ADM
ARTISTIC DENIM MILLS

ANNUAL REPORT
2024

admdenim.com

Contents

Company Information

Board of Directors	
Chief Executive	Mr. Muhammad Faisal Ahmed
Chairman	Mr. Muhammad Iqbal Ahmed
Directors	Mr. Muhammad Yousuf Ahmed Ms. Zahra Faisal Ahmed Mr. Yazdani Zia Mr. Muneer Ahmed Mr. Muhammad Ozair Qureshi
Audit Committee	
Chairman	Mr. Yazdani Zia
Members	Mr. Muhammad Iqbal Ahmed Mr. Muneer Ahmed
Human Resource and Remuneration Committee	
Chairman	Mr. Muneer Ahmed
Members	Mr. Muhammad Faisal Ahmed Ms. Zahra Faisal Ahmed
Chief Financial Officer	Mr. Sagheer Ahmed
Company Secretary	Mr. Muhammad Ozair Qureshi
Chief Internal Auditor	Mr. Salman Arif
Auditors	M/s. Reanda Haroon Zakaria Amir Salman Rizwan & Company Chartered Accountants
Legal Advisor	Monawwer Ghani Advocate
Share Registrar	M/s F. D. Registrar Services (Pvt.) Limited 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi. Tel: (+92-21) 35478192-3 / 32271905-6
Bankers	Allied Bank Limited Bank Al Habib Limited BankIslami Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited National Bank of Pakistan Standard Chartered Bank (Pakistan) Limited United Bank Limited Woori Bank
Registered Office	Plot No. 5-9, 23-26, Sector 16, Korangi Industrial Area, Karachi. UAN: 111 236 236, Fax No. 3505 4652 www.admdenim.com
Mills	Korangi Industrial Area, Karachi.

VISION

- DYNAMIC, QUALITY CONSCIOUS AND EVER PROGRESSIVE

MISSION

ARTISTIC DENIM MILLS LIMITED
IS COMMITTED TO:

- Achieve and Retain Market Leadership in Denim Fabric / Garments Manufacturing
- Produce to the Highest Quality Standards
- Excel through Continuous Improvement
- Fulfill and Exceed the Expectations of our Customers
- Be Ethical in its Practices
- Operate through Team Work
- Ensure a Fair Return to Stake Holders
- Fulfill Social Responsibilities

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting ("AGM") of the Members of **Artistic Denim Mills Limited** (the Company) will be held on Friday, October 25, 2024 at 4:00 p.m. at the premises of the Dewan University, Plot No. 30 - A/1, Sector 23, Korangi Industrial Area, Karachi to transact the following business.

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024, together with the Directors' and the Auditors' Reports thereon.

2. To approve and declare the final cash dividend @ Rs. 1.00 per share i.e. (10%) for the financial year ended June 30, 2024 as recommended by the Board of Directors.

3. To appoint Auditors and fix their remuneration for the year ending June 30, 2025. The present auditors M/s Reanda Haroon Zakaria & Company, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.

Other Business:

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

By Order of the Board of Directors

Muhammad Ozair Qureshi
Company Secretary

Karachi: October 04, 2024

Notes:

1. Circulation of Annual Report through QR Code and through Weblink:

In accordance with the Section 223 of the Companies Act, 2017 and pursuant to SRO 389(I)/2023 dated March 21, 2023 of the Securities & Exchange Commission, the Company has obtained Shareholders' approval in the 31st Annual General Meeting of the Company held on October 25, 2023 to circulate the Annual Report of the Company to the Members through QR enabled Code and Weblink. The Annual Report is available through following QR Code and Weblink:

https://d2ckw86bt3u49z.cloudfront.net/assets/pdfs/annual_reports/anual_report_2024/Artistic_denim_mills_Annual_2024.pdf

2. Closure of Shares Transfer Books:

The share transfer books of the Company will remain closed from October 17, 2024 to October 25, 2024 (both days inclusive). The transfers received at the office of the Company's Share Registrar F. D. Registrar Services (Pvt.) Limited, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar, Road, Karachi before the close of the business on October 16, 2024 will be treated in time for the entitlement of final cash dividend and to attend and vote at the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

3. Participation in Annual General Meeting:

A member entitled to attend and vote at this Annual General Meeting shall be entitled to appoint another member, as a proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received at the Company's Share Registrar's Office not later than 48 hours before the time of the Meeting. For the convenience of the shareholders a proxy form is attached in the last portion of the Annual Report.

For Attending the Meeting:

i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature and attested copy of valid CNIC of the nominee shall be submitted (unless it has been provided earlier) at the time of the meeting.

For Appointing Proxies:

i) In case of individuals, the account holder or subaccount holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.

v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Participation through Video Link Facility

The members can also participate in the Annual General Meeting through video link facility. To attend the AGM through video link, members and their proxies are requested to register themselves with the Company Secretary office by providing their following particulars by sending an email at (meetinginfo@admdenim.com).

Full Name	CNIC No	Folio / CDC Account No.	No. of Shares Held	Cell No.	E-mail Address

The webinar link would be provided through email to the registered shareholders / proxies who will provide above information and a copy of valid CNIC.

NOTICE OF ANNUAL GENERAL MEETING

5. Payment of Cash Dividend Electronically (Mandatary Requirements):

In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations 2017, a listed company, is required to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

Those shareholders who have still not provided their International Bank Account Number (IBAN) are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send it duly signed along with a copy of valid CNIC to their respective CDC participant/CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar (in case of shareholding in Physical Form).

(i) Shareholders details:	
Name of the Shareholder(s)	
Folio # / CDS Account No(s)	
CNIC No (Copy attached)	
Mobile / Landline No	
(ii) Shareholders' Bank details:	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch Name and address	

In the absence of IBAN, or in case of incomplete details, the Company will have to withhold the payment of cash dividends under the Companies (Distribution of Dividends) Regulations, 2017.

6. Withholding Tax on Dividend:

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and currently, the deduction of withholding tax on the amount of dividend paid by the companies based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively where 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (http://www.fbr.gov.pk/) and 'Non-Active' means a person whose name is not being appeared on the Active Taxpayers List.

In case of joint account, each holder is to be treated individually as either 'Active' or 'Non-Active' and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total No. of Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding Proportion (No. of shares)	Name & CNIC No.	Shareholding Proportion (No. of shares)

The required information must reach the Share Registrar of the Company before the close of the business on October 16, 2024 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Shareholder(s).

NOTICE OF ANNUAL GENERAL MEETING

The shareholders seeking to avail exemption or are eligible for deduction at a reduced rate u/s 150 of the Income Tax Ordinance, 2001, must provide valid Tax Exemption Certificate or necessary documentary evidence as the case may be, to the Company's Share Registrar F. D. Registrar Services (Pvt.) Limited before book closure otherwise tax will be deducted on dividend as per applicable rates.

7. Zakat Declaration (CZ-50):

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs. 10 each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declaration under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981, CZ-50 Form with our Share Registrar in the proper manner. The Shareholders must write Artistic Denim Mills Limited's name and their respective CDS A/C # or Folio numbers on Zakat Declarations at relevant place.

8. Deposit of Physical Shares in CDC Accounts:

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and form the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017.

The shareholders having physical shareholding may please be open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form.

For any query/information, the investors may contact the Company's Share Registrar.

9. Unclaimed Dividend:

Shareholders, whose dividends still remain unclaimed are available with the Company, are hereby once again requested to approach the Company to claim their outstanding dividend amounts.

In accordance with Section 244 of the Companies Act, 2017, Companies are required to deposit with the Federal Government of Pakistan all dividends which remain unclaimed for more than three (3) years from the respective date of issuance. The shareholders of the Company, who have any outstanding dividend, are requested to immediately contact and lodge their claim, within 90 days, with our share registrar, along with all relevant identifications and supporting documents in relation thereof.

In case no claim is received within the given period of 90 days from the date of this notice, the Company will proceed to deposit the unclaimed / unpaid dividend amount with the Federal Government, as stipulated under Section 244(2) of the Companies Act, 2017.

10. Submission of CNIC or Passport:

Shareholders are requested to provide photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.

11. Change of Address:

Shareholders are requested to immediately notify the change of address, if any to the Company's Share Registrar.

NOTICE OF ANNUAL GENERAL MEETING

12. Electronic Transmission of Audited Financial Statements & Notices:

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its Shareholders through e-mail. Accordingly, Shareholders are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail.

Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice.

13. Placement of Audited Financial Statements on the website:

The Audited Financial Statements of the Company for the year ended June 30, 2024 have been placed on Company's website i.e. www.admdenim.com

CHAIRMAN'S REVIEW

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF THE BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

It gives me great pleasure to present this report as required under section 192(4) of the Companies Act, 2017 for the year ended June 30, 2024.

Artistic Denim Mills Limited fully adheres to the requirements outlined in the Companies Act, 2017 and the Listed Companies Code of Corporate Governance Regulations, 2019 regarding the composition, procedures, and meetings of its Board of Directors and Committees. Pursuant to the requirements of the Companies Act, 2017 and Listed Companies Code of Corporate Governance Regulations, 2019, an annual evaluation of the Board of Directors (the "Board") of Artistic Denim Mills Limited (the "Company") was carried out to assess the Board's and its committees' overall performance and effectiveness for the year ended June 30, 2024. The Board is assisted by its committees. The purpose of evaluation was to examine those key areas where the Board requires clarity in order to provide high level oversight, including: the strategic process; key business drivers and performance milestones; the global economic environment and competitive context in which the Company operates; the risks faced by the business; Board dynamics; capability and alignment; reputation; and information flows. Areas that require improvement were duly considered and suitable action plans were framed.

As the Chairman of the Board, I want to ensure that the Company is being managed effectively, in a way that helps it to achieve its objectives whilst also safeguarding the integrity of the Company and the interests of its stakeholders.

I am pleased to report that the overall performance of the Board and its committees has remained satisfactory on the basis of criteria set for the purpose.

Following are the integral components of evaluation criteria to judge the performance of the Board & its committees and to achieve the Company's objectives:

- Compliance with the legislative system in which Company operates, including Companies Act, 2017, Listing Regulations of Pakistan Stock Exchange Limited, the Memorandum and Articles of Association of the Company.
- Active participation in strategic planning process, corporate goals, plans, budgets, enterprise risk management system, policy development, financial structure, monitoring and approval.
- Hiring, evaluating, compensating and supporting the Executive Directors and other key positions including Chief Executive.
- Appropriate constitution of Board Committees with members possessing adequate technical knowhow and experience.
- Establishing adequate system of internal controls in the Company and its regular assessment through self-assessment mechanism or/and internal audit activities.
- Ensuring presence of required quorum in Board and Committees' meeting.
- Ensuring orientation and training of Board of Directors to enable them to perform their duties in an effective manner.

Finally, I would like to thank all our Board Members for their committed and proficient contributions during the year under review. I am fully confident that the Board will continue to guide the management in embracing growth opportunities and capitalizing on emerging prospects.

MUHAMMAD IQBAL AHMED

CHAIRMAN / DIRECTOR

Karachi: September 28, 2024

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors is pleased to present the 32nd Annual Report on the business and operations of the Company (Artistic Denim Mills Limited) along with the Audited Financial Statements for the financial year ended June 30, 2024.

OPERATING FINANCIAL RESULTS

The financial performance of the Company for the year ended June 30, 2024 is summarized below:-

	Rs. in ('000')
Profit for the year before levies and income tax	618,028
Levies and income tax	(286,309)
Net Profit for the year	331,719
Un-appropriated profit brought forward	7,253,311
Other comprehensive income	(31,784)
Profit available for appropriation	7,553,246
Appropriations:	
Final Dividend for year ended June 30, 2023	
Cash	(294,000)
Un-appropriated profit carried forward	7,259,246

PERFORMANCE REVIEW

During the year under review, the total revenue from the operations has been Rs. 20,810 million (previous year: Rs. 17,073 million), registering a growth of 21.89% over the previous year. This upturn was primarily driven by both quantity and rate variances, as well as favorable shifts in product mix.

Gross profit, however, has been decreased from Rs. 2,920 million to Rs. 2,440 million in absolute terms. As a percentage of net sales, it declined from 17.10% to 11.73%. This reduction was attributed mainly due to persistent increase in raw material prices, escalating energy costs, and a surge in ocean freight rates due to disruptions in the Red Sea; which led to escalated production costs. Furthermore, the appreciation of the rupee against the US dollar exerted further pressure on margins.

Finance costs has been increased to Rs. 1,219 million as compared to Rs. 982 million in the previous year, marking a 24.15% rise. This escalation was due to confluence of factors, including higher effective interest rates, increased mark-up rate for export-related schemes, and greater working capital requirements.

As a result of the aforementioned factors, the profit before levies and taxes for the year ending on June 30, 2024, stood at Rs. 618 million, while the net profit of Rs. 332 million. This translates to earnings per share of Rs. 3.95, compared to Rs. 12.63 in the previous year.

ECONOMIC REVIEW

Global Economy Overview:

The global economy witnessed a challenging fiscal year 2024. Growth decelerated due to sluggish performance in advanced economies amid contractionary monetary policies aimed at to tackle inflation. Global economic growth has slowed down from 3.5% in 2022 to 3.2% in 2023 and is projected to continue the same pace in 2024 and 2025, remaining below the historical annual average of 3.8% (2000-2019).

Global inflation is expected to decrease from 6.8% in 2023 to 5.9 % in 2024 and 4.5 % in 2025. Geopolitical tensions have emerged as the predominant risk to the global economic landscape. Presently, conflicts in Eastern Europe and the Middle East, key regions for global food and energy distribution, pose imminent challenges. The deceleration in global growth decelerates is further compounded by advanced economies grapple with inflation and escalating geopolitical tensions that contribute to economic uncertainty.

Pakistan Economy Overview:

During fiscal year 2024, Pakistan's economy registered moderate recovery reflected by a GDP growth of 2.38 percent against previous year's contraction of 0.21 percent despite challenges of fiscal consolidation, monetary tightening, geopolitical tensions, and persistently high inflationary pressure.

Agriculture emerged as a main driver of economic growth, registering a growth of 6.25 percent on the back of double-digit growth in output of major crops such as wheat, rice and cotton. Per capita income increased by USD 129 to USD 1,680 as compared to USD 1,551 of last year on the account of increase in economic activity and appreciation in the exchange rate. The investment to GDP ratio stood at 13.14 percent in fiscal year 2024 compared to 14.13 percent in fiscal year 2023. Industrial and services sectors also showed resilience with each posting a growth of 1.21 percent. Manufacturing activity started to recover in fiscal year 2024, but still remained below the potential due to weak market sentiments, global supply disruptions, and heavy reliance on imports.

The coordinated policy response helped to reduce inflation significantly to 12.6 percent in June 2024 from 29.4 percent recorded in June 2023. It is lowest inflation after 30 months despite the Middle East conflict raising geopolitical risks, commodity markets have remained calm. This stability helps maintain Pakistan's downward inflation trend, though there is an upside risk due to potential future market disruptions. Current account deficit was kept under check. Fiscal deficit remained manageable with an overall primary surplus.

TEXTILE SECTOR REVIEW

The textile industry is a vital pillar of Pakistan's economy, contributing 8 - 9% to the GDP, 46% to industrial output, and employing 40% of the industrial workforce. It also generates over half of the nation's total export revenue.

The textile industry of Pakistan has a total established spinning capacity of 1550 million kilograms of yarn, a weaving capacity of 4368 million square meters of fabric, finishing capacity of 4000 million square meters and apparel of over one billion pieces (estimated). The primary export markets for Pakistan's textiles include the United States, the European Union, the United Kingdom and Turkey.

Pakistan's textile and clothing exports recorded a growth of 0.93% in the fiscal year 2024, reaching $16.55 billion, up from $16.50 billion the previous year, according to the latest figures from the Pakistan Bureau of Statistics. However, over the past two years, the sector's exports have declined from $19.3 billion in fiscal year 2022 to $16.55 billion in fiscal year 2024.

DIVIDEND

The Board of Directors has proposed a final cash dividend of Rs. 1.00/= per share for the financial year ended June 30, 2024 (compared to Rs. 3.50/= per share on June 30, 2023), subject to shareholders' approval at the forthcoming Annual General Meeting. The aggregate dividend payout to shareholders is anticipated to amount to Rs. 84 million.

CASH FLOW STATEMENT

The Company has implemented a robust Cash Flow Management system to forecast both incoming and outgoing cash movements. This approach aids in devising strategies to address working capital needs using cash inflows and short-term borrowings. In the year 2024, the Company generated an impressive Rs. 1,654 million from operating activities. This increase in cash earnings was predominantly driven by operating activities. The cash generated through operating activities was allocated towards capital expenditures, loan repayments and dividend disbursement.

CAPITAL EXPENDITURE

Throughout the year, the Company has made significant capital expenditure, primarily focused on capacity expansion, enhanced safety measures and sustainability initiatives to ensure the continued production of high-quality products. Our initiatives also prioritize energy conservation and environmental preservation.

We follow a planned procedure for evaluating capital expenditure requirements. During the year, the Company successfully executed capital expenditure amounting to Rs. 895 million. The Company remains dedicated to consistently investing in strategic projects that directly support the achievement of its core objectives.

