13,326,870	11,755,993
Unclaimed dividend	20	402,570	402,570
Current & overdue portion of long term loans	21	53,227,246	44,962,083
Provision for taxation	22	-	-
		145,138,271	**135,209,361**
TOTAL LIABILITIES		225,387,227	**251,822,579**
CONTINGENCIES AND COMMITMENTS	23	-	**-**
TOTAL EQUITY AND LIABILITIES		930,275,892	**965,419,521**

The annexd notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

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

	Notes	2024 Rupees	2023 Rupees
Turnover - net	**24**	-	12,298,560
Cost of sales	**25**	-	(109,328,917)
Gross loss		**-**	**(97,030,357)**
Administrative and general expenses	**26**	(64,109,176)	(28,904,094)
Other income/ (Expenses)	**27**	13,028,906	60,859,629
		(51,080,270)	**31,955,535**
Loss before finance cost		**(51,080,270)**	**(65,074,822)**
Finance cost	**28**	(3,066,048)	(4,325,260)
Loss before taxation		**(54,146,318)**	**(69,400,082)**
Taxation	**29**	8,901,374	9,128,702
Loss after taxation for the year		**(45,244,944)**	**(60,271,380)**
Earnings per share - basic and diluted	**30**	**(0.87)**	**(1.15)**

The annexd notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

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

	2024 Rupees	2023 Rupees
Loss after taxation for the year	**(45,244,944)**	**(60,271,380)**
Other comprehensive inome:		
Items that will not beclassified subsequently to profit or loss		
Revaluation surplus on land	-	41,962,500
(Impairment)/revaluation on building during the year	-	38,717,686
(Impairment)/revaluation on plant & machienry during the year	-	45,732,756
Deferred tax on revaluation surplus on plant & machinery	-	(24,490,628)
	-	**101,922,314**
Remeasurement of staff retirement benefits	2,596,010	1,083,898
Deferred tax on remeasurement of staff retirement benefits	(752,843)	(314,330)
	1,843,167	**769,568**
Total comprehensive income - net of tax	**1,843,167**	**102,691,882**
Total comprehensive income / (loss) for the year	**(43,401,777)**	**42,420,502**

The annexd notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(54,146,318)**	**(69,400,082)**
Adjustments for non cash and other items:			
Depreciation	4	29,959,369	26,966,342
Provision for staff retirement benefit-gratuity	17.1.4	1,683,478	1,298,724
Liability written back		-	(36,793,293)
Bad debts witten off		-	-
Reversal of Provision		-	(9,311,566)
Finance cost	28	3,066,048	4,325,260
		34,708,895	**(13,514,533)**
Operating cash flow before working capital changes		**(19,437,423)**	**(82,914,615)**
Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		-	49,489,758
Stock in trade		-	82,788,853
Trade debts		6,889,000	(16,017,036)
Advances and prepayments		2,364,558	3,088,187
Balance with statutory authorities		(2,751,778)	7,271,869
Increase in current liabilities			
Trade and other payables		92,871	(69,415,751)
		6,594,650	**57,205,881**
Cash used in from operations		**(12,842,773)**	**(25,708,734)**
Finance cost paid		(1,495,171)	(2,424,941)
Taxes paid		(218,204)	(2,027,953)
Staff retirement gratuity paid		(948,450)	(302,500)
		(2,661,825)	**(4,755,394)**
Net cash used in from operating activities		**(15,504,598)**	**(30,464,127)**
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in property, plant and equipment		(1,621,234)	-
Long term deposits paid		(5,940,000)	
Long term deposits		-	-
Net cash (used in)/generated from investing activities		**(7,561,234)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
c) Long term financing from banking companies		(20,414,750)	(7,289,750)
Short term financing		8,265,162	-
Long term financing from others		-	-
Long term security deposuts		-	-
Long term financing from directors and associates		34,693,499	28,715,800
Net cash generated from financing activities		**22,543,911**	**21,426,050**
Net increase in cash and cash equivalents		(521,922)	(9,038,077)
Cash and cash equivalents at the beginning of the year		638,678	9,676,755
Cash and cash equivalents at the end of the year	11	**116,756**	**638,678**

The annexd notes from 1 to 42 form an integral part of these financial statements.

Parveen Elahi

CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

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

	Share capital	Capital reserves	Revenue reserve	Revaluation surplus on property, plant and equipment	Sub Total	Long term loan from chief executive and directors	Total
			Accumulated losses				
	-----Rupees-----						
Balance as at July 01, 2022	522,144,000	-	(835,989,446)	331,712,177	17,866,732	624,593,909	642,460,641
Loss for the year	-	-	(60,271,380)	-	(60,271,381)	-	(60,271,381)
Surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	-	101,922,314	101,922,314	-	101,922,314
OCI-Remeasurement of staff retirement benefits -net of deferred tax	-	-	769,568	-	769,568	-	769,568
Loan received during the year	-	-	-	-	-	25,629,800	25,629,800
Loan from associates	-	-	-	-	-	3,086,000	3,086,000
Incremental depreciation - net of deferred tax	-	-	8,362,686	(8,362,686)	-	-	-
Balance as at June 30, 2023	522,144,000	-	(887,128,572)	425,271,805	60,287,233	653,309,709	713,596,942
Balance as at July 01, 2023	522,144,000	-	(887,128,572)	425,271,805	60,287,233	653,309,709	713,596,942
Loss for the year	-	-	(45,244,944)	-	(45,244,944)	-	(45,244,944)
Surplus on revaluation of property, plant and equipment -net of deferred tax	-	-	-	-	-	-	-
OCI-Remeasurement of staff retirement benefits -net of deferred tax	-	-	1,843,167	-	1,843,167	-	1,843,167
Loan received during the year	-	-	-	-	-	34,403,500	34,403,500
Loan from associates	-	-	-	-	-	290,000	290,000
Incremental depreciation - net of deferred tax	-	-	8,405,024	(8,405,024)	-	-	-
Balance as at June 30, 2024	522,144,000	-	(922,125,325)	416,866,781	16,885,456	688,003,209	704,888,665

The annexd notes from 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1. STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on October 18, 1980 as a private limited company under repealed Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into public limited company. The registered office and head office of the company is located at 35-Industrial area, Gulberg III, Lahore. The shares of the company are quoted on the Pakistan stock exchange limited. The principal business of the company is manufacturing and sale of yarn. The manufacturing units are located at 3-km, Manga Road, Raiwind in the province of Punjab.