SALES AND MARKETING

With a track record of over 32 years of experience, ADM takes immense pride in its distinguished reputation for delivering premium denim brands to its esteemed customers. The Company continues to be the leading producer, reliable supplier and provider of quality product coupled with providing customer pivotal solutions. ADM's commitment to excellence and innovation has cultivated a loyal global customer base, establishing a sustainable and robust business model. Strong customer relationships, nurtured over the course of many years underscore our dedication to prioritizing customer needs, encapsulating the core spirit of ADM.

As part of our strategic vision, ADM is steadfastly focused on broadening its customer base by expanding its presence across the Americas, Europe, and Asia. This calculated expansion is a reflection of our dedication to extending the reach of our products and services to new horizons, solidifying our position as an industry trendsetter.

In our sustainable development endeavors, ADM is dedicating its efforts towards six key domains that are pivotal in advancing our sustainability objectives, resonating deeply with both our values and the priorities of our valued customers:

- Water Management
- Energy Conservation
- Chemicals (dyes and processing chemicals)
- Cotton/Fibres
- People
- Packaging

Our leadership is actively promotes sustainable cost savings by embracing enhanced process efficiencies. ADM has separate internal research and development department who is involved into new product development & process innovations and to provide complete solution to the customers. Sustainability is a core commitment to us and we collaborate closely with all of our suppliers to make it a reality. ADM remains at the forefront of embracing emerging technologies across production, quality assurance, and research and development. This strategic adoption facilitates the reduction of conversion costs and defects while enhancing production flexibility, quality standards, efficiency and capacity utilization. This flexibility enables us to address diverse customer demands promptly.

In our ongoing journey towards becoming a more sustainable organization, the Company added two cotton recycling machines. These machines efficiently recycle both post-industrial waste, some of which originates from our own facilities, and post-consumer waste. Further, we have installed a state-of-the-art bleaching/decolorizing machine to add more value to our production.

Navigating a multifaceted and dynamic marketplace, we align our products with the evolving consumer expectations. ADM possess a modern and cutting-edge innovation center, equipped with state-of-the-art testing and development equipment is managed by a proficient team of seasoned experts, ensuring seamless operations. Our product design philosophy consistently embraces shifting consumer preferences and diverse lifestyles, catering to premium denim brands across the United States, Europe, and Asia.

Innovation is an intrinsic force driving ADM's core, empowering the Company to develop the widest range of products such as HyperStretch, Promodal®, XFIT LYCRA®, Organic Denim Series, LYCRA®dualFX™, TOUGH MAX™LYCRA®, Pure Dark Indigo Series (PDI), Medallion Series, Tined Series, Flat Series, Recycled Cotton and LYCRA®T400® Fiber. Innovation is steered by the needs of our customers who increasingly demand differentiated products to respond to emerging trends and evolving consumer preferences.

ADM continues to strengthen its competitive advantage through differentiated product offerings and optimized operational efficiencies. Every new innovation introduced by ADM undergoes stringent testing, assuring its precision and efficacy before implementation. We develop innovative solutions based on dynamic demands of the market and customers' feedback. Within our cutting-edge facilities, underpinned by state-of-the-art technology, robust processes, and comprehensive policies - all combine to create products that deliver exceptional value to our esteemed customers.

FUTURE OUTLOOK

In the fiscal year 2024-2025, the Government of Pakistan is confronted with the formidable challenge of addressing numerous socio-economic issues that have significantly impacted the lives of its people. Key challenges include high inflation, soaring prices, stagnant incomes, increasing tax burdens, and exorbitant utility costs. These economic hardships are further compounded by a deteriorating law and order situation, which has necessitated the launch of a new military operation Azm-e-Istihkam, aimed at combating criminal elements.

The textile industry which is a cornerstone of Pakistan's export sector has been particularly affected by the ongoing economic crises. Restrictions on the opening of Letters of Credit (LCs), delays in refunds to exporters, limitation on importing raw materials and machinery, coupled with high inflation and interest rates, have severely impacted the sector's competitiveness and liquidity. Further, the discontinuation of the regionally competitive energy tariff and suspension of the Drawback of Local Taxes and Levies (DLTL) under the Textile Policy have further exacerbated these issues. The government's decision to include exporters in the normal tax regime for the fiscal year 2024-2025 is anticipated by industry analysts to adversely affect export figures in the coming months. Comparisons with major competitors such as India, Bangladesh and Vietnam underscore significant disparities in key input costs like energy and overall high cost of doing business that erode Pakistan competitiveness in the international market.

This confluence of economic and security challenges demands urgent and effective policy interventions from the government to alleviate the suffering of its citizens and restore stability. Implementing effective management of fiscal deficits, adopting prudent monetary policies, and providing targeted subsidies for vulnerable populations are essential measures to curb inflation and reduce the burden on the populace.

Despite the formidable challenges, your company is fully aware of these challenges and is committed to implementing proactive measures to minimize their adverse impacts. Our efforts are concentrated on enhancing productivity and executing cost-containment strategies. We are well-prepared and have consistently demonstrated our ability to seize new opportunities and navigate challenges, all with the goal of continually enhancing stakeholder value.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company is committed to upholding high standards of corporate governance without any exception. The Directors are pleased to affirm that the Company has diligently adhered to the provisions set forth in the Code of Corporate Governance as mandated by the Securities and Exchange Commission of Pakistan and forms an integral component of the Listing Regulations established by the Pakistan Stock Exchange.

The Directors confirm that:

- The financial statements for the year ended June 30, 2024, prepared by the management of the Company, present fairly, its state of affairs, the results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2024 and any changes in accounting policies have been disclosed in the financial statements. Accounting estimates are based on reasonable and prudent judgments;
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Companies Act, 2017, have been duly followed in preparation of the financial statements and any departure there-from has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented, regularly reviewed and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls in the system;
- There are no doubts about the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations of Rule Book of Pakistan Stock Exchange;
- The key operating and financial data for the last six years in summarized form is annexed to the Audited Financial Statements;
- The outstanding duties, statutory charges and taxes, if any, have been duly disclosed in the Audited Financial Statements;
- Four directors on the Board have already attended the directors training course, whereas one director is exempted from such course on account of the experience and qualification. The Company is currently in the process of organizing the Directors' Training Program certification for the remaining directors. All the Directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies.

MATERIAL CHANGES

There have been no material changes since June 30, 2024 to date of the Audited Financial Statements and the company has not entered into any commitment during this period that could adversely affect its financial position.

PATTERN OF SHAREHOLDING

The Company's shares are traded on the Pakistan Stock Exchange Limited. The pattern of shareholding as on June 30, 2024, along with pertinent disclosures, is appended to the Audited Financial Statements.

TRADE IN THE SHARES OF THE COMPANY

During the financial year, neither the Company's Directors, Chief Executive, Chief Financial Officer, Company Secretary, Head of Internal Audit, nor any other Executives, including their respective spouses or minor children, engaged in any trading activities involving the Company's shares.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A statement to this effect is annexed with these Audited Financial Statements.

BOARD OF DIRECTORS

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

a. Male: 6
b. Female: 1

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

Category	Numbers	Names
a) Independent Director	02	Mr. Yazdani Zia Mr. Muneer Ahmed
b) Other Non-Executive Directors		
- Male	02	Mr. Muhammad Iqbal Ahmed Mr. Muhammad Yousuf Ahmed
- Female	01	Ms. Zahra Faisal Ahmed
c) Executive Director	02	Mr. Muhammad Faisal Ahmed Mr. Muhammad Ozair Qureshi

During the year, election of Directors was held as per the requirements of the Companies Act, 2017. The Board places on record its appreciation for the valuable contributions made by the outgoing Director and welcomes the new Director.

During the year under review, five meetings of the Board of Directors were held in Pakistan and the attendance by each Director was as follows:

Name of Director	No. of Meetings Attended
Mr. Muhammad Faisal Ahmed	5
Mr. Muhammad Iqbal Ahmed	5
Mr. Muhammad Yousuf Ahmed	4
Mr. Muhammad Ali Ahmed *	-
Ms. Zahra Faisal Ahmed	3
Mr. Yazdani Zia	5
Mr. Muneer Ahmed	5
Mr. Muhammad Ozair Qureshi **	3

Directors who were unable to participate in the Board Meetings were granted approved leaves of absence.

* Retired on November 23, 2023.
** Elected on Board in the election of Directors held on November 15, 2023.

BOARD COMMITTEES

Aligned with the Code of Corporate Governance, the Board of Directors has established an Audit Committee comprising three members: two independent directors and one non-executive director. The Chairman of the Audit Committee is an independent director. Notably, the Audit Committee has effectively discharged its duties in accordance with the prescribed standards of the Code of Corporate Governance.

During the year, four meetings of the Audit Committee were held. The attendance record of each director was as follows:

Name of Director	No. of Meetings Attended
Mr. Muhammad Iqbal Ahmed	4
Mr. Muhammad Ali Ahmed *	-
Mr. Yazdani Zia	4
Mr. Muneer Ahmed **	2

Directors who were unable to attend the Committee Meetings were granted approved leaves of absence.
* Retired on November 23, 2023.
** Elected on Board Committee in the Board Meeting held on November 27, 2023.

In accordance with the stipulations of the Code of Corporate Governance, the Board of Directors has constituted the Human Resource and Remuneration Committee (HR&RC). Comprising three members, the Committee includes one non-executive director, one executive director, and one independent director. The leadership of the Committee is under the guidance of an independent director serving as the Chairman. The Committee is diligently fulfilling its responsibilities as outlined in its established terms of reference, set forth by the Board of Directors. Over the course of the year, the Committee held a single meeting, and the attendance of each director was as follows:

Name of Director	No. of Meetings Attended
Mr. Muhammad Faisal Ahmed	1
Ms. Zahra Faisal Ahmed	1
Mr. Muneer Ahmed *	-
Mr. Yazdani Zia **	1

Director who was unable to attend the Committee Meeting was granted approved leave of absence.

* Elected on Board Committee in the Board Meeting held on November 27, 2023.
** Replaced by new member in the Board Meeting held on November 27, 2023.

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

The remuneration of a Non-Executive Directors / Independent Director for attending the meetings of the Board/Committee shall, from time to time be determined by the Board. The Non-Executive Directors / Independent Director were paid remuneration by way of fee for each meeting of the Board and Committee of Directors attended by them. The Directors shall additionally be paid such travelling, boarding, lodging and other expenses properly incurred by them in or about the performance of their duties or business if any of them has to come to attend the Board or general meeting of the Company from outstation.

RELATED PARTY TRANSACTIONS AND TRANSFER PRICING

All related party transactions, during the financial year 2024, were placed before the Audit Committee and the Board for their review and approval. These transactions were duly approved by the Audit Committee and the Board in their respective meetings. The Company in the normal course of business carries out transactions with its associated companies. Notably, all transactions involving related parties were executed at arm's length prices, meticulously determined through the comparable uncontrolled prices method.

RISK MANAGEMENT

The Company has a robust Risk Management framework which enables it to effectively navigate, monitor and report on the principal risk and uncertainties that can impact its ability to achieve its strategic objectives. The significance of proactively identifying, evaluating, and mitigating critical risks continues to grow over time. Under the framework, the Company has incorporated processes and systems to proactively monitor, manage and mitigate these risks along with diligent review mechanisms. The evaluation and management of risks are approached from a comprehensive standpoint, spanning a dual approach of top-down and bottom-up considerations, encompassing the enterprise, business units, functions, and projects.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a comprehensive Internal Financial Control System commensurate with the size, scale and complexity of its operations. The system encompasses the major processes to ensure safeguarding of the Company's assets, validating the proper authorization of financial transactions, compliance with pertinent applicable laws and regulations and optimizing resources utilization. The internal controls are designated through risk-based assessments. The independent Internal Audit function of the Company plays an important role in evaluating the effectiveness of these internal control systems. The Company's management diligently evaluates and takes appropriate action on the recommendations made by both Statutory Auditors and Internal Auditors.

AUDITORS

The present Auditors, Reanda Haroon Zakaria & Company, Chartered Accountants will be retiring at the conclusion of the forthcoming annual general meeting scheduled to be held on October 25, 2024 and being eligible, they have offered themselves for re-appointment. Aligned with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors endorses the recommendation of the Audit Committee to re-appoint them as the Company's Statutory Auditors for the financial year ending June 30, 2025, at a mutually agreed fee.

CORPORATE SOCIAL RESPONSIBILITY

1. Energy Conservation

The Company operates its own power generation plant, which efficiently caters to the energy needs of all divisions including Recycling, Bleaching, Spinning, Weaving, and Garments production. A team of highly skilled and extensively trained personnel oversee the plant's operation and maintenance.

Aligned with the Company's resolute commitment to conserving natural resources, all business units continuously persistently strive to enhance energy utilization efficiencies. To counter the escalating costs of gas and fuel, the Company has introduced a Solar Power System, harnessing the eco-friendly potential of solar energy. Solar power is truly a green source of power utilizing the natural resources and significantly reducing the carbon footprint. The economic importance of this project lies in the use of renewable energy, which reduces cost of power and thereby contributes to bottom line while making the best use of the idle and unused rooftops.

The Company is engaged in the continuous process of energy conservation through process & machinery modifications, implementation of technological advancements, development of newer methods, maintenance, waste heat recovery etc. Natural gas is utilized for power generation through a tri-generation facility. Waste heat recovery boilers are used for heat recovery. Waste heat recovery systems make possible the recovery of heat being discharged into the atmosphere as supplemental energy/steam for other processes. The jacket hot water of generators is used to operate the absorption chiller.

Scientific and technological advancements constitute the backbone of our drive toward clean and efficient energy utilization. These deliberate measures not only lead to substantial energy savings but also result in reduced production costs and enhanced operational efficiency.

2. Environment, Health & Safety Assurance

ADM maintains a comprehensive health, safety, and environmental framework that ensures the well-being of its workforce, customers, stakeholders, contractors, visitors, and suppliers, while safeguarding the overall premises and surroundings.

The company proactively strives to eliminate unsafe and unhealthy work practices and conditions, grounded in clearly defined objectives. Rigorous precautions are taken to prevent accidents and health-related incidents within the work environment. Dedicated Management Representatives assume responsibility for the highest standards of health and safety, overseeing their meticulous execution.

Regular environmental noise testing is conducted by an external commercial laboratory to monitor noise levels and ensure compliance. Our robust fire prevention measures include the installation and maintenance of fire alarm and detection systems in accordance with NFPA Standard 10. Furthermore, a dedicated Emergency Response Team stands ready to swiftly address any fire-related incidents, offering round-the-clock support.

ADM ensures full commitment to environment, health & safety at all levels of management. We conduct regular assessments and reviews to ensure continuous improvement of these conditions and to confirm the effectiveness of the Company's policy, objectives, targets and programs in this regard.

ADM proudly holds the following certifications:

• ISO 45001:2018 OHSAS	(Occupational Health and Safety Assessment Series)
• ISO 14001:2015 EMS	(Environmental Management System)
• ISO 9001:2015 QMS	(Quality Management System)
• BSCI	(Business Social Compliance Initiative)
• BCI	(Better Cotton Initiative)
• WRAP	(Worldwide Responsible Accreditation Production)
• SEDEX	(Supplier Ethical Data Exchange)
• GOTS	(Global Organic Textile Standard)
• OCS	(Organic Content Standard)
• RCS	(Recycled Cotton Standard)
• GRS	(Global Recycled Standard)
• C-TPAT	(Customs-Trade Partnership against Terrorism)
• ZDHC	(Zero Discharge of Hazardous Chemicals)
• SCAN	Supplier Compliance Audit Network
• HIGG (FEM)	Facility Environmental Module
• HIGG (FSLM)	Facility Social Labor Module
• SQP	Supplier Qualification Program
• U.S. COTTON	U.S. Cotton Trust Protocol
• BETTER WORK (ILO)	Better Work (International Labour Organization)
• OEKO-TEX Standard 100	

Each of these certifications underscores ADM's steadfast dedication to fostering a secure, sustainable, and socially responsible operational environment.

3. Robust Security Protocols

The company's leadership acknowledges the paramount significance of operational safety and security. We have made substantial investments to ensure the safeguarding of personnel and assets, involving the deployment of dedicated security personnel and the implementation of comprehensive security policies and protocols. Integral to these measures is an extensive network of CCTV cameras strategically positioned across multiple locations, enhancing our surveillance capabilities. These concerted efforts collectively contribute to the seamless functioning of operations while upholding the safety and integrity of our workforce and resources.

4. Sustainability Related Risks

In alignment with our commitment to long-term value creation and responsible business practices, the Board has undertaken a comprehensive assessment of sustainability-related risks that may impact our organization. These risks include environmental, social, and governance (ESG) factors that are increasingly critical to our operations, stakeholder expectations, and overall business resilience.

Environmental Risks:

We have identified potential risks associated with climate change, resource scarcity, and environmental regulations. To mitigate these risks, we have implemented energy-efficient processes, reduced our carbon footprint, and adopted sustainable resource management practices. Our commitment to environmental stewardship is reflected in our ongoing investment in sustainable technologies and adherence to best practices in environmental management.

Social Risks:

Social factors, such as workforce diversity, employee well-being, and community engagement, are integral to our sustainability strategy. We manage these risks by fostering a diverse and inclusive workplace, ensuring fair labor practices, and actively engaging with the communities in which we operate. Additionally, we regularly monitor and assess the social impact of our operations to ensure alignment with our corporate values and stakeholder expectations.