1.1 MATERIAL UNCERTAININTY RELATING TO GOING CONCERN

The company has been incurring gross losses for the last eight years due to under/non utilization of production capacity and during the year ended June 30, 2024, the company has incurred a net loss after taxation amounting Rs. 45.224 million (2023: Rs. 60.271 million), accumulated loss of Rs. 922.12 million (2023: Rs. 887.128 million) and current liabilities exceeds current asset by Rs. 118.96 million (2023: 102.225 millions) of that date. The unit-I and unit-II remain closed during the whole financial year. The company financial limits from bank are rescheduled, whereas the company operation is mainly relient on the financial contribution from sponsoring director's of the company.

These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements, however, have been prepared under the going concern assumptions based on the following mitigating factors narrated below;

- Sponsoring Director's of the company has contributed funds amounting to Rs. 34.69 million during the current year and directors has ability and committed to contribute further funds as and when required by the company. Due to the financial constrainsts faced by the company, the management has been working on alternate option by seeking a party to lease out Unit-II to third party or make the unit operative on the conversion basis, whereby, the unit-I will be operated by the company itself. The management expects that lease option or conversion option will be excercised in the forseeable future or make the unit operative on coversion basis.

- The total assets of the company exceeds total liability by Rs. 704.88 million (2023: Rs. 713.596 million) and the company entered into restructuring agreement in the year 2020 with M/s Messi Capital for converting the foreign currency loan repayable into Pak rupee with fixation of exchange rate of USD$ partity at Rs.105 with markup on LIBOR plus 1.5%. The company's overall assets are sufficient to meet its liabilities and with directors continous financial supports to meet the financial commitments, the company would be able to revive the business operation at normal trends in upcoming months.

The banks/lenders/associated undertakings have committed for further lending as and when required.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and

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

2.2 Basis of measurement

2.2.1 These financial statements have been prepared under the historical cost convention, except for Property plant and equipment's and recognition of certain staff retirement benefits at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

The preparation of these financial statements in conformity with approved accounting standards requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years.

2.2.1 Functional and presentation currency

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.

2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

2.3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following amendments to existing standards and interpretations have been published and are mandatory for the year ended June 30, 2024 and are considered to be relevant to the Company's financial statements:

IAS 1 Disclosure of accounting policies — January 01, 2023

Amendments to IAS 1, 'Presentation of Financial Statements' includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements

IAS 8 Definition of accounting estimates — January 01, 2023

The International Accounting Standards Board (the Board) has issued these amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates

IAS 12 Deferred tax	January 01, 2023

The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2023 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

2..3.2 Standards, interpretation and amendments to approved accounting standards that are effective to the extent applicable

The following standards, amendments and interpretations with respect to the approved accounting and reporting standards as applicable in Pakistan and relevant to the Company, would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective Date (Period beginning on or after)
	Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021
IFRS 1	Amendments to IFRS 1 'Simplifies the application of IFRS 1 for a subsidiary that become a forst time adopter of IFRS later than its parent.	January 1, 2021
IFRS 3	Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework.	January 1, 2022
IFRS 9	Financial Instruments- For the purpose of performing the ' ten per cent test' for derecognition of financial liabilities.	January 1, 2022
IFRS 16	Amendment to IFRS 16 'Leases' Illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.	January 1, 2022
IAS 1	Presentation of financial Statements- Amendments regarding the definition of materiality - Disclosure od accounting policies.	January 01,2023
IAS 1	Presentation of financial Statements- Amendments regarding the classification of liabilities.	January 01,2023
IAS 8	Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' The IASB clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.	January 01,2023
IAS 12	Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01,2023
IAS 16	Property Plant and Equipment- Amendments prohibiting a company from deducting from the cost of Property Plant and Equipment amounts received from selling items produced while the company is preparing for its intended use.	January 01,2022
IAS 37	Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits.	January 01,2022

IAS 41	Amendment to IAS 41 'Agriculture', removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 'Fair Value Measurement'. Certain annual improvements have also been made to a number of IFRSs.	January 01,2022

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.2 Taxation

Current

Company's export sales fall under presumptive tax regime under Section 169 of the Income Tax Ordinance, 2001. Charge for current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

The company accounts for deferred taxation using the liability method on all timing differences which are considered reversible in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred tax is calculated at the rates expected to apply to the period when the related temporary differences reverse, based on tax rates that have been enacted or substantially enacted by the Financial position date.

3.3 Staff retirement benefits - gratuity

The Company operates an unfunded Gratuity Scheme covering all the employees of the Company with qualifying service period of six months. Provision is made annually on the basis of actuarial valuation. The most recent actuarial valuation was carried out as at June 30, 2024 using the Projected Unit Credit Method. Actuarial gains and losses are recognized in accordance with the recommendations of the actuary. Further, the management of the company could not determine the expected payments in next period reasonably.

	Principal Actuarial Valuation	
Principal Actuarial Valuation	**2024**	**2023**
Discount factor used	16.25%	16.25%
Expected rate of eligible salary increase in future years	15.25%	15.25%

3.4 Foreign Currency Translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the Financial position date. Foreign exchange gains and losses on translation are included in income currently.

3.5 Trade and Other Payables

Liabilities for trade creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

3.6 Dividends

Dividend distribution to company's shareholders is recognized as a liability in the period in which dividend is approved.

3.7 Contingencies and Commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the financial statements.

3.8 Provisions

A provision is recognized in the Financial position when the company has a legal or constructive obligation as a result of past event; it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation except freehold land ,building and plant and machinery. Freehold land ,building and plant and machinery is stated at revalued amount. Borrowing costs pertaining to erection / construction period are capitalized as part of the historical cost.

Depreciation is charged to income applying reducing balance method to write-off the cost, capitalized exchange fluctuations and borrowing costs over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of fixed assets.

Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

The company assesses at each Financial position date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

Gains/losses on disposal of fixed assets are taken to Profit and Loss Account.

Minor repairs and maintenance are charged to profit & loss, as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, other than those kept as stand by, are retired.

3.10 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each Financial position date.

3.11 Assets subject to Leases IFRS 16

The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the statement of profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The adoption of IFRS 16 has no financial impact on the financial statements of the Company.

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, which comprises 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, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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 remeasurement 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 on these assets are charged to income as incurred.

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 they 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.

3.12 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss.

3.13 Long Term Deposits and Loans

These are stated at cost which represents the fair value of consideration given.

3.14 Stores, Spares and Loose Tools

These are valued at lower of moving average cost or net realizable value, except items in transit, which are stated at cost plus other charges incurred thereon up to statement of financial position date.