Governance Risks:

Strong governance is essential for managing sustainability-related risks. We have robust governance frameworks in place to ensure transparency, ethical conduct, and accountability across all levels of the organization. These include clear policies on compliance, risk management, and stakeholder engagement, which are regularly reviewed and updated to address emerging sustainability challenges.

The Board remains committed to ongoing evaluation and enhancement of our sustainability risk management practices. We recognize that these efforts are essential not only for mitigating risks but also for identifying opportunities that contribute to our long-term success and the well-being of our stakeholders.

5. Waste Water Treatment Plant

Water is a scarce and precious natural resource in our country and it should be managed in the best possible manner. The Company has waste water treatment facility fully compliant with SEPA Pakistan's National Environment Quality Standards. Given the scarcity of water, hence it is imperative to evolve technologies which treat it efficiently so that it can be reused. At our waste water treatment facility, comprehensive processes are employed to purify waste water before its reintroduction into circulation or its safe discharge into the primary sewer system, aligning rigorously with environmental preservation benchmarks.

6. Equal Opportunity Employer

Aligned with our Company's core principles that uphold the equality of all individuals, ADM stands steadfast in its dedication to cultivating an inclusive workplace. We take pride in actively seeking and welcoming employees from diverse ethnic backgrounds, firmly rejecting any form of prejudice or bias in our hiring practices.

7. Diversity, Equity and Inclusion (DEI)

As part of our ongoing commitment to corporate responsibility and governance, we have continued to prioritize Diversity, Equity, and Inclusion (DEI) within our organization. This year, we implemented DEI initiatives aimed at enhancing workplace diversity, ensuring equitable opportunities, and fostering an inclusive environment for all employees. These efforts included targeted recruitment strategies and employee training programs to support our diverse workforce. We are dedicated to advancing DEI across all levels of the organization and will continue to measure our progress to ensure these values are deeply embedded in our culture and operations.

8. Donation

ADM is committed to act ethically towards the society at large and aims to contribute to the social development in the country as well as in the world. In line with this vision, our Company is dedicated to fostering social development. We proudly extend substantial donations to esteemed organizations such as the Citizen Foundation, Abdul Sattar Edhi Foundation and Saylani Welfare Trust.

ACKNOWLEDGEMENTS

The Board of Directors of the Company would like to thank for the firm support and co-operation extended by all our esteemed customers, stakeholders, including banks, regulatory bodies, and valued business partners. We look forward to continuing this strong alliance in the future. We also express our deep appreciation for the hard work, diligence and dedicated efforts of our employees, who have ensured seamless operations and enabled the Company to successfully face the challenges of a highly competitive environment.

ON BEHALF OF THE BOARD OF DIRECTORS

MUHAMMAD FAISAL AHMED
Chief Executive

YAZDANI ZIA
Director

Karachi: September 28, 2024

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2024 کوختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی بیانات کے ساتھ کمپنی (آرٹسٹک ڈینم ملز لمیٹڈ) کے کاروبار اور آپریشنز پر 32 ویں سالانہ رپورٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

آپریٹنگ مالیاتی نتائج:

30 جون 2024 کوختم ہونے والے سال کے لئے کمپنی کی مالیاتی کارکردگی کا خلاصہ ذیل میں ہے:

	روپے 000 میں
لیویز اور انکم ٹیکس سے قبل سالانہ منافع	618,028
لیویز اور انکم ٹیکس	(286,309)
خالص سالانہ منافع	331,719
مقدم کیا گیا غیر مختص شدہ منافع	7,253,311
دیگر جامع آمدن	(31,784)
تخصیص کے لئے دستیاب منافع	7,553,246

مختص فنڈ:

30 جون 2023 کوختم ہونے والے سال کے لئے حتمی ڈیویڈنڈ	
کیش	(294,000)
غیر مختص منافع کو آگے بڑھایا گیا	7,259,246

کارکردگی کا جائزہ

زیر غور سال کے دوران آپریشنز سے مجموعی آمدنی 20,810 ملین روپے (گزشتہ سال: 17,073 ملین روپے) رہی ہے، جو گزشتہ سال کے مقابلے میں 21.89 فیصد زیادہ ہے۔ یہ بہتری بنیادی طور پر مقدار اور شرح کے تغیرات کے ساتھ ساتھ مصنوعات کے مرکب میں سازگار تبدیلیوں کی وجہ سے تھا۔

تاہم مجموعی منافع 2,920 ملین روپے سے کم ہو کر 2,440 ملین روپے رہ گیا ہے۔ خالص فروخت کے فیصد کے طور پر، یہ 17.10 فیصد سے کم ہو کر 11.73 فیصد ہوگئی۔ اس کمی کی بنیادی وجہ خام مال کی قیمتوں میں مسلسل اضافہ، توانائی کی بڑھتی ہوئی لاگت، اور بحیرہ احمر میں خلل کی وجہ سے سمندری مال برداری کی شرح میں اضافہ تھا۔ جس کی وجہ سے پیداواری لاگت میں اضافہ ہوا۔ مزید برآں، امریکی ڈالر کے مقابلے میں روپے کی قدر میں اضافے نے مارجن پر مزید دباؤ ڈالا۔

فنانس اخراجات گزشتہ سال کے 982 ملین روپے کے مقابلے میں 24.15 فیصد اضافے کے ساتھ 1,219 ملین روپے تک بڑھ گئے ہیں۔ یہ اضافہ عوامل کے سنگم کی وجہ سے تھا، جن میں اعلی موثر شرح سود، برآمدات سے متعلق اسکیموں کے لئے مارک اپ کی شرح میں اضافہ، اور زیادہ ورکنگ کیپیٹل کی ضروریات شامل ہیں۔

مندرجہ بالا عوامل کے نتیجے میں 30 جون 2024 کوختم ہونے والے سال کے لیے لیویز اور ٹیکسوں سے قبل منافع 618 ملین روپے رہا جبکہ خالص منافع 332 ملین روپے رہا۔ اس کا مطلب یہ ہے کہ پچھلے سال کے 12.63 روپے کے مقابلے میں فی حصص آمدنی 3.95 روپے ہے۔

اقتصادی جائزہ

عالمی معیشت کا جائزہ:

عالمی معیشت نے ایک چیلنجنگ مالی سال 2024 کا مشاہدہ کیا۔ افراط زر سے نمٹنے کے مقصد سے سکڑتی ہوئی مانیٹری پالیسیوں کے درمیان ترقی یافتہ معیشتوں میں سست کارکردگی کی وجہ سے شرح نمو میں کمی واقع ہوئی۔ عالمی اقتصادی ترقی 2022 میں 3.5 فیصد سے کم ہو کر 2023 میں 3.2 فیصد ہو گئی ہے اور 2024 اور 2025 میں بھی اسی رفتار کو جاری رکھنے کی توقع ہے، جو تاریخی سالانہ اوسط 3.8 فیصد (2000-2019) سے کم رہے گی۔

عالمی افراط زر 2023 میں 6.8 فیصد سے کم ہو کر 2024 میں 5.9 فیصد اور 2025 میں 4.5 فیصد رہنے کا امکان ہے۔ جغرافیائی سیاسی تناؤ عالمی اقتصادی منظر نامے کے لئے سب سے بڑا خطرہ بن کر ابھرا ہے۔ اس وقت مشرقی یورپ اور مشرق وسطی میں تنازعات، جو خوراک اور توانائی کی عالمی تقسیم کے لیے اہم خطے ہیں، ناگزیر چیلنجز ہیں۔ عالمی شرح نمو میں سست روی کو ترقی یافتہ معیشتوں کی جانب سے افراط زر اور بڑھتی ہوئی جغرافیائی سیاسی تناؤ کی وجہ سے مزید پیچیدہ بنا دیا گیا ہے جو معاشی غیر یقینی صورتحال کا باعث بنتے ہیں۔

پاکستان کی معیشت کا جائزہ:

مالی سال 2024 کے دوران پاکستان کی معیشت میں 2.38 فیصد جی ڈی پی نمو ریکارڈ کی گئی جبکہ مالی استحکام، مالیاتی سختی، جغرافیائی سیاسی تناؤ اور مسلسل افراط زر کے دباؤ کے چیلنجز کے باوجود گزشتہ سال 0.21 فیصد کی کمی واقع ہوئی تھی۔

گندم، چاول اور کپاس جیسی اہم فصلوں کی پیداوار میں ڈبل ڈیجٹ کی شرح نمو کی وجہ سے زراعت معاشی ترقی کے ایک اہم محرک کے طور پر ابھری اور 6.25 فیصد کی نمو درج کی۔ اقتصادی سرگرمیوں میں اضافے اور شرح مبادلہ میں اضافے کی وجہ سے فی کس آمدنی 129 ڈالر بڑھ کر 1,680 ڈالر ہو گئی جو گزشتہ سال 1,551 ڈالر تھی۔ جی ڈی پی کے مقابلے میں سرمایہ کاری کا تناسب مالی سال 2024 میں 13.14 فیصد رہا جو مالی سال 2023 میں 14.13 فیصد تھا۔ صنعتی اور خدمات کے شعبوں نے بھی لچک کا مظاہرہ کیا اور ہر ایک میں 1.21 فیصد کا اضافہ ہوا۔ مالی سال 2024 میں مینوفیکچرنگ کی سرگرمیوں میں بہتری آنا شروع ہوئی لیکن مارکیٹ کے کمزور جذبات، عالمی رسد میں خلل اور درآمدات پر بھاری انحصار کی وجہ سے اب بھی صلاحیت سے کم رہی۔

مربوط پالیسی ردعمل نے جون 2024 میں افراط زر کو نمایاں طور پر کم کر کے 12.6 فیصد تک لانے میں مدد کی جو جون 2023 میں 29.4 فیصد ریکارڈ کی گئی تھی۔ یہ 30 ماہ کے بعد سب سے کم افراط زر ہے، مشرق وسطی کے تنازعے کے باوجود جغرافیائی سیاسی خطرات میں اضافہ ہوا ہے، اجناس کی منڈیاں پرسکون ہیں۔ یہ استحکام پاکستان کے افراط زر کے رجحان کو برقرار رکھنے میں مدد کرتا ہے، حالانکہ مستقبل میں مارکیٹ میں ممکنہ خلل کی وجہ سے اضافے کا خطرہ موجود ہے۔ کرنٹ اکاونٹ خسارے کو قابو میں رکھا گیا۔ مالی خسارہ مجموعی طور پر بنیادی سرپلس کے ساتھ قابل انتظام رہا۔

ٹیکسٹائل سیکٹر کا جائزہ

ٹیکسٹائل کی صنعت پاکستان کی معیشت کا ایک اہم ستون ہے جو جی ڈی پی میں 8 سے 9 فیصد، صنعتی پیداوار میں 46 فیصد اور صنعتی افرادی قوت میں 40 فیصد کا حصہ ڈالتی ہے۔ یہ ملک کی کل برآمدی آمدنی کا نصف سے زیادہ بھی پیدا کرتا ہے۔

پاکستان کی ٹیکسٹائل انڈسٹری میں 1550 ملین کلوگرام دھاگے کی اسپننگ کی صلاحیت، 4368 ملین مربع میٹر کپڑے کی بنائی کی صلاحیت، 4000 ملین مربع میٹر کی فنشنگ کی صلاحیت اور ایک ارب سے زائد ٹکڑوں کے ملبوسات (تخمینہ) موجود ہیں۔ پاکستان کی ٹیکسٹائل کی بنیادی برآمدی منڈیوں میں امریکہ، یورپی یونین، برطانیہ اور ترکی شامل ہیں۔

ادارہ برائے شماریات پاکستان کے تازہ ترین اعداد و شمار کے مطابق مالی سال 2024 میں پاکستان کی ٹیکسٹائل اور ملبوسات کی برآمدات میں 0.93 فیصد اضافہ ریکارڈ کیا گیا جو 16.55 ارب ڈالر تک پہنچ گئی جو گزشتہ سال 16.50 ارب ڈالر تھی۔ تاہم گزشتہ دو برسوں کے دوران اس شعبے کی برآمدات مالی سال

2022 کے 19.3 ارب ڈالر سے کم ہو کر مالی سال 2024 میں 16.55 ارب ڈالر رہ گئی ہیں۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے 1.00 روپے فی حصص (30 جون 2023 کو -/3.50 روپے فی حصص کے مقابلے میں) کے حتمی نقد ڈیویڈنڈ کی تجویز پیش کی ہے، جو آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ شیئر ہولڈرز کو مجموعی منافع کی ادائیگی 84 ملین روپے متوقع ہے۔

کیش فلو اسٹیٹمنٹ

کمپنی نے آنے اور جانے والی نقد نقل و حرکت دونوں کی پیش گوئی کرنے کے لئے ایک مضبوط کیش فلو مینجمنٹ سسٹم نافذ کیا ہے۔ یہ نقطہ نظر نقد بہاؤ اور قلیل مدتی قرضوں کا استعمال کرتے ہوئے ورکنگ کیپیٹل کی ضروریات کو پورا کرنے کے لئے حکمت عملی تیار کرنے میں مدد کرتا ہے۔ سال 2024 میں کمپنی نے آپریٹنگ سرگرمیوں سے 1,654 ملین روپے کی متاثر کن آمدنی حاصل کی۔ نقد آمدنی میں یہ اضافہ بنیادی طور پر آپریٹنگ سرگرمیوں کی وجہ سے تھا۔ آپریٹنگ سرگرمیوں کے ذریعے حاصل ہونے والی نقد رقم کو سرمائے کے اخراجات، قرضوں کی ادائیگی اور منافع کی تقسیم کے لئے مختص کیا گیا تھا۔

کیپیٹل مصارف

پورے سال کے دوران، کمپنی نے اہم سرمائے کے اخراجات کیے ہیں، بنیادی طور پر صلاحیت میں توسیع، بہتر حفاظتی اقدامات اور اعلیٰ معیار کی مصنوعات کی مسلسل پیداوار کو یقینی بنانے کے لئے پائیدار اقدامات پر توجہ مرکوز کی ہے۔ ہمارے اقدامات توانائی کے تحفظ اور ماحولیاتی تحفظ کو بھی ترجیح دیتے ہیں۔

ہم سرمائے کے اخراجات کی ضروریات کا جائزہ لینے کے لئے ایک منصوبہ بند طریقہ کار پر عمل کرتے ہیں۔ سال کے دوران کمپنی نے 895 ملین روپے کے سرمائے کے اخراجات کو کامیابی کے ساتھ انجام دیا۔ کمپنی اسٹریٹجک منصوبوں میں مستقل سرمایہ کاری کے لئے وقف ہے جو براہ راست اس کے بنیادی مقاصد کے حصول کی حمایت کرتے ہیں۔

فروخت اور مارکیٹنگ

32 سال سے زائد کے تجربے کے ٹریک ریکارڈ کے ساتھ، ADM اپنے معزز صارفین کو پریمیم ڈینم برانڈز فراہم کرنے کے لئے اپنی ممتاز ساکھ پر بے حد فخر محسوس کرتا ہے۔ کمپنی گاہکوں کو اہم حل فراہم کرنے کے ساتھ ساتھ معیاری مصنوعات کے معروف پروڈیوسر، قابل اعتماد سپلائر اور فراہم کنندہ ہے۔ بہترین کارکردگی اور جدت طرازی کے لئے ADM کی وابستگی نے ایک وفادار عالمی کسٹمر بیس کو فروغ دیا ہے، جو ایک پائیدار اور مضبوط کاروباری ماڈل قائم کرتا ہے۔ کئی سالوں کے دوران پروان چڑھنے والے مضبوط کسٹمر تعلقات صارفین کی ضروریات کو ترجیح دینے کے لئے ہماری لگن کو اجاگر کرتے ہیں، جو ADM کے بنیادی جذبے کو شامل کرتے ہیں۔

ہمارے اسٹریٹجک وژن کے ایک حصے کے طور پر، ADM امریکہ، یورپ اور ایشیا میں اپنی موجودگی کو بڑھا کر اپنے صارفین کی بنیاد کو وسیع کرنے پر مستقل طور پر توجہ مرکوز کر رہا ہے۔ حساب شدہ توسیع ہماری مصنوعات اور خدمات کی رسائی کو نئے افق تک بڑھانے کے لئے ہماری لگن کی عکاسی کرتی ہے، جس سے صنعت کے رواج ساز کے طور پر ہماری پوزیشن مستحکم ہوتی ہے۔

ہماری پائیدار ترقیاتی کاوشوں میں، ADM اپنی کوششوں کو چھ کلیدی ڈومینز کی طرف وقف کر رہا ہے جو ہمارے پائیدار مقاصد کو آگے بڑھانے میں اہم ہیں، جو ہماری اقدار اور ہمارے قابل قدر گاہکوں کی ترجیحات دونوں کے ساتھ گہری وابستگی رکھتے ہیں:

- پانی کا انتظام
- توانائی کا تحفظ

- کیمیکلز (رنگ اور پروسیسنگ کیمیکل)
- کپاس /فائبر
- لوگ
- پیکیجنگ

ہماری قیادت بہترعمل کی کارکردگی کواپناتے ہوئے پائیدار لاگت کی بچت کوفعال طور پر فروغ دے رہی ہے۔ADM کے پاس علیحدہ اندرونی تحقیق اور ترقی کا شعبہ ہے جونئی مصنوعات کی ترقی کےعمل کی جدت طرازی اور گاہکوں کومکمل حل فراہم کرنے میں ملوث ہے۔ پائیداری ہمارے لئے ایک بنیادی عزم ہے اور ہم اسے حقیقت بنانے کے لئے اپنے تمام سپلائرز کے ساتھ قریبی تعاون کرتے ہیں۔ADM پیداوار، معیار کی یقین دہانی، اور تحقیق اور ترقی میں ابھرتی ہوئی ٹیکنالوجی کواپنانے میں سب سے آگے ہے۔ یہ اسٹریٹجک اپنانے سے پیداوار کی لچک کے معیار، کارکردگی اور صلاحیت کے استعمال میں اضافہ کرتے ہوئے تبدیلی کے اخراجات اور نقائص میں کمی میں مدد ملتی ہے۔ یہ لچک ہمیں صارفین کے متنوع مطالبات کوفوری طور پر حل کرنے کے قابل بناتی ہے۔

زیادہ پائیدار تنظیم بننے کی طرف ہمارے جاری سفر میں، کمپنی نے دو کپاس کی ری سائیکلنگ مشینیں شامل کیں۔ یہ مشینیں صنعت کے بعد کے فضلے کوموثر طریقے سے ری سائیکل کرتی ہیں، جن میں سے کچھ ہماری اپنی تنصیبات سے نکلتے ہیں، اور صارفین کے بعد کے فضلے۔ مزید برآں، ہم نے اپنی پیداوار میں مزید قدر شامل کرنے کے لئے ایک جدید ترین بلیچنگ /ڈی کلرائزنگ مشین نصب کی ہے۔

ایک کثیر الجہتی اور متحرک مارکیٹ کو نیویگیٹ کرتے ہوئے، ہم اپنی مصنوعات کوترقی پذیر صارفین کی توقعات کے ساتھ ہم آہنگ کرتے ہیں۔ADM کے پاس ایک جدید اور جدید جدت طرازی مرکز ہے، جو جدید ترین ٹیسٹنگ اور ترقیاتی آلات سے لیس ہے، جس کا انتظام تجربہ کار ماہرین کی ایک ماہر ٹیم کے ذریعہ کیا جاتا ہے، جو ہموار آپریشنز کو یقینی بناتا ہے۔ ہمارا پروڈکٹ ڈیزائن فلسفہ مستقل طور پر صارفین کی بدلتی ہوئی ترجیحات اور متنوع طرز زندگی کو اپناتا ہے، جو ریاستہائے متحدہ امریکہ، یورپ اور ایشیا میں پریمیم ڈینم برانڈز کو پورا کرتا ہے۔

جدت طرازی ADM کے بنیادی ڈھانچے کو چلانے والی ایک داخلی قوت ہے، جو کمپنی کو HyperStretch, Promodal®, XFIT LYCRA®, Organic Denim Series, LYCRA® dualFX™, TOUGH MAX™LYCRA®, Pure Dark Indigo Series(PDI), Medallion Series, Tined Series, Flat Series, Recycled Cotton and LYCRA®T400® جیسی مصنوعات کی وسیع رینج تیار کرنے کیلئے بااختیار بناتی ہے۔ جدت طرازی ہمارے صارفین کی ضروریات سے چلتی ہے جو ابھرتے ہوئے رجحانات اور بدلتے ہوئے صارفین کی ترجیحات کا جواب دینے کے لئے مختلف مصنوعات کا مطالبہ کرتے ہیں۔

ADM مختلف مصنوعات کی پیش کشوں اور بہتر آپریشنل کارکردگی کے ذریعے اپنے مسابقتی فوائد کو مستحکم کرنا جاری رکھے ہوئے ہے۔ADM کے ذریعہ متعارف کرائی جانے والی ہرنئی اختراع کی سخت جانچ پڑتال کی جاتی ہے، جس سے عمل درآمد سے پہلے اس کی درستگی اور افادیت کو یقینی بنایا جاتا ہے۔ ہم مارکیٹ کے متحرک مطالبات اور گاہکوں کی رائے کی بنیاد پر جدید حل تیار کرتے ہیں۔ ہماری جدید ترین سہولیات کے اندر، جدید ترین ٹکنالوجی، مضبوط عمل، اور جامع پالیسیوں کی بنیاد پر- یہ سب مل کر ایسی مصنوعات تیار کرتے ہیں جو ہمارے معزز گاہکوں کو غیر معمولی قدر فراہم کرتی ہیں۔

مستقبل کا نقطہ نظر

مالی سال 2024-2025 میں حکومت پاکستان کو متعدد سماجی و اقتصادی مسائل کو حل کرنے کے زبردست چیلنج کا سامنا ہے جنہوں نے اس کے عوام کی زندگیوں کو نمایاں طور پر متاثر کیا ہے۔ اہم چیلنجوں میں افراط زر میں اضافہ، بڑھتی ہوئی قیمتیں، جمود کا شکار آمدنی، ٹیکس کا بوجھ بڑھنا اور یوٹیلٹی اخراجات شامل ہیں۔ امن وامان کی بگڑتی ہوئی صورت حال کی وجہ سے ان معاشی مشکلات میں مزید اضافہ ہوا ہے، جس کی وجہ سے جرائم پیشہ عناصر کا مقابلہ کرنے کے مقصد سے ایک نیا فوجی آپریشن عزمِ استحکام شروع کرنے کی ضرورت پڑی ہے۔

ٹیکسٹائل کی صنعت جو پاکستان کے برآمدی شعبے کا سنگ بنیاد ہے خاص طور پر جاری معاشی بحران سے متاثر ہوئی ہے۔ لیٹر آف کریڈٹ (LCs) کھولنے پر پابندی، برآمد کنندگان کو ریفنڈ میں تاخیر، خام مال اور مشینری کی درآمد پر پابندی کے ساتھ ساتھ افراط زر اور شرح سود میں اضافے نے اس شعبے کی مسابقت اور لیکویڈیٹی کو بری طرح متاثر کیا ہے۔ مزید برآں، ٹیکسٹائل پالیسی کے تحت علاقائی طور پر مسابقتی توانائی کے ٹیرف کے خاتمے اور مقامی ٹیکسوں اور لیویز (DLTL) کی خرابی کی معطلی نے ان مسائل کو مزید بڑھا دیا ہے۔ حکومت کی جانب سے مالی سال 2025-2024 کے لیے برآمد کنندگان کو نارمل ٹیکس نظام میں شامل کرنے کے فیصلے سے صنعت کے تجزیہ کاروں کو توقع ہے کہ آنے والے مہینوں میں برآمدی اعداد و شمار پر منفی اثرات مرتب ہوں گے۔ بھارت، بنگلہ دیش اور ویتنام جیسے بڑے حریفوں کے ساتھ موازنہ توانائی اور مجموعی طور پر کاروبار کرنے کی لاگت میں نمایاں فرق کی نشاندہی کرتا ہے جو بین الاقوامی مارکیٹ میں پاکستان کی مسابقت کو کمزور کرتا ہے۔

معاشی اور سلامتی کے چیلنجوں کا یہ سنگم حکومت سے اپنے شہریوں کی مشکلات کو کم کرنے اور استحکام کی بحالی کے لئے فوری اور موثر پالیسی مداخلت کا مطالبہ کرتا ہے۔ مالیاتی خسارے کے موثر انتظام کو نافذ کرنا، دانشمندانہ مالیاتی پالیسیوں کو اپنانا، اور کمزور آبادیوں کے لئے ٹارگٹڈ سبسڈی فراہم کرنا افراط زر پر قابو پانے اور آبادی پر بوجھ کو کم کرنے کے لئے ضروری اقدامات ہیں۔

زبردست چیلنجوں کے باوجود، آپ کی کمپنی ان چیلنجوں سے مکمل طور پر آگاہ ہے اور ان کے منفی اثرات کو کم سے کم کرنے کے لئے فعال اقدامات کو نافذ کرنے کے لئے پرعزم ہے۔ ہماری کوششیں پیداواری صلاحیت بڑھانے اور لاگت پر قابو پانے کی حکمت عملی پر عمل درآمد پر مرکوز ہیں۔ ہم اچھی طرح سے تیار ہیں اور مستقل طور پر نئے مواقع سے فائدہ اٹھانے اور چیلنجوں سے نمٹنے کی اپنی صلاحیت کا مظاہرہ کیا ہے، یہ سب اسٹیک ہولڈرز کی قدر کو مسلسل بڑھانے کے مقصد کے ساتھ ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی بغیر کسی استثنا کے کارپوریٹ گورننس کے اعلی معیار کو برقرار رکھنے کے لئے پرعزم ہے۔ ڈائریکٹرز اس بات کی تصدیق کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی نے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے کارپوریٹ گورننس کوڈ میں طے شدہ شقوں پر سختی سے عمل کیا ہے اور یہ پاکستان اسٹاک ایکسچینج کی جانب سے قائم کردہ لسٹنگ ریگولیشنز کا لازمی جزو ہے۔

ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے 30 جون 2024 کو ختم ہونے والے مالی گوشوارے منصفانہ طور پر پیش کیے گئے ہیں، اس کے معاملات، اس کے آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیاں؛
- کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں؛
- 30 جون 2024 کو ختم ہونے والے سال کے لئے مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے اور مالی بیانات میں اکاؤنٹنگ پالیسیوں میں کسی بھی تبدیلی کا انکشاف کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں؛
- بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں لاگو ہوتا ہے اور کمپنیز ایکٹ، 2017 کے تقاضوں پر مالی گوشواروں کی تیاری میں مناسب طریقے سے عمل کیا گیا ہے اور اس سے کسی بھی روانگی کو مناسب طور پر ظاہر اور وضاحت کی گئی ہے؛
- داخلی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور موثر طریقے سے نافذ کیا گیا ہے، باقاعدگی سے جائزہ لیا گیا ہے اور نگرانی کی گئی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل ایک جاری عمل کے طور پر جاری رہے گا جس کا مقصد نظام میں کنٹرول کو مزید مضبوط بنانا ہے؛

- کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔؛
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہوا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج کے رول بک کے ریگولیشنز میں تفصیل سے بیان کیا گیا ہے؛
- گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد وشمار کو خلاصہ کی شکل میں آڈٹ شدہ مالیاتی بیانات کے ساتھ منسلک کیا گیا ہے؛
- واجب الادا ڈیوٹیز، قانونی چارجز اور ٹیکسز، اگر کوئی ہوں، آڈٹ شدہ مالیاتی بیانات میں مناسب طور پر ظاہر کیے گئے ہیں؛
- بورڈ کے چار ڈائریکٹرز پہلے ہی ڈائریکٹرز ٹریننگ کورس میں شرکت کر چکے ہیں جبکہ ایک ڈائریکٹر کو تجربے اور قابلیت کی وجہ سے اس طرح کے کورس سے مستثنیٰ قرار دیا گیا ہے۔ کمپنی فی الحال باقی ڈائریکٹرز کے لئے ڈائریکٹرز ٹریننگ پروگرام سرٹیفکیشن کے انعقاد کے عمل میں ہے۔ بورڈ کے تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔

مادی تبدیلیاں

30 جون، 2024 سے آڈٹ شدہ مالیاتی بیانات کی تاریخ تک کوئی مادی تبدیلی نہیں کی گئی ہے اور کمپنی نے اس مدت کے دوران کوئی وعدہ نہیں کیا ہے جو اس کی مالی حالت کو بری طرح متاثر کرسکتا ہے۔

شیئر ہولڈنگ کا پیٹرن

کمپنی کے حصص کا کاروبار پاکستان اسٹاک ایکسچینج لمیٹڈ میں ہوتا ہے۔ 30 جون، 2024 تک شیئر ہولڈنگ کا پیٹرن، متعلقہ انکشافات کے ساتھ، آڈٹ شدہ مالیاتی بیانات میں شامل کیا گیا ہے۔

کمپنی کے شیئرز میں تجارت

مالی سال کے دوران نہ تو کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری، ہیڈ آف انٹرنل آڈٹ اور نہ ہی کوئی دیگر ایگزیکٹوز بشمول ان کے متعلقہ شریک حیات یا نابالغ بچے کمپنی کے حصص سے متعلق کسی بھی تجارتی سرگرمیوں میں ملوث رہے۔

کارپوریٹ گورننس کے کوڈ کی تعمیل کا بیان

کمپنی نے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کی مکمل تعمیل کی ہے۔ اس سلسلے میں ایک بیان ان آڈٹ شدہ مالی بیانات کے ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز

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

a.	مرد	6
b.	خاتون	1

بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل مندرجہ ذیل ہے:

شمار	درجہ بندی	تعداد	نام
a	انڈیپنڈنٹ ڈائریکٹر	02	جناب یزدانی ضیاء جناب منیر احمد
b	دیگر نان ایگزیکٹیو ڈائریکٹرز - مرد	02	جناب محمد اقبال احمد جناب محمد یوسف احمد
	- خاتون	01	مس زہرہ فیصل احمد
c	ایگزیکٹیو ڈائریکٹر	02	جناب محمد فیصل احمد جناب محمد عزیر قریشی

سال کے دوران ڈائریکٹرز کا انتخاب کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق کیا گیا۔ بورڈ سبکدوش ہونے والے ڈائریکٹر کی قابل قدر خدمات کی تعریف کرتا ہے اور نئے ڈائریکٹر کا خیر مقدم کرتا ہے۔

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے پانچ اجلاس پاکستان میں منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل تھی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
جناب محمد فیصل احمد	5
جناب محمد اقبال احمد	5
جناب محمد یوسف احمد	4
جناب محمد علی احمد*	-
مس زہرہ فیصل احمد	3
جناب یزدانی ضیاء	5
جناب منیر احمد	5
جناب محمد عزیر قریشی**	3

جو ڈائریکٹرز بورڈ کے اجلاسوں میں شرکت کرنے سے قاصر تھے انہیں غیر حاضری کی منظور شدہ چھٹیاں دے دی گئیں۔

* 23 نومبر، 2023 کو ریٹائر ہوئے۔

** 15 نومبر، 2023 کو ہونے والے ڈائریکٹرز کے انتخابات میں بورڈ پر منتخب۔

بورڈ کمیٹیاں

کوڈ آف کارپوریٹ گورننس کے مطابق بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی قائم کی ہے جس میں تین ارکان شامل ہیں: دو آزاد ڈائریکٹرز اور ایک نان ایگزیکٹیو ڈائریکٹر۔ آڈٹ کمیٹی کا چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ قابل ذکر بات یہ ہے کہ آڈٹ کمیٹی نے کارپوریٹ گورننس کوڈ کے مقررہ معیار کے مطابق اپنے فرائض موثر انداز میں انجام دیئے ہیں۔

دوران سال آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری کا ریکارڈ درج ذیل تھا:

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
جناب محمد اقبال احمد	4
جناب محمد علی احمد*	-
جناب یزدانی ضیاء	4
جناب منیر احمد**	2

بورڈ اجلاسوں میں شرکت سے قاصر ڈائریکٹرز کو غیر حاضری کی منظور شدہ رخصت دے دی گئی۔

* 23 نومبر، 2023 کو ریٹائر ہوئے۔

** 27 نومبر، 2023 کو کو منعقدہ بورڈ اجلاس میں بورڈ کمیٹی پر منتخب

کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق بورڈ آف ڈائریکٹرز نے ہیومن ریسورس اینڈ ریمونیشن کمیٹی (HR&RC) تشکیل دی ہے۔ تین ارکان پر مشتمل اس کمیٹی میں ایک نان ایگزیکٹیو ڈائریکٹر، ایک ایگزیکٹو ڈائریکٹر اور ایک آزاد ڈائریکٹر شامل ہیں۔ کمیٹی کی قیادت ایک آزاد ڈائریکٹر کی رہنمائی میں ہوتی ہے جو چیئرمین کی حیثیت سے خدمات انجام دے رہا ہے۔ کمیٹی اپنی ذمہ داریاں پوری تندہی سے نبھا رہی ہے جیسا کہ بورڈ آف ڈائریکٹرز کی جانب سے مقرر کردہ شرائط میں بیان کیا گیا ہے۔ سال کے دوران، کمیٹی نے ایک ہی اجلاس منعقد کیا، اور ہر ڈائریکٹر کی حاضری مندرجہ ذیل تھی:

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد
جناب محمد فیصل احمد	1
مس زہرہ فیصل احمد	1
جناب منیر احمد*	-
جناب یزدانی ضیاء**	1

بورڈ اجلاسوں میں شرکت سے قاصر ڈائریکٹرز کو غیر حاضری کی منظور شدہ رخصت دے دی گئی۔

* 27 نومبر، 2023 کو منعقدہ بورڈ اجلاس میں بورڈ کمیٹی میں منتخب کیا گیا

** 27 نومبر، 2023 کو ہونے والے بورڈ اجلاس میں نئے ممبر کی جگہ لی گئی۔

نان ایگزیکٹیو ڈائریکٹرز کی معاوضہ پالیسی

بورڈ/ کمیٹی کے اجلاسوں میں شرکت کے لئے نان ایگزیکٹو ڈائریکٹرز/ آزاد ڈائریکٹر کے معاوضے کا تعین وقتاً فوقتاً بورڈ کی طرف سے کیا جائے گا۔ نان ایگزیکٹیو ڈائریکٹرز/انڈیپنڈنٹ ڈائریکٹرز کو بورڈ اور کمیٹی آف ڈائریکٹرز کے ہر اجلاس کے لیے فیس کے طور پر معاوضہ ادا کیا گیا۔ ڈائریکٹرز کو اس طرح کے سفر، بورڈنگ، قیام اور دیگر اخراجات بھی ادا کیے جائیں گے جو ان کی طرف سے اپنے فرائض یا کاروبار کی انجام دہی کے بارے میں مناسب طریقے سے کیے جاتے ہیں اگر ان میں سے کسی کو باہر سے کمپنی کے بورڈ یا جنرل اجلاس میں شرکت کے لئے آنا پڑتا ہے۔

متعلقہ پارٹی ٹرانزیکشنز اور ٹرانسفر پرائسنگ

مالی سال 2024 کے دوران تمام متعلقہ پارٹی ٹرانزیکشنز کو آڈٹ کمیٹی اور بورڈ کے سامنے ان کے جائزے اور منظوری کے لئے رکھا گیا تھا۔ ان لین دین کو آڈٹ کمیٹی اور بورڈ نے اپنے متعلقہ اجلاسوں میں با قاعدہ طور پر منظور کیا تھا۔ کمپنی کاروبار کے معمول کے دوران اپنی متعلقہ کمپنیوں کے ساتھ لین دین کرتی ہے۔ قابل ذکر بات یہ ہے کہ متعلقہ فریقوں سے متعلق تمام لین دین کو محدود قیمتوں پر انجام دیا گیا تھا، جس کا موازنہ بے قابو قیمتوں کے طریقہ کار کے ذریعہ احتیاط سے کیا گیا تھا۔

رسک مینجمنٹ

کمپنی کے پاس ایک مضبوط رسک مینجمنٹ فریم ورک ہے جو اسے اہم خطرے اور غیر یقینی صورتحال پر موثر طریقے سے نیویگیٹ، نگرانی اور رپورٹ کرنے کے قابل بناتا ہے جو اس کے اسٹریٹجک مقاصد کو حاصل کرنے کی صلاحیت کو متاثر کر سکتے ہیں۔ اہم خطرات کی فعال طور پر شناخت، تشخیص اور کم کرنے کی اہمیت وقت کے ساتھ بڑھتی جا رہی ہے۔ فریم ورک کے تحت، کمپنی نے ان خطرات کی فعال نگرانی، انتظام اور کم کرنے کے لئے عمل اور نظام کو شامل کیا ہے۔ خطرات کی تشخیص اور انتظام کو ایک جامع نقطہ نظر سے دیکھا جاتا ہے، جس میں انٹرپرائز، کاروباری اکائیوں، افعال اور منصوبوں کا احاطہ کرتے ہوئے اوپر سے نیچے اور نیچے سے اوپر کے نقطہ نظر کا دوہرا نقطہ نظر شامل ہے۔

داخلی مالیاتی کنٹرول کا نظام

کمپنی کے پاس اپنے آپریشنز کے سائز، پیمانے اور پیچیدگی کے مطابق ایک جامع داخلی مالیاتی کنٹرول سسٹم ہے۔ یہ نظام کمپنی کے اثاثوں کی حفاظت کو یقینی بنانے، مالی لین دین کی مناسب اجازت کی توثیق، متعلقہ قابل اطلاق قوانین اور ضوابط کی تعمیل اور وسائل کے استعمال کو بہتر بنانے کے لئے اہم عمل کا احاطہ کرتا ہے۔ اندرونی کنٹرول خطرے پر مبنی تشخیص کے ذریعے نامزد کیا جاتا ہے۔ کمپنی کا آزاد اندرونی آڈٹ فنکشن ان داخلی کنٹرول سسٹم کی تاثیر کا جائزہ لینے میں اہم کردار ادا کرتا ہے۔ کمپنی کی انتظامیہ قانونی آڈیٹرز اور انٹرنل آڈیٹرز دونوں کی سفارشات کا پوری تندہی سے جائزہ لیتی ہے اور ان پر مناسب کارروائی کرتی ہے۔

آڈیٹر

موجودہ آڈیٹرز، ریندا ہارون زکریا کمپنی، چارٹرڈ اکاونٹنٹس 25 اکتوبر 2024 ہونے والے آئندہ سالانہ جنرل اجلاس کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی وجہ سے انہوں نے دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق بورڈ آف ڈائریکٹرز آڈٹ کمیٹی کی اس سفارش کی توثیق کرتا ہے کہ انہیں 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر دوبارہ مقرر کیا جائے۔

کارپوریٹ سماجی ذمہ داری

1. توانائی کا تحفظ

کمپنی اپنا پاور جنریشن پلانٹ چلاتی ہے، جوری سائیکلنگ، بلیچنگ، اسپننگ، ویونگ اور گارمنٹس کی پیداوار سمیت تمام ڈویژنوں کی توانائی کی ضروریات کو موثر طریقے سے پورا کرتی ہے۔ انتہائی ہنرمند اور بڑے پیمانے پر تربیت یافتہ اہلکاروں کی ایک ٹیم پلانٹ کے آپریشن اور دیکھ بھال کی نگرانی کرتی ہے۔

قدرتی وسائل کے تحفظ کے لئے کمپنی کے پختہ عزم کے مطابق، تمام کاروباری یونٹ توانائی کے استعمال کی صلاحیت کو بڑھانے کے لئے مسلسل کوشش کرتے ہیں۔ گیس اور ایندھن کی بڑھتی ہوئی لاگت کا مقابلہ کرنے کے لئے، کمپنی نے شمسی توانائی کی ماحول دوست صلاحیت کو بروئے کار لاتے ہوئے شمسی توانائی کا نظام متعارف کرایا ہے۔ شمسی توانائی حقیقی معنوں میں قدرتی وسائل کو استعمال کرتے ہوئے بجلی کا ایک سبز ذریعہ ہے اور کاربن فٹ پرنٹ کو نمایاں طور پر کم کرتی ہے۔ اس منصوبے کی اقتصادی اہمیت قابل تجدید توانائی کے استعمال میں مضمر ہے، جو بجلی کی لاگت کو کم کرتی ہے اور اس طرح بیکار اور غیر استعمال شدہ چھتوں کا بہترین استعمال کرتے ہوئے نچلی سطح میں حصہ ڈالتی ہے۔

کمپنی عمل مشینری میں ترمیم، تکنیکی ترقی کے نفاذ، نئے طریقوں کی ترقی، دیکھ بھال، فضلہ حرارت کی بازیابی وغیرہ کے ذریعے توانائی کے تحفظ کے مسلسل عمل میں

مصروف ہے۔قدرتی گیس کو بجلی کی پیداوار کے لئے سہ فریقی تنصیب کے ذریعے استعمال کیا جاتا ہے۔ فضلہ گرمی کی بازیابی بوائلر گرمی کی بازیابی کے لئے استعمال کیا جاتا ہے۔فضلے کی گرمی کی بازیابی کے نظام دیگر عملوں کے لئے اضافی توانائی/بھاپ کے طور پر فضا میں خارج ہونے والی گرمی کی بازیابی کو ممکن بناتے ہیں۔جنریٹرز کا جیکٹ گرم پانی جذب چلر کو چلانے کے لئے استعمال کیا جاتا ہے۔

سائنسی اور تکنیکی ترقی صاف اور موثر توانائی کے استعمال کی طرف ہماری مہم میں ریڑھ کی ہڈی کی حیثیت رکھتی ہے۔یہ دانستہ اقدامات نہ صرف توانائی کی خاطر خواہ بچت کا باعث بنتے ہیں بلکہ پیداواری لاگت میں کمی اور آپریشنل کارکردگی میں بھی اضافہ کرتے ہیں۔

2. ماحولیات، صحت کی حفاظت کی یقین دہانی

ADM ایک جامع صحت، حفاظت اور ماحولیاتی فریم ورک کو برقرار رکھتا ہے جو مجموعی احاطے اور آس پاس کی حفاظت کرتے ہوئے اپنی افرادی قوت، گاہکوں، اسٹیک ہولڈرز، ٹھیکیداروں، زائرین اور سپلائرز کی فلاح و بہبود کو یقینی بناتا ہے۔

کمپنی واضح طور پر متعین مقاصد پر مبنی غیر محفوظ اور غیر صحت مند کام کے طریقوں اور حالات کو ختم کرنے کے لئے فعال طور پر کوشش کرتی ہے۔کام کے ماحول میں حادثات اور صحت سے متعلق واقعات کو روکنے کے لئے سخت احتیاطی تدابیر اختیار کی جاتی ہیں۔ وقف انتظامی نمائندگان صحت اور حفاظت کے اعلیٰ ترین معیارات کی ذمہ داری قبول کرتے ہیں، ان کے محتاط نفاذ کی نگرانی کرتے ہیں۔

شور کی سطح کی نگرانی کرنے اور تعمیل کو یقینی بنانے کے لئے ایک بیرونی تجارتی لیبارٹری کے ذریعہ باقاعدگی سے ماحولیاتی شور کی جانچ کی جاتی ہے۔آگ کی روک تھام کے ہمارے مضبوط اقدامات میں این ایف پی اے اسٹینڈرڈ 10 کے مطابق فائر الارم اور سراغ لگانے کے نظام کی تنصیب اور دیکھ بھال شامل ہے۔مزید برآں، ایک وقف ایمرجنسی رسپانس ٹیم آگ سے متعلق کسی بھی واقعے سے فوری طور پر نمٹنے کے لئے تیار ہے، جو چوبیس گھنٹے مدد کی پیش کش کرتی ہے۔

ADM مینجمنٹ کی تمام سطحوں پر ماحولیات، صحت کی حفاظت کے لئے مکمل عزم کو یقینی بناتا ہے۔ہم ان حالات کی مسلسل بہتری کو یقینی بنانے اور اس سلسلے میں کمپنی کی پالیسی، مقاصد، اہداف اور پروگراموں کی تاثیر کی تصدیق کرنے کے لئے باقاعدگی سے تشخیص اور جائزے کرتے ہیں۔

اے ڈی ایم فخریہ طور پر مندرجہ ذیل سرٹیفکیٹ رکھتا ہے:

• ISO 45001:2018 OHSAS	(Occupational Health and Safety Assessment Series)
• ISO 14001:2015 EMS	(Environmental Management System)
• ISO 9001:2015 QMS	(Quality Management System)
• BSCI	(Business Social Compliance Initiative)
• BCI	(Better Cotton Initiative)
• WRAP	(Worldwide Responsible Accreditation Production)
• SEDEX	(Supplier Ethical Data Exchange)
• GOTS	(Global Organic Textile Standard)
• OCS	(Organic Content Standard)
• RCS	(Recycled Cotton Standard)
• GRS	(Global Recycled Standard)
• C-TPAT	(Customs-Trade Partnership against Terrorism)
• ZDHC	(Zero Discharge of Hazardous Chemicals)
• SCAN	Supplier Compliance Audit Network
• HIGG (FEM)	Facility Environmental Module
• HIGG (FSLM)	Facility Social Labor Module
• SQP	Supplier Qualification Program
• U.S. COTTON	U.S. Cotton Trust Protocol
• BETTER WORK (ILO)	Better Work (International Labour Organization)
• OEKO-TEX Standard 100	

ان سرٹیفکیٹس میں سے ہر سرٹیفکیٹ ایک محفوظ، پائیدار اور سماجی طور پر ذمہ دار آپریشنل ماحول کو فروغ دینے کے لئے اے ڈی ایم کی مستقل لگن کی نشاندہی کرتا ہے۔

3. مضبوط سیکورٹی پروٹوکول

کمپنی کی قیادت آپریشنل حفاظت اور سلامتی کی انتہائی اہمیت کو تسلیم کرتی ہے۔ہم نے اہلکاروں اور اثاثوں کی حفاظت کو یقینی بنانے کے لئے خاطر خواہ سرمایہ کاری کی ہے، جس میں وقف سیکورٹی اہلکاروں کی تعیناتی اور جامع سیکورٹی پالیسیوں اور پروٹوکولز کا نفاذ شامل ہے۔ ان اقدامات کا لازمی جزو سی ٹی وی کیمروں کا ایک وسیع نیٹ ورک ہے جو متعدد مقامات پر اسٹریٹجک طور پر نصب ہے، جس سے ہماری نگرانی کی صلاحیتوں میں اضافہ ہوا ہے۔ یہ مربوط کوششیں اجتماعی طور پر ہماری افرادی قوت اور وسائل کی حفاظت اور سلامتی کو برقرار رکھتے ہوئے آپریشنز کے ہموار کام میں حصہ ڈالتی ہیں۔

4. پائیداری سے متعلق خطرات

طویل مدتی اقدار کی تخلیق اور ذمہ دارانہ کاروباری طریقوں کے لئے ہمارے عزم کے مطابق، بورڈ نے استحکام سے متعلق خطرات کا ایک جامع جائزہ لیا ہے جو ہماری تنظیم کو متاثر کر سکتے ہیں۔ ان خطرات میں ماحولیاتی، سماجی اور گورننس (ESG) عوامل شامل ہیں جو ہمارے آپریشنز، اسٹیک ہولڈرز کی توقعات اور مجموعی کاروباری لچک کے لئے تیزی سے اہم ہیں۔

ماحولیاتی خطرات:

ہم نے آب و ہوا کی تبدیلی، وسائل کی کمی، اور ماحولیاتی قواعد وضوابط سے وابستہ ممکنہ خطرات کی نشاندہی کی ہے۔ ان خطرات کو کم کرنے کے لئے، ہم نے توانائی کی بچت کے عمل کو نافذ کیا ہے، اپنے کاربن فٹ پرنٹ کو کم کیا ہے، اور پائیدار وسائل کے انتظام کے طریقوں کو اپنایا ہے۔ ماحولیاتی انتظام کے لئے ہماری وابستگی پائیدار ٹکنالوجیوں میں ہماری جاری سرمایہ کاری اور ماحولیاتی انتظام میں بہترین طریقوں کی تعمیل میں ظاہر ہوتی ہے۔

معاشرتی خطرات:

سماجی عوامل، جیسے افرادی قوت کا تنوع، ملازمین کی فلاح و بہبود، اور کمیونٹی کی مصروفیت، ہماری پائیداری کی حکمت عملی کا لازمی حصہ ہیں۔ ہم ایک متنوع اور جامع کام کی جگہ کو فروغ دے کر، منصفانہ مزدوری کے طریقوں کو یقینی بنا کر، اور ان برادریوں کے ساتھ فعال طور پر مشغول ہو کر ان خطرات کا انتظام کرتے ہیں جن میں ہم کام کرتے ہیں۔ مزید برآں، ہم باقاعدگی سے اپنے کارپوریٹ اقدار اور اسٹیک ہولڈرز کی توقعات کے ساتھ صف بندی کو یقینی بنانے کے لئے اپنے آپریشنز کے سماجی اثرات کی نگرانی اور جائزہ لیتے ہیں۔

گورننس کے خطرات:

پائیداری سے متعلق خطرات کے انتظام کے لئے مضبوط حکمرانی ضروری ہے۔ ہمارے پاس ادارے کی تمام سطحوں پر شفافیت، اخلاقی طرز عمل اور احتساب کو یقینی بنانے کے لئے مضبوط گورننس فریم ورک موجود ہے۔ ان میں تعمیل، رسک مینجمنٹ اور اسٹیک ہولڈرز کی شمولیت سے متعلق واضح پالیسیاں شامل ہیں، جن کا باقاعدگی سے جائزہ لیا جاتا ہے اور ابھرتے ہوئے استحکام کے چیلنجوں سے نمٹنے کے لئے اپ ڈیٹ کیا جاتا ہے۔

بورڈ ہمارے پائیداری کے خطرے کے انتظام کے طریقوں کی مسلسل تشخیص اور اضافے کے لئے پرعزم ہے۔ ہم تسلیم کرتے ہیں کہ یہ کوششیں نہ صرف خطرات کو کم کرنے کے لئے ضروری ہیں بلکہ ایسے مواقع کی نشاندہی کے لئے بھی ضروری ہیں جو ہماری طویل مدتی کامیابی اور ہمارے اسٹیک ہولڈرز کی فلاح و بہبود میں کردار ادا کرتے ہیں۔

5. ویسٹ واٹر ٹریٹمنٹ پلانٹ۔

پانی ہمارے ملک میں ایک نایاب اور قیمتی قدرتی وسیلہ ہے اور اس کا بہترین طریقے سے انتظام کیا جانا چاہئے۔ کمپنی کے پاس ویسٹ واٹر ٹریٹمنٹ کی سہولت سیپا پاکستان کے نیشنل انوائرنمنٹ کوالٹی اسٹینڈرڈز کے مطابق ہے۔ پانی کی کمی کو دیکھتے ہوئے، لہذا یہ ضروری ہے کہ ایسی ٹکنالوجیاں تیار کی جائیں جو اس کا موثر طریقے سے علاج کریں تاکہ اسے دوبارہ استعمال کیا جا سکے۔ ہمارے ویسٹ واٹر ٹریٹمنٹ کی سہولت میں، گندے پانی کو گردش میں دوبارہ متعارف کرانے یا