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

3.15 Stocks in trade and stores, spares and loose tools

These are valued at lower of cost or net realizable value except stock in transit which are valued at cost comprising invoice values plus other charges incurred up to the Financial position date. Cost is determined as under;

Raw material	Weighted average cost
Packing material	Moving average cost
Work in process	Raw material cost and appropriate manufacturing overheads
Finished goods	Raw material cost, packing material cost and appropriate manufacturing overheads.
Waste	Net realizable value

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

3.15 Revenue recognition

The Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company recognizes revenue in accordance with that core principle by applying the following steps:
-- Identify the contract with a customer
– Identify the performance obligations in the contract
– Determine the transaction price
– Allocate the transaction price to the performance obligations in the contract
– Recognize revenue when the entity satisfies a performance obligation

i) Customer acquisition costs
Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

ii) Customer fulfilment costs
Customer fulfilment costs are capitalized as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortized on a straight-line basis over the term of the contract

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 made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract

v) Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

vi) Contract balances

a) The opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed;

b) Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and

c) Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods

- The difference between contract assets and trade receivables, enabling users to understand the different risks associated with each balance; and

- how the timing of the satisfaction of performance obligations related the typical timing of payment and the effect that those factors have on the contract asset and contract liability balances.

Interest income is recognized on a time proportionate basis using the effective rate of return.

3.17 Provision

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

3.18 Deferred government grant

In accordance with IFRS 9 the benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity and temporary economic refinance facility, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognized and presented in statement of financial position as deferred government grant.

3.19 Dividend and appropriation to / from reserves

Dividend distribution to the Company's shareholders and appropriation to / from reserves is recognized in the period in which these are approved.

3.20 Earnings per share

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

3.21 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. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

3.22 Financial instruments

3.22.1 Financial assets

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

i) Financial assets at amortized cost
Instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through profit or loss (FVTPL)
Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at fair value through

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

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income (FVTOCI), the cumulative gain or loss previously accumulated in the investments' revaluation reserve is reclassified to the statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments' revaluation reserve is not reclassified to the statement of profit or loss, but is transferred to retained earnings.

3.22.2 Impairment of financial assets

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less loss allowance, if any. The Company recognizes a loss allowance for Expected Credit Loss (ECL) on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument.

In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months a er the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1) The financial instrument has a low risk of default,
2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default
The Company employs statistical models to analyses the data collected and generate estimates of probability of default ('PD') of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event (see (ii) above);

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy
The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derivative financial instruments
Derivatives that do not qualify for hedge accounting are recognized in the statement of financial position at estimated fair value with corresponding effect to the statement of profit or loss. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.22.3 Non-financial assets

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

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income in the statement of profit or loss.

3.22.4 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the statement of profit or loss incorporates any interest paid on the financial liability.

Financial liabilities measured subsequently at amortized cost
Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized

cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability. 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 the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

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

3.22.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and 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.

3.23 Investments

3.23.1 Investment in associates

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate 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 associate a er the date of acquisition. The Company's share of profit or loss of the associate is recognized in the statement of profit or loss. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognized in the associate's statement of profit or loss. The Company's share of those changes is recognized in the statement of comprehensive income of the Company.

The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognized in the statement of profit or loss.

3.24 Trade and other payables
Liabilities for trade and other payable are measured at cost which is the fair value of consideration to be paid in future for goods and services.

3.25 Borrowing cost
Borrowing costs are recognized as an expense in which these are incurred except to the extent these are directly attributable to acquisition, construction or production of qualifying assets, where these are added to the cost of those assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use/sale.

3.26 Foreign currency transaction
Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into Pak Rupees at the rates prevailing on the reporting date.

Gains and losses arising on retranslation are included in the statement of profit or loss for the period.

3.27 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at book value which approximates their fair values. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, cash with bank on current, saving and deposit accounts, short term bank borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to in significant risk of change in value.

3.28 Related party transaction and transfer pricing

Transaction and contracts with the related parties are carried out on mutual agreed terms.

The related parties comprise associated undertakings, other related parties, staff retirement benefit fund and key management personnel. The Company in the normal course of business carries out transactions with various related parties.

Parties are said to be related if they able to influence the operating and financial decisions of the company and vice versa.

4. PROPERTY, PLANT AND EQUIPMENT

	Notes	2024 Rupees	2023 Rupees
Operating property, plant and equipment	4.1	862,386,028	890,724,160
Capital work-in-progress	4.6	40,407,804	40,407,804
		902,793,832	931,131,964

4.1 Operating property, plant and equipment - for the year ended June 30, 2024

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION CHARGE			NET BOOK VALUE	Rate
	As at June 30, 2023	Additions/ (Disposals)	Surplus/ (Loss) on Revaluation	As at June 30, 2024	Accumulated as at June 30, 2023	For the year	Accumulated as at June 30, 2024	As at June 30, 2024	
	All amounts in Rupees								
Land - freehold	298,600,000	-	-	**298,600,000**	-	-	-	**298,600,000**	-
Building on freehold land	249,041,689	-	-	**249,041,689**	62,383,389	9,332,915	71,716,304	**177,325,385**	5%
Plant and machinery	569,827,991	-	-	**569,827,991**	167,774,630	20,102,668	187,877,298	**381,950,693**	5%
Electric installations	16,141,875	1,621,233	-	**17,763,108**	15,061,400	256,661	15,318,060	**2,445,048**	10%
Fire fighting equipment	834,897	-	-	**834,897**	743,305	9,159	752,464	**82,433**	10%
Tube well	1,026,623	-	-	**1,026,623**	905,314	12,131	917,445	**109,178**	10%
Office equipment	5,753,490	-	-	**5,753,490**	4,704,285	104,921	4,809,205	**944,285**	10%
Furniture and fixtures	2,143,607	-	-	**2,143,607**	1,504,791	63,882	1,568,672	**574,935**	10%
Vehicles	8,429,112	-	-	**8,429,112**	8,089,908	67,841	8,157,749	**271,363**	20%
Weigh bridge	1,602,508	-	-	**1,602,508**	1,510,610	9,190	1,519,800	**82,708**	10%
	1,153,401,792	**1,621,233**	**-**	**1,155,023,025**	**262,677,633**	**29,959,366**	**292,636,999**	**862,386,028**	

Operating property, plant and equipment - for the year ended June 30, 2023

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION CHARGE			NET BOOK VALUE	Rate
	As at June 30, 2022	Additions/ (Disposals)	Surplus/ (Loss) on Revaluation	As at June 30, 2023	Accumulated as at June 30, 2022	For the year	Accumulated as at June 30, 2023	As at June 30, 2023	
	All amounts in Rupees								
Land - freehold	256,637,500	-	41,962,500	**298,600,000**	-	-	-	**298,600,000**	-
Building on freehold land	210,324,003	-	38,717,686	**249,041,689**	54,597,041	7,786,348	62,383,389	**186,658,300**	5%
Plant and machinery	524,095,235	-	45,732,756	**569,827,991**	149,020,914	18,753,716	167,774,630	**402,053,361**	5%
Electric installations	16,141,875	-	-	**16,141,875**	14,941,347	120,053	15,061,400	**1,080,475**	10%
Fire fighting equipment	834,897	-	-	**834,897**	733,128	10,177	743,305	**91,592**	10%
Tube well	1,026,623	-	-	**1,026,623**	891,836	13,479	905,314	**121,309**	10%
Office equipment	5,753,490	-	-	**5,753,490**	4,587,706	116,578	4,704,285	**1,049,205**	10%
Furniture and fixtures	2,143,607	-	-	**2,143,607**	1,433,811	70,980	1,504,791	**638,816**	10%
Vehicles	8,429,112	-	-	**8,429,112**	8,005,107	84,801	8,089,908	**339,204**	20%
Weigh bridge	1,602,508	-	-	**1,602,508**	1,500,399	10,211	1,510,610	**91,898**	10%
	1,026,988,850	**-**	**126,412,942**	**1,153,401,792**	**235,711,290**	**26,966,342**	**262,677,633**	**890,724,160**	