بنیادی سیوریج سسٹم میں اس کے محفوظ اخراج سے پہلے اسے صاف کرنے کے لئے جامع عمل کا استعمال کیا جاتا ہے، جو ماحولیاتی تحفظ کے معیار کے ساتھ سختی سے مطابقت رکھتا ہے۔

6. مساوی مواقع فراہم کرنے والے آجر

ہماری کمپنی کے بنیادی اصولوں کے مطابق جو تمام افراد کی مساوات کو برقرار رکھتے ہیں، ADM ایک جامع کام کی جگہ کو فروغ دینے کے لئے اپنی وابستگی میں ثابت قدم ہے۔ ہم مختلف نسلی پس منظر سے تعلق رکھنے والے ملازمین کو فعال طور پر تلاش کرنے اور خوش آمدید کہنے میں فخر محسوس کرتے ہیں، اور اپنی بھرتی کے طریقوں میں کسی بھی قسم کے تعصب کو سختی سے مسترد کرتے ہیں۔

7. تنوع، مساوات اور شمولیت (DEI)

کارپوریٹ ذمہ داری اور گورننس کے لئے اپنے جاری عزم کے حصے کے طور پر، ہم نے اپنی تنظیم کے اندر تنوع، مساوات اور شمولیت (DEI) کو ترجیح دینا جاری رکھا ہے۔ اس سال، ہم نے کام کی جگہ کے تنوع کو بڑھانے، مساوی مواقع کو یقینی بنانے اور تمام ملازمین کے لئے ایک جامع ماحول کو فروغ دینے کے مقصد سے ڈی ای آئی اقدامات کو نافذ کیا۔ ان کوششوں میں ہماری متنوع افرادی قوت کی حمایت کے لئے ٹارگٹڈ بھرتی کی حکمت عملی اور ملازمین کی تربیت کے پروگرام شامل تھے۔ ہم تنظیم کی تمام سطحوں پر ڈی ای آئی کو آگے بڑھانے کے لئے وقف ہیں اور اس بات کو یقینی بنانے کے لئے اپنی پیشرفت کی پیمائش جاری رکھیں گے کہ یہ اقدار ہماری ثقافت اور آپریشنز میں گہرائی سے سرایت کریں۔

8. عطیات

ADM بڑے پیمانے پر معاشرے کے لئے اخلاقی طور پر کام کرنے کے لئے پرعزم ہے اور اس کا مقصد ملک کے ساتھ ساتھ دنیا میں سماجی ترقی میں حصہ ڈالنا ہے۔ اس وژن کے مطابق، ہماری کمپنی سماجی ترقی کو فروغ دینے کے لئے وقف ہے۔ ہم فخر کے ساتھ سٹیزن فاونڈیشن، عبدالستار ایدھی فاونڈیشن اور سیلانی ویلفیئر ٹرسٹ جیسی قابل احترام تنظیموں کو خاطر خواہ عطیات دیتے ہیں۔

اعتراف

کمپنی کے بورڈ آف ڈائریکٹرز ہمارے تمام معزز صارفین، اسٹیک ہولڈرز بشمول بینکوں، ریگولیٹری باڈیز اور قابل قدر کاروباری شراکت داروں کی جانب سے فراہم کردہ فرم سپورٹ اور تعاون پر شکریہ ادا کرنا چاہتے ہیں۔ ہم مستقبل میں اس مضبوط اتحاد کو جاری رکھنے کے منتظر ہیں۔

ہم اپنے ملازمین کی سخت محنت، لگن اور سرشار کوششوں کے لئے بھی اپنی گہری تعریف کا اظہار کرتے ہیں، جنہوں نے ہموار آپریشنز کو یقینی بنایا ہے اور کمپنی کو انتہائی مسابقتی ماحول کے چیلنجوں کا کامیابی سے سامنا کرنے کے قابل بنایا ہے۔

منجانب بورڈ آف ڈائریکٹرز

محمد فیصل احمد
چیف ایگزیکٹیو

یزدانی ضیا
ڈائریکٹر

کراچی: ستمبر 28، 2024

GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024

Name of Company: **Artistic Denim Mills Limited**
Year ended: **June 30, 2024**

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

I.	**Mean Gender Pay Gap:**	**7.59%**
II.	**Median Gender Pay Gap:**	**0.00%**

Additional Information:

The above figures represent the overall gender pay gap within the organization. Artistic Denim Mills Limited regularly conducts internal reviews to ensure gender pay parity across different cadres, levels, and comparable roles. The Company is committed to ensuring equitable compensation for women and men, based on their experience, qualifications, and performance in their respective positions.

On behalf of the Board of Directors

MUHAMMAD FAISAL AHMED
Chief Executive

Karachi: September 28, 2024

KEY OPERATING AND FINANCIAL DATA

	2024	2023	2022	2021	2020	2019
	..........(Rupees in '000)..........					
ASSETS EMPLOYED						
Operating fixed assets	**10,880,499**	8,427,700	6,626,575	5,577,115	5,452,914	5,043,565
Capital work-in-progress	**962,621**	3,341,918	3,018,389	2,168,764	625,402	863,627
Intangible assets	**-**	-	-	1,513	3,165	4,817
Long term investment	**-**	-	-	-	-	38,700
Long term loans	**26,444**	32,602	29,864	28,350	14,407	5,482
Long term deposits	**1,957**	1,957	1,732	1,732	1,572	1,566
Net current assets/(liabilities)	**(657,610)**	1,512,252	1,499,959	1,811,299	2,482,967	2,297,183
Total Assets Employed	**11,213,911**	13,316,429	11,176,519	9,588,773	8,580,427	8,254,940
FINANCED BY						
Shareholders equity	**8,099,246**	8,093,311	7,239,749	6,727,518	6,611,620	6,754,159
Long term financing	**2,742,425**	4,954,652	3,763,158	2,722,173	1,866,912	1,444,487
Deferred liability	**372,240**	268,466	173,612	139,082	101,895	56,294
	11,213,911	13,316,429	11,176,519	9,588,773	8,580,427	8,254,940
SALES & PROFITS						
Net sales / Turnover	**20,810,386**	17,072,735	16,352,907	9,813,176	7,940,571	7,767,180
Gross profit	**2,440,325**	2,919,697	1,271,630	1,111,733	626,542	888,100
Profit before levies and income tax	**618,028**	1,308,666	883,305	456,356	222,352	955,478
Net profit	**331,719**	1,060,630	654,252	353,902	113,690	866,820
Proposed Dividend %	**10**	35	20	20	30	30
Un-appropriated profit	**7,259,246**	7,253,311	6,399,749	5,887,518	5,771,620	5,914,159

PATTERN OF SHARE HOLDING - FORM "34"
SHAREHOLDERS STATISTICS AS AT JUNE 30, 2024

Number of Shareholders	Share Holding		Total Shares Held
	From	To	
239	1 -	100	6,023
231	101 -	500	99,180
160	501 -	1000	150,472
272	1001 -	5000	708,620
70	5001 -	10000	526,206
18	10001 -	15000	230,909
12	15001 -	20000	213,887
5	20001 -	25000	120,398
6	25001 -	30000	175,700
3	35001 -	40000	120,000
1	40001 -	45000	41,000
1	45001 -	50000	46,000
1	55001 -	60000	59,000
1	60001 -	65000	65,000
1	70001 -	75000	71,000
1	80001 -	85000	82,000
3	95001 -	100000	299,000
1	100001 -	105000	105,000
1	180001 -	185000	184,477
1	285001 -	290000	290,000
1	595001 -	600000	600,000
1	620001	625000	624,775
1	1410001	1415000	1,410,200
1	9740001	9745000	9,741,400
1	68025001	68030000	68,029,753
1033			**84,000,000**

PATTERN OF SHAREHOLDING
SHAREHOLDERS STATISTICS AS AT JUNE 30, 2024

Categories of Shareholders		Shares Held	Percentage
INSURANCE COMPANIES			
STATE LIFE INSURANCE CORP. OF PAKISTAN		624,775	
	Sub - Total:	**624,775**	0.74
DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN			
MR. MUHAMMAD ALI AHMED		858	
MS. ZAHRA FAISAL AHMED		500	
MR. MUHAMMAD FAISAL AHMED		68,029,753	
MR. MUNEER AHMED		500	
MR. YAZDANI ZIA		500	
MR. MUHAMMAD YOUSUF AHMED		99,000	
MR. MUHAMMAD IQBAL AHMED		2,000	
	Sub - Total:	**68,133,111**	81.11
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES			
ARTISTIC PROPERTIES (PVT) LIMITED		1,410,200	
	Sub - Total:	**1,410,200**	1.68
NIT AND ICP			
INVESTMENT CORP. OF PAKISTAN		500	
	Sub - Total:	**500**	0.00

PATTERN OF SHAREHOLDING
SHAREHOLDERS STATISTICS AS AT JUNE 30, 2024

Categories of Shareholders	Shares Held	Percentage
OTHERS		
ASKARI GENERAL INSURANCE COMPANY	65000	
B.R.R. GUARDIAN LIMITED	19000	
MRA SECURITIES LIMITED - MF	8000	
TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLYEES P.FUND	6000	
BURMA OIL MILLS LTD	5000	
FIKREES (PRIVATE) LIMITED	2206	
PAKISTAN MEMON EDUCATIONAL & WELFARE SOC	2000	
SHAFFI SECURITIES (PVT) LIMITED	2000	
SAIMA KUROSU ALTAF	1316	
NCC - PRE SETTLEMENT DELIVERY ACCOUNT	1278	
PROGRESSIVE INVESTMENT MANAGEMENT (PRIVATE) LIMITED	500	
MS MANIAR FINANCIALS (PVT) LTD.	500	
Y.S. SECURITIES & SERVICES (PVT) LTD.	80	
HSZ SECURITIES (PVT.) LTD.43001	80	
SEVEN STAR SECURITIES (PVT.) LTD.	4	
MAPLE LEAF CAPITAL LIMITED	1	
Sub - Total:	**112,965**	0.13
INDIVIDUAL		
LOCAL - INDIVIDUALS	13,718,449	
Sub - Total:	**13,718,449**	16.33
Grand Total:	**84,000,000**	**100.00**

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE

Name of Shareholders	Shares Held	Percentage
Muhammad Faisal Ahmed	68,029,753	
Sadia Zain	9,741,400	
Total:	**77,771,153**	**92.58**

PERFORMANCE AT A GLANCE

FINANCIAL RATIOS	**2024**	2023
Gross profit - % of net sales	**11.73**	17.10
Profit before levies and income tax - % of net sales	**2.97**	7.67
Net Profit - % of net sales	**1.59**	6.21
Earnings per share	**3.95**	12.63
Increase / (decrease) in net sales - %	**21.89**	0.78
Raw and packing materials - % of net sales	**53.89**	50.18
Labour - % of net sales	**21.68**	19.24
Other cost of goods manufactured - % of net sales	**16.96**	13.70
Distribution costs - % of net sales	**2.25**	2.43
Administrative expenses - % of net sales	**1.20**	1.34
Finance costs - % of net sales	**5.86**	5.75
Levies and income tax - % of net sales	**1.38**	1.45
Inventory turnover days	**106**	136
Receivable turnover days	**65**	77
SHORT TERM SOLVENCY		
Current ratio	**0.94**	1.16
Acid test ratio	**0.47**	0.56
OVERALL VALUATION AND ASSESSMENT		
Return on equity (average) %	**4.10**	13.83
P.E. ratio	**11.81**	4.52
Book value per share	**96.42**	96.35
Long term debts : equity	**25:75**	38:62

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **Artistic Denim Mills Limited**
Year ended: **June 30, 2024**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

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

   a. Male: 06
   b. Female: 01

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

Category	Numbers	Names
a) Independent Directors	02	Mr. Yazdani Zia Mr. Muneer Ahmed
b) Other Non-Executive Directors		
- Male	02	Mr. Muhammad Iqbal Ahmed Mr. Muhammad Yousuf Ahmed
- Female	01	Ms. Zahra Faisal Ahmed
c) Executive Director	02	Mr. Muhammad Faisal Ahmed Mr. Muhammad Ozair Qureshi

The two elected independent directors possess essential capabilities, expertise, understanding, and background to effectively fulfill their responsibilities in accordance with relevant laws and regulations. In light of their comprehensive adherence to the requisite criteria established by pertinent laws and regulations, the appointment of the third independent director is considered unwarranted.

3. The Directors have confirmed that none of them is serving as a Director on the Board of 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 the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. Four directors on the Board have acquired the prescribed certification as mentioned under Regulation Number 19, whereas two directors are exempted from such course on account of the experience and qualification. The Company is currently in the process of organizing the Directors' Training Program certification for the remaining director. Following Directors have already gone through Directors' Training program:

   a) Mr. Muhammad Faisal Ahmed
   b) Mr. Muhmmad Yousuf Ahmed
   c) Mr. Yazdani Zia
   d) Mr. Muneer Ahmed

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer (CEO) duly endorsed the financial statements of the Company before approval of the Board;

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

a) Audit Committee:

Name of Director	Designation
Mr. Yazdani Zia	Chairman
Mr. Muhammad Iqbal Ahmed	Member
Mr. Muneer Ahmed	Member

b) HR and Remuneration Committee:

Name of Director	Designation
Mr. Muneer Ahmed	Chairman
Mr. Muhammad Faisal Ahmed	Member
Ms. Zahra Faisal Ahmed	Member

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

14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

a)	Audit Committee	Quarterly meetings
b)	HR and Remuneration Committee	Annual meeting
c)	Nomination Committee	N/A
d)	Risk Management Committee	N/A

15. The Board has set-up an effective Internal Audit Function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

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

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

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

19. Explanation for the non-compliances with requirement, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

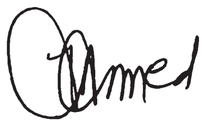
    a) Reference to Regulation Number 10(A), the Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee. At present the Board provides governance and oversight in relation to Company's initiatives on environmental, social and governance (ESG) matters. This regulation is introduced recently by SECP through notification dated June 12, 2024 and the Board is considering the possibility of establishing a dedicated sustainability committee.

    b) Reference to Regulation Number 19(3), Companies are encouraged to organize annual training sessions for a minimum of one head of department as part of the Directors' Training Program, beginning from July 2022. The company has outlined its intentions to facilitate Directors Training Program certificates for head of departments in the coming years.

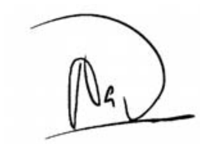
    c) Reference to Regulation(s) Number 29 and 30, since there are no Nomination and Risk management committees in place, the responsibilities associated with nomination committee are currently carried out by the Human resource and the Remuneration Committee. Similarly, a senior officer within the company undertakes the necessary function related to risk management committee and provides relevant updates and information to the Board, wherever required.

d) Reference to Regulation Number 35, the company has the option to display crucial components of its notable policies, along with the concise overview of the Board's committee mandates, and essential aspects of the director's remuneration policy on its official website. While these materials are already widely distributed among pertinent employees and directors, the Board is considering the possibility of making these policies and synopses available on its website in the near future.

On behalf of the Board



MUHAMMAD FAISAL AHMED
Chief Executive



MUHAMMAD IQBAL AHMED
Chairman

Karachi: September 28, 2024

REANDA

TO THE MEMBERS OF ARTISTIC DENIM MILLS LIMITED

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

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

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Reanda Haroon Zakaria Aamir Salman Rizwan & Co

Reanda Haroon Zakaria Amir Salman Rizwan & Company
Chartered Accountants

Engagement Partner
Muhammad Iqbal

Place: Karachi
Dated: September 28, 2024
UDIN: CR202410086Y5KFdTqhH

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARTISTIC DENIM MILLS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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.

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants
Suite Nos. M1-M4 & 709-710, Progressive Plaza, Beaumont Road, Karachi-75530 Pakistan
Tel: +92 (21) 3567 4741-44 I Fax: +92 (21) 3567 4745 I Email: info@hzasrkhi.pk I www.hzasr.pk

Other offices at:
Lahore and Islamabad

Following are the key audit matters

S. No.	Key audit matters	How the matter was addressed in our audit
1	***Capital expenditures and related financing***	
	(Refer note 4 to the accompanying financial statements) The Company has incurred capital expenditure of Rs. 894.918 million under balancing, modernization and replacement for value addition and to enhance the production capacity. Company has used cash enclosed from operations to finance such expenditure. Capital expenditures incurred during the year represents significant transactions and involves significant judgements in respect of capitalization of elements of eligible components of costs, as per the applicable reporting standards to determine, when the assets are available for use and estimation of useful lives. Further, financing agreement entail financial and non-financial covenants that the Company is subject to compliance. Accordingly, we have identified the capital expenditures and related financing as a key audit matter.	Our audit procedures to address the matter, amongst others, includes the following: • we obtained understanding of the Company's process with respect to capital expenditure including determination of useful lives; • we physically verified the newly acquired fixed assets and reviewed the relevant contracts and documents supporting various components of the capitalized cost and the impact of BMR over production capacities; • we considered whether the capital expenditure incurred meets the recognition criteria of an asset in accordance with the applicable financial reporting framework; • we reviewed the underlying financing agreements and inquired from the management with respect to the future compliance of the covenants and tested controls related to such compliance and circularized confirmations to the financial institutions with respect to outstanding loan balances at year end; • we assessed the adequacy of the financial statements disclosures as per the requirements set out in the applicable financial reporting framework.