4.2 Revaluation of property, plant and equipment carried out by W. W. Engineering Services (Pvt) Limited on June 30, 2023 and based on latest revaluation report, the forced sale of the revalued assets i.e. land, building and plant & machinery in aggregate is Rs. 695,343,746/-

4.3 Particulars of immovable assets of the Company are as follows:-

Location	Address	Covered Area
Kasur	Manga Road, Raiwind	300,528 Sqft

4.4 Had there been no revaluation, the original cost, accumulated depreciation, and book value of revalued class of property, plant & equipment would have been as follows:

PARTICULARS	Cost			Accumulated depreciation as at	Net Book Value As at June 30, 2024
	As at July 01, 2023	Additions/ (Disposals)	As at June 30, 2024		
	All amounts in Rupees				
Land - freehold	14,266,500	-	14,266,500	-	14,266,500
Building on freehold land	190,249,857	-	190,249,857	160,773,869	29,475,988
Plant and machinery	722,935,302	-	722,935,302	482,990,996	239,944,306
	927,451,659	-	927,451,659	643,764,865	283,686,794

4.5 Depreciation for the year has been allocated as follows:

	Notes	2024	2023
		Rupees	Rupees
Cost of sales	25	-	26,540,064
Administrative expenses	26	29,959,366	426,278
		29,959,366	26,966,342

4.6 Capital work-in-progress

	2024	2023
Opening balance	40,407,804	40,407,804
Additions during the year	-	-
Closing balance	40,407,804	40,407,804

	NOTE	2024 RUPEES	2023 RUPEES
5. LONG TERM DEPOSITS			
Deposit against bank guarantees		451,800	451,800
Security deposits against utilities		852,145	852,145
		1,303,945	**1,303,945**
6. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		-	33,220,485
Spare parts		-	25,540,214
		-	**58,760,700**
Provision for obsolete stores and spares and written down to NRV		-	(9,270,941)
Purchase return		-	(14,426,163)
Sale Proceed		-	(35,063,595)
		-	-
7. STOCK-IN-TRADE			
Raw material	**25**	**-**	**-**
Work-in-process	**25**	**-**	**-**
Finished goods	**25**	**-**	**-**
		-	-
8. TRADE DEBTS			
Considered good			
Relating to stock sold		10,848,426	17,737,426
Local yarn debtors		5,523,256	5,523,256
Expected credit loss allowance		(5,523,256)	(5,523,256)
		10,848,426	**17,737,426**

8.1 Trade debtors amounting Rs. 1,084,846 (2023: Rs. 17,737,426) were past due but not impaired. These relates to routine transactions between customers in normal course of business and there is no history of default. The aging analysis of the trade debtors is as follows;

	2024 RUPEES	2023 RUPEES
Upto 1 month	-	-
1 to 6 months	10,848,426	17,737,426
more than 6 months	5,523,256	5,523,256
	16,371,682	**23,260,682**

8.2 Provision for doubtful trade debts

	2024 RUPEES	2023 RUPEES
Opening balance	5,523,256	5,523,256
Provision for the year	-	-
Closing balance	**5,523,256**	**5,523,256**

9. ADVANCES AND PREPAYMENTS

	2024 RUPEES	2023 RUPEES
Advance to employees:		
- Against salaries	176,086	204,300
- Against purchases	22,365	22,365
To suppliers	178,135	89,062
Other receivables	3,569,620	5,995,037
	3,946,206	**6,310,764**

	NOTE	2024 RUPEES	2023 RUPEES
10. DUE FROM GOVERNMENT			
Sales tax refund claim/ refundable		9,339,279	6,587,501
Income Tax Refund		1,927,448	1,709,244
		11,266,727	**8,296,745**
11. CASH AND BANK BALANCES			
Cash in hand		39,174	273,756
Cash at banks - in current accounts		77,582	364,922
		116,756	**638,678**

12. SHARE CAPITAL

	2024	2023
Authorized share capital: 70,000,000 ordinary shares of Rs. 10 each.	**700,000,000**	**700,000,000**
Issued, subscribed and paid up share capital: 52,214,400 (2023: 52,214,400) ordinary shares of Rs. 10 each. issued for cash.	**522,144,000**	**522,144,000**

12.1 Ordinary shares of the company held by the associated companies at the year end are as follows:

Associated companies	Basis Relationship	Number of shares	
		2024	2023
Naheed Noor Enterprises Limited	Common Directorship	300,000	300,000
Naheed Noor (Pvt.) Limited	Common Directorship	100,500	100,500
Sunrise Bottling Company (Pvt.) Limited	Common Directorship	6,500,000	6,500,000
		6,900,500	**6,900,500**

12.2 Reconciliation of number of ordinary shares of Rs. 10 each fully paid in cash is as follows:

	2024	2023
At the beginning of the year	52,214,400	52,214,400
Issued during the year	-	-
At the end of the year	**52,214,400**	**52,214,400**

12.3 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry 'one vote' per share without restriction.

13. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	2024	2023
Opening balance	513,570,589	398,936,078
Transfer to accumulated loss in respect of : -Incremental depreciation	(11,838,062) -	(11,778,431) -
-Disposal of property, plant and equipment	**(11,838,062)**	**(11,778,431)**
Revaluation Surplus during the year	-	126,412,942
Closing balance	**501,732,527**	**513,570,589**
Less: Related deferred tax liabilities on:		
At beginning of the year	88,298,784	67,223,901
Deferred tax (reversed)/ during the year	-	24,490,628
Incremental depreciation on revalued assets	(3,433,038)	(3,415,745)
	84,865,746	**88,298,784**
	416,866,781	**425,271,805**

13.1 This represents surplus on revaluation of property, plant and equipment carried out by WW Engineering Services (Pvt) Ltd on June 30, 2023 (previously these were revalued on September 30, 2001, September 30, 2004, June 30, 2008, June 30, 2013, June 30, 2016 and June 30, 2019, June 30, 2020) adjusted by surplus realized on disposal of revalued assets, incremental depreciation arising out of revaluation and deferred taxation. Based on latest revaluation report, the forced sale of the revalued assets i.e. land, building and plant & machinery in aggregate is Rs.695,343,746/-

		NOTE	2024 RUPEES	2023 RUPEES
14.	**LOAN FROM SPONSORS AND OTHER RELATED PARTIES**			
	Unsecured- from related parties			
	Mr. Noor Elahi		299,925,178	267,753,678
	Mrs. Parveen Elahi		139,478,121	137,246,121
	Mrs. Naheed Javed		150,024,598	150,024,598
			589,427,897	**555,024,397**
	Associated Companies:			
	Naheed Noor (Pvt.) Limited		3,848,844	3,848,844
	Naheed Noor Enterprises (Pvt.) Limited		62,197,770	61,907,770
	Pure Drinks (Pvt.) Limited		877,656	877,656
	Sunrise Bottling Co (Pvt.) Ltd		1,115,000	1,115,000
	Aroma Drinks (Pvt.) Limited		30,536,042	30,536,042
			98,575,312	**98,285,312**
	Total loan from sponsors and other related parties	**14.1**	**688,003,209**	**653,309,709**

14.1 These interest free loans are repayable at the discretion of the Company. Company has no intention to repay these loan within next twelve months from the reporting date. Therefore, no portion has been classified under current liabilities. Therefore, these loans are not measured at amortized cost as per requirements of IFRS-09, rather these are treated as equity in accordance with the Technical Release - 32 "Accounting Directors' Loan" (TR-32) issued by the Institute of Chartered Accountants of Pakistan (ICAP).The lenders have been given an option to convert the loan into share capital but no option has been exercised yet.

		NOTE	2024 RUPEES	2023 RUPEES
15.	**LONG TERM FINANCING FROM OTHERS**			
	Foreign Loan	**15.1**	59,062,500	72,187,500
	Loan From Bank Al Habib	**15.2**		7,289,750
			59,062,500	**79,477,250**
15.1	Opening Balance		105,000,000	105,000,000
	Markup capitalized		-	-
			105,000,000	**105,000,000**
	Restated- Refer note no.3.29		**-**	**-**
			105,000,000	**105,000,000**
	Current Portion		(13,125,000)	(13,125,000)
	Overdue Portion		(32,812,500)	(19,687,500)
			(45,937,500)	**(32,812,500)**
	Closing Balance		**59,062,500**	**72,187,500**

Foreign Loan

The company entered into restructuring agreement with foreign lender during the last year and agreed the revised terms of settlement with lender, the foreign currency loan USD$ 1.000 million converted at fixed USD$ Pak rupee parity rate of Rs.105 and payable in Pak rupee at Rs.105 million plus markup chargeable net of payment till year end amounting Rs.11.295 million. The loan carry markup rate of 6-Months LIBOR+ 1.25% prevailing at the date of disbursement of loan.

Markup Rate	6-Months Libor+1.25%
Payment Term	Equal Semi annually Installments
Payment Start Date	June 2022
Payment End Date	December 2029

		NOTE	2024 RUPEES	2023 RUPEES
15.2	**TERM FINANCE FROM BANK AL-HABIB**			
	Term Finance		-	19,439,333
	Less: Current portion		(7,289,746)	(12,149,583)
			(7,289,746)	**7,289,750**

The RF facility outstanding amount was restructured/ rescheduled by the bank vide its sanaction letter dated 25-01-2022 by converting it to term finance facility of Rs.29.159 million with mark-up @ 9.75% p.a. and is repayable in 3-years 12 equal quarterly installments starting from February 15, 2022 and ending on January 01, 2025. The facility is secured by way of:

- 1st equitable charge over industrial land 56 Kanals of Unit-1 & 16 Kanals situated at 3KM Raiwind Manga road, Distt Kasur.
- Hypothecation charge over plant and machinery, stocks and book debts.
- Personal Guarantee of Chief Executive Mr. Noor Elahi and counter guarantee.

		NOTE	2024 RUPEES	2023 RUPEES
16.	**LONG TERM SECURITY DEPOSITS**		**1,791,660**	**7,731,660**
17.	**DEFERRED LIABILITIES**			
	Staff gratuity-Unfunded	**17.1**	10,763,612	12,624,593
	Deferred taxation	**17.2**	8,631,184	16,779,715
			19,394,796	**29,404,308**

17.1 Staff gratuity - Unfunded

Latest actuarial valuation of the gratuity scheme was conducted as on August 15, 2023. Results of actuarial valuation are as under:

17.1.1 Movement in present value of defined benefit obligation

	2024	2023
Present value of defined benefit obligation - opening	12,624,593	12,712,267
Current service cost	688,788	667,517
Interest cost	994,690	631,207
Re-measurements (income)/loss	(2,596,010)	(1,083,898)
Benefits paid during the year	(948,449)	(302,500)
Transferred to trade and other payables	-	-
Present value of defined benefit obligation - closing	**10,763,612**	**12,624,593**

17.1.2 Historical Information

	Amount in Rupees				
	2024	2023	2022	2021	2020
Present value of obligation	10,763,612	12,624,593	12,712,267	12,147,954	4,798,547

	NOTE	2024 RUPEES	2023 RUPEES
17.1.3 Net Liability recognized in Statement of financial position			
Present value of obligation		**10,763,612**	**12,624,593**
17.1.4 Expense recognized			
In Statement of Profit or loss			
Current service cost		688,788	667,517
Interest cost		994,690	631,207
		1,683,478	**1,298,724**
In Statement of other comprehensive income			
Re-measurement in the year		**(2,596,010)**	**(1,083,898)**

17.1.5 Principle actuarial assumptions	2024 %	2023 %
Discount factor used	**16.25%**	**16.25%**
Expected rate of salary increase	**15.25%**	**15.25%**

17.1.6 General description

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charge is made on the basis of actuarial valuation carried on using Projected Unit Credit Method.

	Impact on Present value of defined benefit obligation		
	Change in Percentage	**Increase in assumption**	**Increase in assumption**
Discount rate	1.00%	4,697,818	4,697,818
Salary growth rate	1.00%	4,980,044	4,980,044

The average duration of the defined benefit obligation is 2 years (2023: 3 years).
Gratuity which was classified in current liabilities in last year has been reclassified to deferred liabilities.

17.2 The net liability for deferred taxation comprises of temporary differences.

	NOTE	2024 RUPEES	2023 RUPEES
Taxable temporary difference			
Accelerated tax depreciation allowance		65,091,518	68,383,819
Surplus on revaluation of property, plant and equipment		84,865,746	88,298,784
		149,957,264	**156,682,603**
Deductible temporary differences			
Sta ffretirement benefits - gratuity		(3,121,447)	(3,661,132)
Unused tax losses carried forward		(138,204,632)	(136,241,756)
		(141,326,079)	**(139,902,887)**
		8,631,184	**16,779,715**
17.2.1 Movement in deferred tax liability is as follows;			
Opening deferred tax liability		16,779,715	1,257,191
Reversal of Deferred tax expense during the year			
-Profit or loss	**29**	8,901,374	9,282,434
-Other comprehensive income		(752,843)	(24,804,958)
Closing deferred tax liability		**8,631,184**	**16,779,715**

17.2.2 'The deferred tax asset of Rs. 138.2 million (2022: Rs. 136.2 million) on carried forward losses has been recognized to the extent of its future recoverability in these financial statements. No deferred tax relating to minimum taxes has been recognized.

	NOTE	2024 RUPEES	2023 RUPEES
18. TRADE AND OTHER PAYABLES			
Creditors		34,264,684	34,330,448
Accrued liabilities		23,751,365	26,133,582
Advance from customers		19,455,997	16,977,357
Income tax payable		305,882	243,670
Other Payable		403,658	403,658
		78,181,586	**78,088,715**
19. ACCRUED MARKUP			
Short term financing from banking companies		204,425	460,852
Markup on Long term loan others		13,122,444	11,295,141
Markup on Long term loan others restated- Refer note no. 3.29		-	-
		13,326,870	**11,755,993**

20. UNCLAIMED DIVIDEND

This represent unclaimed dividend unpaid due to non claimant of shareholders and the company has deposited the unclaimed dividend into separate bank account. Upon claim, the same shall be paid to the claimant shareholder or if claimant did not lodge the claim, the same shall be deposited in Government treasury as prescribed by the law. The company is in the process of complying with the requirements of section 244 of the Companies Act, 2017.

21. CURRENT AND OVERDUE PORTION OF LONG TERM LOAN

	NOTE	2024 RUPEES	2023 RUPEES
Current portion			
- Foreign loan		13,125,000	13,125,000
- Term finance from Bank Al-Habib		7,289,746	9,719,667
		20,414,746	**22,844,667**
Overdue portion			
- Foreign loan		32,812,500	19,687,500
- Term finance from Bank Al-Habib		-	2,429,917
	15.2	**32,812,500**	**22,117,417**
		53,227,246	**44,962,083**

22. PROVISION FOR TAXATION

		2024 RUPEES	2023 RUPEES
Opening balance		318,709	164,977
Prior year adjustment		-	-
Provision for the year		-	153,732
		318,709	**318,709**
Effect of restatement of errors		-	-
Less: Adjusted against available tax/tax deducted at source		**(1,927,448)**	**(2,027,953)**
		-	**-**

23. CONTINGENCIES AND COMMITMENTS

20. Contingencies

Mr. Khurram Shahzad Mughal, Mr. Muhammad Afzal and Mr. Muhammad Waseem, ex-employees of the company have filed suits against the company before the compensation Commissioner/ wages Authority Lahore for compensation amounting Rs. 510,000, Rs. 103,576 and Rs. 123,000 as damages against lost of eye-sight and pending wages claim respectively. Legal counsel of the company is hopeful that there is no scope of any fiscal loss to the company in this case.

23.2 Commitments

There are no commitments as at year end. (2023: Rs. Nil).

24. TURNOVER - NET

		2024 RUPEES	2023 RUPEES
Local sales - gross		-	14,687,902
Less: sales tax		-	(2,389,342)
Local sales - net		**-**	**12,298,560**

		NOTE	2024 RUPEES	2023 RUPEES
25.	**COST OF SALES**			
	Raw material	**25.1**	-	78,034,385
	Depreciation	**4.5**	-	26,540,064
			-	**104,574,449**
	Adjustment of work-in-process:			
	Opening stock		-	4,320,513
	Closing stock	**7**	-	-
			-	**4,320,513**
	Cost of goods manufactured		**-**	**108,894,962**
	Adjustment of finished goods:			
	Opening stock		-	433,955
	Closing stock	**7**	-	-
			-	**433,955**
			-	**109,328,917**
25.1	**Raw material**			
	Opening stock		-	78,034,385
	Purchases		**-**	**-**
	Direct expenses		**-**	**-**
	Purchases- net		-	-
	Available for consumption		**-**	**78,034,385**
	Less: Cost of Stock damage by Fire		**-**	**-**
	Less: Closing stock	**7**	**-**	**-**
			-	**78,034,385**
26.	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Directors' remuneration		-	-
	Salaries, allowances and other benefits	**26.1**	15,543,316	17,265,229
	Fees and subscription		980,997	367,693
	Traveling and conveyance		581,484	621,471
	Vehicle running and maintenance		445,406	133,713
	Electricity, Gas & Water		12,726,074	5,768,083
	Telephone, postage and telegram		505,208	657,259
	Printing and stationery		313,945	247,515
	Repair and maintenance		712,445	893,725
	Rent, rates and taxes			34,754
	Entertainment		257,900	237,051
	Legal and professional charges		422,106	699,907
	Auditors' remuneration	**26.2**	893,100	881,000
	Depreciation	**4.5**	29,959,369	426,278
	Advertisement		38,500	137,300
	Miscellaneous		-	129,000
	Others		729,326	404,115
			64,109,176	**28,904,094**

4.5 The company has made no sales during the year and no stock of raw material and work in process left, therefore whole depreciation has been charged to admin expenses.

26.1 This includes Rs. 1,683,478 (2023: 1,298,724) in respect of staff gratuity.

		2024 RUPEES	2023 RUPEES
26.2	**Auditor's remuneration**		
	Statutory audit fee	625,000	625,000
	Half yearly review and other certifications	125,000	125,000
	Review of code of corporate governance	90,500	90,500
	Out of Pocket Expenses	52,600	30,800
		893,100	**871,300**

	NOTE	2024 RUPEES	2023 RUPEES
27. OTHER INCOME/(EXPENSES)			
Weigh bridge income		3,000,000	2,280,000
Rental Income		9,428,800	6,871,460
Scrap sales/ other income		106	2,117,500
Other Income		600,000	3,485,810
Balances written back- net		-	36,793,293
Reversal of Provision of Stores & Spares		-	9,311,566
		13,028,906	**60,859,629**
28. FINANCE COST			
Mark-up on:			
Long term loans and financing		3,048,822	4,250,664
Short term finances		-	-
Bank charges and commission		17,226	74,596
		3,066,048	**4,325,260**
29. TAXATION			
Current tax		-	153,732
Prior year adjustemnt		-	-
Deferred tax - net		(8,901,374)	(9,282,434)
		(8,901,374)	**(9,128,702)**

No tax to deferred tax reconciliation has been provided as the company has been charged to tax nil and in 2023 on basis of minimum tax provision. Furthermore, the company is non operational to date but have plans to revive it in the future.