S. No.	Key audit matters	How the matter was addressed in our audit
2	***Stock-in-trade***	
	(Refer note 8 to the accompanying financial statements) The stock-in-trade balance constitutes 22.97% of total assets of the Company. We focused on stock-in-trade as it is a significant portion of the Company's total assets and it requires management judgement in determining an appropriate costing basis and assessing its valuation. Accordingly, we have considered this as a key audit matter.	Our audit procedures to address the matter, amongst others, includes the following: • we performed a range of audit procedures in respect of inventory items including physical observation of inventory counts, testing valuation methods and their appropriateness in accordance with the applicable financial reporting framework; • we performed testing on a sample of items to assess the net realizable value (NRV) of the inventories held and evaluated whether any write down to NRV is required in the Company's financial statements; and • we assessed the adequacy of the related disclosures made in accordance with the applicable financial reporting framework.
3	***Revenue from related party transactions and disclosures***	
	(Refer note 37 to the accompanying financial statements) The Company generates revenue, from sales to related parties, of Rs. 7,160.121 million which comprises of 34.41% of total turnover. Due to the significance of related party transactions to the overall operations of the Company and the disclosures required for such transactions and year end balances, we have considered the same to be a key audit matter.	Our audit procedures to address the matter, amongst others, includes the following: • we have evaluated management's process for identifying and recording related party transactions; • we have reviewed minutes of the meetings of audit committee and those charged with governance for recommendation and approval of transactions with related parties respectively; • we have inspected invoices, on sample basis, and ensured that these are generated as per Company's policies and obtained direct confirmation from related parties and also ensured satisfactory subsequent realization; • we have obtained written representation from management concerning completeness of information provided regarding the identification of related parties; and • we have assessed the adequacy and appropriateness of the disclosures made in respect of the related parties balances and transactions in accordance with the applicable financial reporting framework.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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.

REANDA

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Iqbal.

Reanda Haroon Zakaria Aamir/Salman Rizwan & Co

Reanda Haroon Zakaria Amir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: September 28, 2024

UDIN: AR202410086KSImM0HD6

STATEMENT OF FINANCIAL POSITION

As at June 30, 2024

	Note	2024	2023
		.... Rupees in '000'	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	**11,843,120**	11,769,618
Long term loans	5	**26,444**	32,602
Long term deposits	6	**1,957**	1,957
		11,871,521	11,804,177
Current Assets			
Stores and spares	7	**268,797**	248,281
Stock-in-trade	8	**5,245,029**	5,469,336
Trade debts	9	**3,938,238**	3,441,533
Loans and advances	10	**175,133**	74,541
Trade deposits	11	**7,580**	67,292
Other receivables	12	**172,627**	139,745
Short term investments	13	**135,379**	71,502
Sales tax refundable		**327,038**	194,719
Taxation - net		**-**	209,098
Cash and bank balances	14	**692,466**	1,173,574
		10,962,287	11,089,621
		22,833,808	22,893,798
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
100,000,000 ordinary shares of Rs 10/- each	15	**1,000,000**	1,000,000
Issued, subscribed and paid-up	15	**840,000**	840,000
Reserves	16	**7,259,246**	7,253,311
		8,099,246	8,093,311
Non-Current Liabilities			
Long term financing	17	**2,742,425**	4,954,652
Deferred liability	18	**372,240**	268,466
		3,114,665	5,223,118
Current Liabilities			
Trade and other payables	19	**3,775,702**	2,793,789
Unclaimed dividend		**3,541**	3,238
Accrued mark-up	20	**143,708**	341,594
Short term borrowings	21	**7,092,160**	5,973,000
Current maturity of long-term financing	17	**564,138**	465,748
Taxation - net		**40,648**	-
		11,619,897	9,577,369
Contingencies and Commitments	22		
		22,833,808	22,893,798

The annexed notes 1 to 43 form an integral part of these financial statements.

Faisal Ahmed	**Sagheer Ahmed**	**Yazdani Zia**
Chief Executive Officer	Chief Financial Officer	Director

STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2024

	Note	2024	2023
		.... Rupees in '000'..........	
			Restated
Turnover	23	**20,810,386**	17,072,735
Cost of sales	24	**(18,370,061)**	(14,153,038)
Gross Profit		**2,440,325**	2,919,697
Distribution costs	25	**(468,449)**	(414,904)
Administrative expenses	26	**(250,097)**	(228,469)
Other operating expenses	27	**(59,342)**	(95,553)
Other income	28	**174,486**	109,704
		(603,402)	(629,222)
Operating Profit		**1,836,923**	2,290,475
Finance costs	29	**(1,218,895)**	(981,809)
Profit before Levies and income tax		**618,028**	1,308,666
Levies	30	**(204,484)**	(178,786)
Profit before income tax		**413,544**	1,129,880
Income tax expense	31	**(81,825)**	(69,250)
Net Profit for the year		**331,719**	1,060,630
		(Rupees Per share)	
Earnings Per Share	32	**3.95**	12.63

The annexed notes 1 to 43 form an integral part of these financial statements.

Faisal Ahmed	**Sagheer Ahmed**	**Yazdani Zia**
Chief Executive Officer	Chief Financial Officer	Director

STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2024

	Note	2024	2023
		.... Rupees in '000'	
Net profit for the year		**331,719**	1,060,630
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
Actuarial loss on defined benefit plan	18.1	**(31,784)**	(39,068)
Total comprehensive income for the year		**299,935**	1,021,562

The annexed notes 1 to 43 form an integral part of these financial statements.

Faisal Ahmed
Chief Executive Officer

Sagheer Ahmed
Chief Financial Officer

Yazdani Zia
Director

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2024

	Issued, subscribed and paid-up	Revenue Reserves: Unappro-priated Profit	Revenue Reserves: Acturial loss on defined benefit plan	Total Reserves	Total
	.... Rupees in '000				....
Balance as at June 30, 2022	**840,000**	**6,399,634**	**115**	**6,399,749**	**7,239,749**
Net profit for the year	-	1,060,630	-	1,060,630	1,060,630
Other comprehensive loss	-	-	(39,068)	(39,068)	(39,068)
Total comprehensive income for the year	-	1,060,630	(39,068)	1,021,562	1,021,562
Transactions with owners					
Cash dividend paid @ Rs. 2.00 per ordinary share of Rs.10 each for the year ended June 30, 2022	-	(168,000)	-	(168,000)	(168,000)
Balance as at June 30, 2023	**840,000**	**7,292,264**	**(38,953)**	**7,253,311**	**8,093,311**
Net profit for the year	**-**	**331,719**	**-**	**331,719**	**331,719**
Other comprehensive loss	**-**	**-**	**(31,784)**	**(31,784)**	**(31,784)**
Total comprehensive income for the year	**-**	**331,719**	**(31,784)**	**299,935**	**299,935**
Transactions with owners					
Cash dividend paid @ Rs. 3.50 per ordinary share of Rs.10 each for the year ended June 30, 2023	**-**	**(294,000)**	**-**	**(294,000)**	**(294,000)**
Balance as at June 30, 2024	**840,000**	**7,329,983**	**(70,737)**	**7,259,246**	**8,099,246**

The annexed notes 1 to 43 form an integral part of these financial statements.

Faisal Ahmed
Chief Executive Officer

Sagheer Ahmed
Chief Financial Officer

Yazdani Zia
Director

STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

	Note	2024	2023
		.... Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	33	**3,235,036**	3,416,002
Taxes paid		**(36,564)**	(214,044)
Gratuity paid	18.1	**(34,349)**	(21,130)
Finance costs paid		**(1,416,781)**	(715,331)
Workers' Profits Participation Fund paid	19.5	**(78,558)**	(50,633)
Workers' Welfare Fund paid	19.6	**(14,544)**	(13,550)
Long term deposits		**-**	(225)
Net cash generated from operating activities		**1,654,240**	2,401,089
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure	4.1 & 4.2	**(894,919)**	(2,843,225)
Short term investments - net		**(1,349)**	(3,446)
Dividend received	28	**11,754**	10,899
Sale proceeds from disposal of operating fixed assets	4.1.3	**37,540**	27,133
Net cash used in investing activities		**(846,974)**	(2,808,639)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term financing repaid	17	**(2,113,837)**	(281,732)
Long term financing acquired	17	**-**	1,651,624
Short term borrowings acquired / (repaid) - net	33.1	**1,119,160**	(250,000)
Dividend paid		**(293,697)**	(167,897)
Net cash (used in) / generated from financing activities		**(1,288,374)**	951,995
Net (decrease) / increase in cash and cash equivalents		**(481,108)**	544,445
Cash and cash equivalents at the beginning of the year	14	**1,173,574**	629,129
Cash and cash equivalents at the end of the year		**692,466**	1,173,574

The annexed notes 1 to 43 form an integral part of these financial statements.

Faisal Ahmed	**Sagheer Ahmed**	**Yazdani Zia**
Chief Executive Officer	Chief Financial Officer	Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2024

1 STATUS AND NATURE OF BUSINESS

Artistic Denim Mills Limited (the Company) was incorporated in Pakistan on May 18, 1992 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is currently listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sell recycled Fiber, yarn, rope dyed denim fabric, garments and value added textile products.

The registered office and factory premises of the Company is situated at Plot No. 5-9, 23 - 26, Sector 16, Korangi Industrial Area, Karachi.

1.1 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS FACILITIES

The Company has two factory locations with manufacturing facility 1 located at Plot No. 5-9, 23-26, Sector 16, Korangi Industrial Area, Karachi and manufacturing facility 2 located at Plot No. 426 - 428, Deh Phihai of Sub Division Landhi, Korangi, Karachi.

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 for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except otherwise stated. Further, accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

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

	Effective for period beginning on or after
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the disclosure of accounting policies.	January 1, 2023

	Effective for period beginning on or after
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates.	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations and amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.	January 1, 2023

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

2.4 Amendments to standards and IFRS interpretations that are not yet effective

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

	Effective from accounting period beginning on or after
Amendments to IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements.	January 1, 2024
Amendments to IFRS 7 'Financial Instruments - Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments.	January 1, 2026
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
Amendments to IFRS 16 'Leases': Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 1, 2024
IFRS 17 - Insurance Contracts	January 1, 2026
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debts with covenants	January 1, 2024

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 Climate-related Disclosures

2.5 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies and commitments at the end of the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainty with significant risk of material adjustment to the carrying amount of assets and liabilities in future period are described in following note:

- Review of useful lives and residual values of property, plant and equipment (note 3.1 and 4.1);

- Impairment of inventories / adjustment of inventories to their net realisable value (note 3.6 & 8);

- Recognition of staff retirement benefits (note 3.13 & 18);

- Provisions (note 3.12);

- Recognition of taxation and deferred taxation (note 3.14 & 31);

- Revenue recognition (note 3.15 & 23);

- Valuation of short term investments (note 3.7 & 13);

- Impairment of financial assets (note 3.7.4); and

- Contingencies and commitments (note 3.19 & 22);

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property, plant and equipment

3.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on all operating fixed assets except leasehold land, is charged to statement of profit or loss, applying the reducing balance method whereby the cost of an asset is written off over its estimated useful life. Leasehold land is amortized using the straight line method over its lease term. The rates used are stated in note 4.1 to the financial statements.

The carrying values of operating fixed assets are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Normal repair and maintenance is charged to statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are taken to the profit or loss.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their construction, installation and acquisition. These are transferred to specific assets as and when these are available for use.

3.2 Impairment - non financial assets

The carrying value of non-financial assets other than inventories is assessed at each reporting date to determine whether there is any indication of impairment. If any such indications exist, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs to sell of the asset. In determining fair value less costs to sell, the recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other fair value indicators.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

3.3 Stores and spares

Stores and spares are valued at lower of cost and net realizable value, determined on a first-in-first-out (FIFO) basis. Provision is made for any slow moving and obsolete items.

Items in transit are valued at cost comprising invoice values plus other charges incurred thereon up to reporting date.

Net realizable value signifies the estimated market prices (being replacement cost) in the ordinary course of business less the estimated costs necessary to make the sale.

3.4 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is determined as follows:

Cost of raw and packing materials is determined using FIFO basis except for those in transit which are stated at invoice price plus other charges incurred thereon up to the reporting date.

Finished goods and work in process are valued at manufacturing cost which is comprised of direct raw material consumed on FIFO basis and proportionate production overheads and labour cost incurred.

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

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.5.1 Initial recognition and measurement

Under IFRS 9, financial assets are classified, at initial recognition, and subsequently measured at following:

(a) at amortized cost
(b) at fair value through profit or loss (FVTPL); and
(c) at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

A financial asset is measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. However the Company is not having any investment in equity instruments.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

3.5.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- Financial assets at fair value through profit or loss.

3.5.3 Derecognition

A financial asset is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.5.4 Impairment of financial assets

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

Credit risk on a financial asset is assumed to be increased significantly if it is more than past due for a reasonable period of time as decided by the senior management of the Company. Further, the Company considers information based on Company's historical experience and the impact of forward looking information that is available without undue cost. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.5.5 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liability measured at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities includes trade and other payables, unclaimed dividend, loans and borrowings and accrued mark-up on loans and borrowings.

After initial recognition, the Company's financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

3.5.6 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

3.5.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.5.8 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liability are recognized as revenue when the Company performs under the contract.

3.6 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any.

The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade and other receivables. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. Trade debts and other receivables considered irrecoverable are written off.

3.7 Advances, deposits, and prepayments

Advances and prepayments are stated at cost less provision for doubtful balances, if any. Deposits are recognized initially at fair value and subsequently measured at amortized cost after deducting allowance for uncollectable amounts, if any. Advances, deposits and prepayments considered irrecoverable are written off.

3.8 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, from the proceeds.

3.9 Cash and cash equivalents

Cash and bank balances consist of cash in hand and cash at banks in current accounts at amortized cost. For the purpose of the statement of cash flows, cash and cash equivalents comprises of cash at bank and cash in hand.

3.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) 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 can be made of the amount of the obligation.

3.11 Staff gratuity - Defined Benefit Plan

The Company operates an un-approved and unfunded gratuity scheme for all permanent employees who have completed the minimum qualifying year of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. Actuarial gains and losses are recognized in full in the period in which they occur in the other comprehensive income. All the current and any past service costs are recognized in the profit or loss at the earlier of when the amendments or curtailment occurs and when the Company has recognized related restructuring or terminations benefits. The amount recognized in the statement of financial position represents present value of defined benefit obligation. The latest actuarial valuation was carried out as of June 30, 2024 using Projected Unit Credit method.

3.12 Taxation

The tax expense for the year comprises of current tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In which case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and adjustment, if any, to tax payable or receivable in respect of previous years.

Deferred

Since the income of the Company is subject to tax under Final Tax Regime, no deferred tax liability has been accounted for in these financial statements as the Company's tax liability will be assessed under the said regime and, hence, no temporary differences are likely to arise.

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

3.13 Revenue recognition

Revenue is recognized at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognized on the following basis:

Sale of goods

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer and is recognized when control of goods have been transferred to a customer at a point in time when the performance obligations are met. The transaction price of Company's contracts with customers for the sale of goods does not include any variable consideration, any significant financing component, any non cash consideration or any consideration payable to its customers. The credit term ordinarily ranges from 30 to 120 days.

Other income

- Return on treasury call account at amortized cost are accounted for using the effective interest rate method.

- Unrealized gains / (losses) arising on revaluation of securities classified as 'financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise.

- Dividend income is recognized in the statement of profit or loss on the date on which the Company's right to receive the dividend is established.

- Scrap sales and gains / (losses) arising on disposal of fixed assets and investments are included in income currently and are recognized on the date when the transaction takes place.

3.14 Foreign currency translation

Foreign currency transactions are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the reporting date. Gains and losses on translation are taken to statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3.15 Dividends and appropriation to reserve

Dividend and appropriation to reserve are recognized in the financial statements in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognized in the financial statements in the period in which such transfers are made.

3.16 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 period. 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.

3.17 Contingencies

Contingencies are disclosed when the Company has a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.18 Operating segment

These financial statements have been prepared on the basis of a single reportable segment.

- Revenue from export sales represent 95.11% (2023: 95.21%) of the total gross revenue of the Company.

- All non-current assets of the Company at June 30, 2024 are located in Pakistan.

- Sales made by the Company to two customers which constitutes 36% and 25% (2023: 39% and 19%), respectively.

3.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.20 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency.

3.21 Restatement

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of cash flows and earning per share as a result of this change.