30. EARNINGS PER SHARE

30.1 Basic

		2024	2023
Loss after taxation	**Rupees**	**(45,244,944)**	**(60,271,380)**
Weighted average number of ordinary shares	**No.**	**52,214,400**	**52,214,400**
Loss per share	**Rupees**	**(0.87)**	**(1.15)**

30.2 Diluted

There is no dilutive effect on the basic loss per share of the Company.

31. CASH AND CASH EQUIVALENTS

	2024	2023
Cash and bank balances	116,756	638,678
Short term financing	-	-
	116,756	**638,678**

32. RELATED PARTY TRANSACTIONS

Disclosure of transactions between the Company and related parties have disclosed in the relevant notes to the financial statements except followings:

Name of Related Party	Basis of relationship	2024 RUPEES	2023 RUPEES
Loan obtained from;			
Mr. Noor Elahi	Chief executive	32,171,500	21,619,800
Mrs. Parveen Elahi	Director	2,232,000	4,905,000
Mrs. Naheed Javed	Director	-	1,450,000
Naheed Noor Enterprises (Pvt) Limited	Common Directorship	290,000	1,586,000
Loan repaid to;			
Naheed Noor Enterprises (Pvt) Limited	Common Directorship	-	-
Aroma drinks (Pvt.) Limited		-	-

32.1 Maximum aggregate amount due to any related party at any month end during the year was due to Mr.Noor Elahi amounting Rs. 299.925 million (2023: Rs. 267.753 million).

32.2 Remuneration and benefits to chief executive, directors, and executives / key management personnel under the term of their employment are disclosed in note 33.

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The chief executive is entitled to free use of company maintained car. Following is the detail of managerial remuneration paid to directors and executive with their numbers:

		2024 RUPEES	2023 RUPEES
CHIEF EXECUTIVE AND DIRECTORS			
Remuneration and other benefits	**Rupees**	-	-
Number of persons	**No.**	Nil	Nil
EXECUTIVES			
Remuneration and other benefits	**Rupees**	-	-
Number of persons	**No.**	Nill	Nill

33.1 The Chief Executive and Directors are also provided with free use of company maintained cars.

33.2 No remuneration is paid to any other director.

33. FINANCIAL INSTRUMENTS BY CATEGORY

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

	Notes	2024 Rupees	2023 Rupees
Financial assets as per statement of financial position			
Long term deposits	5	1,303,945	1,303,945
Trade debts	8	10,848,426	17,737,426
Advances and prepayments	9	3,946,206	6,310,764
Cash and bank balances	11	116,756	638,678
		16,215,333	**25,990,812**
Financial liabilities as per statement of financial position			
At cost / amortized cost:			
Loan from sponsors and other related parties	14	688,003,209	653,309,709
Long term financing from others	15	59,062,500	79,477,250
Trade and other payables	18	78,181,586	78,088,715
Accrued markup	19	13,326,870	11,755,993
Unclaimed dividend	20	402,570	402,570
Short term financing	21	-	-
Current & overdue portion of long term loans	21	53,227,246	44,962,083
		892,203,980	**867,996,320**

35. FINANCIAL INTRUMENTS AND RELATED DISCLOSURES

35.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including interest risk, currency risk, other price risk and liquidity risk) and credit risk . The company overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the company's financial performance.

35.2 Market risks

i) Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The sensitivity on interest rate is calculated on following floating instruments;

	2024 RUPEES	2023 RUPEES
Floating rate instruments:		
Financial Liabilities:		
Long term financing from others	59,062,500	79,477,250
Short term financing	53,227,246	44,962,083
	112,289,746	**124,439,333**

If the interest rates at the statement of financial position date, fluctuate by 1% higher/ lower with all other variables held constants, profit or loss after taxation for the year would have been Rs. 814,510 (2023: Rs. 883,519) higher/lower, mainly as a result of higher/lower interest expenses on floating rate borrowings. The analysis is prepared assuming the actual amounts of liabilities shall remain outstanding during the whole year.

ii) 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 risks arise mainly from future commercial transactions or receivables and payables that exists due to transactions in foreign currencies. The company is not exposed to currency risk, as financial asset and financial liabilities both are denominated in functional currency and during the year, the foreign currency loan has been restructured in functional currency and the company is not exposed to currency risk for foreign loan.

iii) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risks), whether those changes are caused by factors specified to the individual financial instruments or its issuers or factors affecting all similar instruments traded in the market and the company is not exposed to other price risk

iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As the company is unable to meet its financial obligation and also financial facilities are not renewed by the lenders. The company is exposed to liquidity risk in respect of the non current interest bearing liabilities, short terms borrowings, trade and other payables and accrued markup. The following are the contractual maturities of the financial liabilities, including estimated interest payments:-

	All amounts in Rupees				
June 30, 2024	**Carrying amount**	**Six months or less**	**Six to Twelve months**	**One to Two years**	**More than Two years**
Long term financing from others	59,062,500	-	-	-	59,062,500
Trade and other payables	78,181,586	20,165,537	58,016,048	-	-
Accrued markup	13,326,870	13,326,870	-	-	-
Unclaimed dividend	402,570	402,570	-	-	-
Loan from banking company	53,227,246	53,227,246	-	-	-
Total	**204,200,771**	**87,122,223**	**58,016,048**	**-**	59,062,500

June 30, 2023	All amounts in Rupees				
	Carrying amount	Six months or less	Six to Twelve months	One to Two years	More than Two years
Long term financing from others	79,477,250	-	-	-	79,477,250
Trade and other payables	78,088,715	17,624,685	60,464,030	-	-
Accrued markup	11,755,993	11,755,993	-	-	-
Unclaimed dividend	402,570	402,570	-	-	-
Loan from banking company	44,962,083	44,962,083	-	-	-
Total	**214,686,611**	**74,745,331**	**60,464,030**	**-**	79,477,250

35.3 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted.

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties to the financial instruments fail to perform as contracted. Out of the total financial assets of Rs. 16,215,333 (2023: Rs. 25,717,056). The management monitors and limits the Company's exposure to credit risk through monitoring of clients credit exposure review and conservative estimates of provision for doubtful receivable. The management is of the view that it is not exposed to significant concentration of credit risk.

The maximum exposure to credit risk as at the reporting date is tabulated below:

	2024 Rupees	2023 Rupees
Financial assets		
Long term deposits	1,303,945	1,303,945
Trade debts	10,848,426	17,737,426
Advances and prepayments	3,946,206	6,310,764
Cash and bank balances	116,756	364,922
	16,215,333	**25,717,056**

The trade debts are due from local customers local sales respectively. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Loans to employees are secured against their gratuity balances.

The Company always measures the loss allowance for trade debts at an amount equal to lifetime ECL using the simplified \approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The credit quality of major financial assets that are neither past due not impaired can be assessed by reference to external credit rating (if available) or to historical information about counter party default rate.

	Rating			Rating agency
	Short term	Long term		
Bank Al-Falah Limited	A-1+	AA+	PACRA	PACRA
Al-Baraka Bank Pakistan Limited	A-1	A+	VIS	VIS
MCB Bank Limited	A-1+	AAA	PACRA	PACRA
United Bank Limited	A-1+	AAA	VIS	VIS
JS Bank Limited	A-1+	AA-	PACRA	PACRA
Meezan Bank Limited	A-1+	AAA	VIS	VIS
Habib Bank Limited	A-1+	AAA	VIS	VIS
Bank Al-Habib Limited	A-1+	AAA	PACRA	PACRA
National Bank of Pakistan	A-1+	AAA	PACRA	PACRA
The Bank of Punjab	A-1+	AA+	PACRA	PACRA
Faysal Bank Limited	A-1+	AA	PACRA	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA	PACRA
Silk bank Limited	A-2	A-	VIS	VIS
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	PACRA

36. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

36.1 Risk Management Policies

The Company's objective in managing risks is the creation and protection of shareholder's value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and price risk) arising from the financial instrument it holds.

The Company finances its operation through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

36.2 Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in the similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similar affected by changes in economic, political or other conditions. The Company believe that it is not exposed to major concentration of credit risk.

36.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

36.4 Interest rate risk

The company usually borrows funds at fixed and market based rates as such risk is minimized. Significant interest rates and cash flow risks are primarily managed by contracting floor and cape of interest rates.

36.5 Foreign currency risk

Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. The company operates have no buyer or supplier from foreign countries. Also during the year foreign loan has been converted into Pak rupees due to which Company is not exposed to any foreign currency risk.

37 . 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.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company manage its capital risk by monitoring its debts levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowing as shown in the statement of financial position and total capital comprises shareholders equity as shown in the statement of financial position under share capital and reserves.

	2024 Rupees	2023 Rupees
Total borrowings	112,289,746	124,439,333
Less: Cash and Bank Balances	(116,756)	(638,678)
Net debts	**112,172,990**	**123,800,655**
Equity	704,888,665	713,596,942
Total capital	**817,061,655**	**837,397,597**
Gearing ratio	13.73%	14.78%

Fair value financial assets and liabilities

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transactions. Consequently, differences may arise between carrying amount and the fair value estimates.

38 . GEOGRAPHICAL INFORMATION

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

Pakistan - local sales	**-**	**12,298,560**

All non-current assets of the Company are located and operating in Pakistan.

39. NUMBER OF EMPLOYEES

		2024	2023
Employees of the Company as at June 30	**No.**	**29**	**27**
Average number of employees during the year	**No.**	**27**	**27**

40. CAPACITY AND PRODUCTION

Yarn

Number of spindles installed	33,072	33,072
Installed capacity after conversion into 20's count (Kgs)	10,266,624	10,266,624
Actual production of yarn after conversion into 20's count (Kgs)	-	-

It is difficult to describe precisely the production capacity in Spinning Mills since it fluctuates widely depending on various factors such as quality of cotton, count of yarn spun, spindles speed etc. Due to financial constraints, the company could not operate its unit-I and unit-II for whole year. .

41. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 04, 2024 by the Board of Directors of the Company.

42. GENERAL

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

FORM OF PROXY

The Company Secretary,
RUBY TEXTILE MILLS LIMITED,
35-Industrial Area, Gulberg-III,
Lahore-54660, Pakistan.

PLEASE QUOTE:

Folio No.	No. of Shares held

I/We of ______________________________

being a member of Ruby Textile Mills Limited hereby appoint ______________________

of ______________________________

____

____

Who is also member if Company vide Registered Folio No...............as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held at 35-Industrial Area, Gulberg-III, Lahore-54660, Pakistan. on Wednesday October 25th, 2024 at 03:00 p.m.

In witness whereof I have set my hand this ______________ day of__________ 2024.

Date: ______________

Place:______________

____
Member’s Signature:

Notes:

1. This proxy form must be deposited duly completed in the Company's Registered Office at least 48 hours before the meeting.
2. A proxy must be member of the Company.
3. Member's Signature should agree with the specimen registered with the Company.

پراکسی فارم (مختارنامہ)

کمپنی سیکرٹری
روبی ٹیکسٹائل ملز لمیٹڈ
35-انڈسٹریل ایریا، گلبرگ III،
لاہور-54660، پاکستان۔

براہِ مہربانی تحریر کریں: ____________
فولیو نمبر: ____________
ملکیتی حصص کی تعداد: ____________

میں/ہم ____________________
ساکن ____________________
بحیثیت رکن روبی ٹیکسٹائل ملز لمیٹڈ ____________________
بذریعہ ہذا محترم/محترمہ ____________________
ساکن ____________________

جو بروئے رجسٹرڈ فولیو نمبر کمپنی کا ممبر بھی ہے کو اپنے/ ہمارے ایماء پر 35 انڈسٹریل ایریا، گلبرگ III، لاہور 54660، پاکستان۔ بروز بدھ 25 اکتوبر 2024 کو سہ پہر 3:00 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا/ ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں کرتے ہیں۔

آج بروز ____________ بتاریخ ____________ 2024ء کو میرے/ ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

5/- روپے کا رسیدی ٹکٹ

تاریخ: ____________________

مقام: ____________________

____
دستخط رکن

نوٹ:

1۔ یہ پراکسی فارم باقاعدہ مکمل شدہ کمپنی کے رجسٹرڈ دفتر میں اجلاس سے کم از کم 48 (اڑتالیس) گھنٹے قبل لازماً جمع کرایا جانا چاہیے۔
2۔ پراکسی لازماً کمپنی کا رکن ہونا چاہیے۔
3۔ رکن کے دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخط سے لازماً مطابقت رکھتے ہوں۔

HEAD OFFICE
35-Industrial Area, Gulberg-III,
Lahore-54660, Pakistan.
Ph#(+92-42)3571-4601,3576-1243-4
Fax:(+92-42)3571-1400, 3576-1222
Email:info@rubytextile.com.pk

REGISTERED OFFICE
35-Industrial Area, Gulberg-III,
Lahore-54660, Pakistan.
Ph#(+92-42)3571-4601,3576-1243-4
Fax:(+92-42)3571-1400, 3576-1222
Email:info@rubytextile.com.pk

MILLS
Raiwind -Manga Road,
Raiwind, District Kasur-55050, Pakistan
Phone:(+92-42) 3539-1031,3539-2651-2
Fax:(+92-42) 3539-1032
Email:wasim@rubytextile.com.pk