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	...... Rupees in '000					
Profit before income tax	619,113	(205,569)	413,544	1,308,666	(178,786)	1,129,880
Levies	-	(205,569)	(205,569)	-	(178,786)	(178,786)
Income tax expense	(286,309)	205,569	(80,740)	(248,036)	178,786	(69,250)

	Note	2024	2023
		.... Rupees in '000'	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	10,880,499	8,427,700
Capital work-in-progress	4.2	962,621	3,341,918
		11,843,120	11,769,618

4.1 OPERATING FIXED ASSETS

Description	COST				Period / Rate %	ACCUMULATED DEPRECIATION / AMORTISATION				WRITTEN DOWN VALUE
	As at July 01, 2023	Additions / Transfers*	(Disposals)	As at June 30, 2024		As at July 01, 2023	For the Year	(On disposals)	As at June 30, 2024	As at June 30, 2024
	....Rupees in '000....					....Rupees in '000....				
Leasehold land	1,211,663	-	-	1,211,663	65 to 86 years	279,842	15,188	-	295,030	916,633
Building on leasehold land	3,798,763	1,503,824 *	-	5,302,587	10	1,619,020	230,506	-	1,849,526	3,453,061
Plant and machinery	9,000,347	1,692,754 *	(63,068)	10,630,033	10	4,008,310	516,001	(56,668)	4,467,643	6,162,390
Factory equipment	485,355	42,065 *	-	527,420	10	245,285	26,495	-	271,780	255,640
Furniture and fixtures	58,115	190	-	58,305	10	29,903	2,834	-	32,737	25,568
Office equipment, including computers	60,046	1,997	-	62,043	33	48,987	3,857	-	52,844	9,199
Vehicles	164,723	33,386	(26,641)	171,468	20	119,965	13,893	(20,398)	113,460	58,008
2024	14,779,012	3,274,216	(89,709)	17,963,519		6,351,312	808,774	(77,066)	7,083,020	10,880,499

Description	COST				Period / Rate %	ACCUMULATED DEPRECIATION / AMORTISATION				WRITTEN DOWN VALUE
	As at July 01, 2022	Additions / Transfers*	(Disposals)	As at June 30, 2023		As at July 01, 2022	For the Year	(On disposals)	As at June 30, 2023	As at June 30, 2023
	....Rupees in '000....					....Rupees in '000....				
Leasehold land	1,211,663	-	-	1,211,663	65 to 86 yrs	264,654	15,188	-	279,842	931,821
Building on leasehold land	2,836,880	961,883 *	-	3,798,763	10	1,439,171	179,849	-	1,619,020	2,179,743
Plant and machinery	7,615,589	1,519,152 *	(134,394)	9,000,347	10	3,662,298	464,619	(118,607)	4,008,310	4,992,037
Factory equipment	460,917	24,438 *	-	485,355	10	220,424	24,861	-	245,285	240,070
Furniture and fixtures	56,319	1,796	-	58,115	10	26,872	3,031	-	29,903	28,212
Office equipment, including computers	57,758	2,288	-	60,046	33	44,229	4,758	-	48,987	11,059
Vehicles	154,856	10,139	(272)	164,723	20	109,759	10,361	(155)	119,965	44,758
2023	12,393,982	2,519,696	(134,666)	14,779,012		5,767,407	702,667	(118,762)	6,351,312	8,427,700

4.1.1 Leasehold land and buildings on leasehold land of the Company are located at Karachi with an area of 245,202 square yards.

	Note	2024	2023
		.... Rupees in '000'	
4.1.2 Depreciation charge for the year has been allocated as follows:			
Cost of Sales	24	**746,498**	648,562
Distribution cost	25	**1,618**	1,405
Administrative expenses	26	**60,658**	52,700
		808,774	702,667

4.1.3 The following fixed assets were disposed off during the year:

Description	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain on disposal	Mode of disposal	Particulars of Buyer
	.... Rupees in '000'						
Vehicles (having WDV of less than Rs. 500,000)	24,368	(18,653)	5,715	13,713	7,997	Negotiation	Various
Vehicles (having WDV of more than Rs. 500,000)	2,273	(1,745)	528	1,309	781	Negotiation	Various
Plant & Machinery (having WDV of less than Rs. 500,000)	6,006	(5,393)	613	2,502	1,889	Negotiation	Foshan Yuejing Textle Co. ltd.
Plant & Machinery (having WDV of more than Rs. 500,000)	57,062	(51,275)	5,787	20,016	14,229	Negotiation	Foshan Yuejing Textle Co. ltd.
2024	**89,709**	**(77,066)**	**12,643**	**37,540**	**24,896**		
2023	134,666	(118,762)	15,904	27,133	11,230		

4.2 Capital work-in-progress

	Note	Civil Works	Plant & Machinery	Advances	Factory Equipment	Total
		.... Rupees in '000'				
As at July 01, 2023		**1,206,761**	**1,693,386**	**441,771**	**-**	**3,341,918**
Additions during the year		**436,644**	**127,157**	**253,479**	**42,065**	**859,345**
Transferred to operating fixed assets	**4.1**	**(1,503,824)**	**(1,692,753)**	**-**	**(42,065)**	**(3,238,642)**
Transferred from advances		**546,023**	**-**	**(546,023)**	**-**	**-**
As at June 30, 2024		**685,604**	**127,790**	**149,227**	**-**	**962,621**
As at July 01, 2022		1,214,743	1,186,376	617,270	-	3,018,389
Additions during the year		517,744	2,006,313	280,507	24,438	2,829,002
Transferred to operating fixed assets	4.1	(961,883)	(1,519,152)	-	(24,438)	(2,505,473)
Transferred from advances		436,157	19,849	(456,006)	-	-
As at June 30, 2023		**1,206,761**	**1,693,386**	**441,771**	**-**	**3,341,918**

4.2.1 Includes borrowing costs incurred in respect of plant and machinery capitalized during the year amounting to Rs. Nil (2023: Rs. 22.838) million.

	Note	2024	2023
		.... Rupees in '000'	

5 LONG TERM LOANS

	Note	2024	2023
- Secured			
Considered good			
Executives	5.2 & 5.3	**30,194**	35,197
Employees		**14,107**	15,965
	5.1	**44,300**	51,162
Current portion			
Executives	10	**(9,797)**	(10,380)
Employees	10	**(8,060)**	(8,180)
		(17,856)	(18,560)
		26,444	32,602

5.1 Represents loans extended to executives and employees which are in the nature of personal loans. These are granted with the terms of their employment and are secured against their gratuity balances. These loans are recoverable in monthly installments over a period, ranging between 1 to 5 (2023: 1 to 5) years, and are interest free. These loans have not been discounted to their present value as the financial impact thereof is not considered material.

5.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 36.356 (2023: Rs. 37.172) million.

	2024	2023
	.... Rupees in '000'	

5.3 Reconciliation of carrying amount of loans to executives:

	2024	2023
Opening balances	**35,197**	30,554
Disbursements during the year	**9,505**	16,448
	44,702	47,002
Recovered during the year	**(14,508)**	(11,805)
	30,194	35,197

6 LONG TERM DEPOSITS

	2024	2023
Security deposits		
Utilities	**1,279**	1,279
Others	**678**	678
	1,957	1,957

7 STORES AND SPARES

	2024	2023
Stores		
in hand	**93,346**	92,656
Spares		
in hand	**160,047**	155,625
in transit	**15,405**	-
	175,451	155,625
	268,797	248,281

	Note	2024	2023
		.... Rupees in '000'	

8 STOCK-IN-TRADE

	Note	2024	2023
Raw and packing materials			
in hand	24.1.1	**1,454,482**	3,258,840
in transit		**24,382**	324,371
		1,478,864	3,583,211
Work-in-process	24.1	**2,264,153**	1,268,952
Finished goods	24	**1,502,012**	617,173
		5,245,029	5,469,336

9 TRADE DEBTS

- Considered good

	2024	2023
Secured - against letters of credit		
Other than related party	**673,522**	738,254
Unsecured		
Related parties:		
DL1961 Premium Denim Inc. - Export	**465,061**	327,651
Premium Distributors - Export	**78,146**	48,715
Regency Brands LLC. - Export	**1,843,225**	909,608
	2,386,432	1,285,974
Others	**878,284**	1,417,305
	3,938,238	3,441,533

9.1 Trade debt - ageing

	2024	2023
Related parties		
Neither past due nor impaired	**2,288,918**	1,266,981
Past due but not impaired within 120 days	**97,515**	18,993
	2,386,432	1,285,974
Others		
Neither past due nor impaired	**1,386,669**	1,877,272
Past due but not impaired within 120 days	**165,137**	278,287
	1,551,806	2,155,559
	3,938,238	3,441,533

9.2 The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 2,705.724 (2023: Rs. 2,373.677) million.

	Note	2024	2023
		.... Rupees in '000'	
10 LOANS AND ADVANCES			
Considered good			
Loans			
Current portion of long term loans			
Executives	5	**9,797**	10,380
Employees	5	**8,060**	8,180
		17,856	18,560
Advances - unsecured			
Suppliers	10.1	**135,939**	41,621
Workers / employees		**19,440**	11,074
Others		**1,898**	3,286
		157,277	55,981
		175,133	74,541

10.1 This includes an amount of Rs. 13.531 (2023: Rs. 3.279) million paid to foreign vendors in the normal course of business for purchase of accessories and does not include any element of investment. Party wise detail of these advances are as follows;

Party name	Jurisdiction	Amount	Terms and conditions	Settlement period
		.... Rupees in '000'		
Permashrink Inc.	USA	2,827	Mutually agreed terms	upto 60 Days
Mitchell Co. Ltd	Taiwan	2,762	Mutually agreed terms	upto 60 Days
Warp Weft World Inc	USA	2,475	Mutually agreed terms	upto 60 Days
Jose Oliveira Freitas-Unipessoal. Lda	Portugal	2,116	Mutually agreed terms	upto 60 Days
Hangzhou Professional Import and Export Co., Ltd	China	930	Mutually agreed terms	upto 60 Days
Zhejiang Weixing Imp. & Exp. Co. Ltd	China	560	Mutually agreed terms	upto 60 Days
Paxar (China) Limited	Hong Kong	523	Mutually agreed terms	upto 60 Days
Lord Fabrics Limited	Hong Kong	363	Mutually agreed terms	upto 60 Days
Avery Dennison Hong Kong B. V.	Hong Kong	358	Mutually agreed terms	upto 60 Days
Ashine Industry Company Limited	Hong Kong	268	Mutually agreed terms	upto 60 Days
Kevnom Protection Limited	England	260	Mutually agreed terms	upto 60 Days
Trimco Group Istanbul Tekstil Tic. Ltd. Sti.	Turkey	40	Mutually agreed terms	upto 60 Days
King Button (HK) Co., Limited	Hong Kong	15	Mutually agreed terms	upto 60 Days
XT-Guangzhou Marigold Trading Co., Ltd.	China	15	Mutually agreed terms	upto 60 Days
Saurer Spinning Solutions Gmbh & Co. KG	Germany	9	Mutually agreed terms	upto 60 Days
Tex Zippers (BD) Limited	Bangladesh	5	Mutually agreed terms	upto 60 Days
Ykk Middle East S.A.L.	Dubai	3	Mutually agreed terms	upto 60 Days
Neuenhauser Maschinenbau GMBH	Germany	2	Mutually agreed terms	upto 60 Days

	Note	2024	2023
		.... Rupees in '000'	
11 TRADE DEPOSITS			
Container deposits		**1,355**	2,830
Bank margin		**6,225**	64,462
		7,580	67,292
12 OTHER RECEIVABLES			
Duty draw back on export sales and other rebates		**161,859**	139,299
Other receivable		**10,768**	446
		172,627	139,745
13 SHORT TERM INVESTMENTS			
- At fair value through profit or loss			
In units of mutual funds	13.1	**5,546**	4,197
In Quoted securities			
Carrying value		**67,305**	74,959
Gain / (loss) on remeasurement of investment	27 & 28	**62,528**	(7,654)
	13.2	**129,833**	67,305
		135,379	71,502

13.1 Mutual Funds

2024	2023		2024	2023
Number of units			.... Rupees in '000'	
2,435	44,997	Al - Meezan Rozana Aamdani Fund	**121**	2,250
542,490	194,679	NBP Islamic Daily Dividend Fund	**5,425**	1,947
544,925	239,676		**5,546**	4,197

13.2 Quoted Shares

2024	2023		2024	2023
Number of shares			Market Value	
180,500	180,500	Oil & Gas Development Company Ltd.	**24,434**	14,079
900,000	900,000	Pakistan Petroleum Limited	**105,399**	53,226
1,080,500	1,080,500		**129,833**	67,305

	Note	2024	2023
		.... Rupees in '000'	
14 CASH AND BANK BALANCES			
Cash in hand		**2,611**	4,030
Cash in banks			
Current accounts	14.1	**689,855**	1,169,544
		692,466	1,173,574

14.1 This includes balance of Rs. 105.962 (2023: Rs. 132.801) million in treasury call account having effective interest rate of 20.50% (2023: ranging from 12.50% to 19.50%).

15 SHARE CAPITAL

15.1 Authorised capital

2024	2023		2024	2023
Number of shares			.... Rupees in '000'	
		Authorised Capital		
100,000,000	100,000,000	Ordinary shares of Rs.10 each	**1,000,000**	1,000,000

15.1.1 During the year ended June 30, 2021, as mandated in law the Company initiated the procedure for increase of its authorised capital from Rupees one billion to five billion, however, certain minority shareholders filed JCM 32 of 2020 before the Honourable High Court of Sindh which, vide its interim order dated November 26, 2020 suspended the increase in authorized share capital as approved in the Annual General Meeting held on October 24, 2020. The Company has filed its response and is waiting adjudication of the said JCM.

15.2 Issued, subscribed and paid-up capital

2024	2023		2024	2023
Number of shares		**Fully paid ordinary shares of Rs. 10/- each**	.... Rupees in '000'	
14,000,000	14,000,000	- Issued for cash	**140,000**	140,000
70,000,000	70,000,000	- Issued as fully paid bonus shares	**700,000**	700,000
84,000,000	84,000,000		**840,000**	840,000

15.3 The share holders are entitled to receive all distribution to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All the shares carry "one vote" per share without any restriction.

	Note	2024	2023
		.... Rupees in '000'	
16 RESERVES			
Unappropriated profit		**7,329,983**	7,292,264
Actuarial loss on defined benefit plan		**(70,737)**	(38,953)
	16.1	**7,259,246**	7,253,311

16.1 Revenue reserves can be utilized for reinvestments, for distribution of profit by way of dividend and any other purpose that Board may deem appropriate.

	Note	2024	2023
		.... Rupees in '000'	
17 LONG TERM FINANCING - secured			
Term finances from banks under the State Bank of Pakistan's (SBP's) scheme for Export Oriented Projects (EOP) and Long-Term Financing Facility (LTFF)			
Commercial bank - I	17.1	**549,238**	656,334
Commercial bank - II	17.2	**1,989,571**	3,145,343
Commercial bank - III	17.3	**767,754**	1,618,723
		3,306,563	5,420,400
Current maturities shown under current liabilities		**(564,138)**	(465,748)
		2,742,425	4,954,652

17.1 Represents loans obtained from commercial bank - I, from time to time, against the import of eligible plant and machinery under the SBP's LTFF Scheme, as announced by the SBP in their MFD, Circular No. 07, dated December 31, 2007.

The loans are repayable in 32 equal quarterly installments after two years grace period starting from drawdown of loans, commencing and ranging from June 30, 2018 to June 11, 2031, carrying mark-up at the SBP Refinance rate for 5 to 10 years (i.e. 2%) plus ranging between 0.7% to 1%) per annum, which are payable quarterly on the principal sum of loan and other dues, if any, outstanding from time to time.

The said loans are secured against the hypothecation of specific plant and machinery, aggregating to Rs. 903.5279 (2023: Rs. 903.5279) million and equitable mortgage of Rs. 138 million over land and building located in Korangi Industrial Area.

17.2 Represents loans obtained from commercial bank - II, from time to time, against the import of eligible plant and machinery, by the Company under the SBP's LTFF Scheme, as announced by the SBP in their MFD, Circular No. 07, dated December 31, 2007.

The loans are repayable in 32 equal quarterly installments after two years grace period starting from drawdown of loans, commencing and ranging from October 10, 2017 to June 08, 2032, carrying mark-up at the SBP Refinance rate for 5 to 10 years ranging from (i.e. 2% to 4%) plus (0.7% to 1%) per annum for loans approved by SBP, which are payable quarterly on the principal sum of loan and other dues, if any, outstanding from time to time.

The said loans are secured against the hypothecation of specific plant and machinery and factory property (weaving unit), aggregating to Rs. 3,414.9390 (2023: Rs. 4,642.5040) million.

17.3 Represents loans obtained from commercial bank - III, from time to time, against the import of eligible plant and machinery, by the Company under the SBP's LTFF Scheme, as announced by the SBP in their MFD, Circular No. 07, dated December 31, 2007 and under the SBP's TERF scheme, as announced by SBP in their IH & SMEFD, circular No.1, dated March 17, 2020.

The loans are repayable in 32 equal quarterly installments after two years grace period starting from drawdown of loans, commencing and ranging from April 24, 2021 to November 30, 2031, carrying mark-up at the SBP Refinance rate for 5 to 10 years ranging from (i.e. ranging from 1% to 2%) plus (ranging between 0.6% to 1.25%) per annum for loans approved by SBP, which are payable quarterly on the principal sum of loan and other dues, if any, outstanding from time to time.

The said loans are secured against the hypothecation of specific plant and machinery, aggregating to Rs. 1,297.07 (2023: Rs. 2,047.07) million.

	Note	2024	2023
		.... Rupees in '000'	
18 DEFERRED LIABILITY			
Defined benefit obligation	18.1	**372,240**	268,466

18.1 The Company operates an unfunded gratuity scheme for all its eligible employees. Latest actuarial valuation was carried out as at June 30, 2024, using the "Projected Unit Credit Method".

		Note	Gratuity 2024	Gratuity 2023
			.... Rupees in '000'	
(a)	**Movement in the present value of defined benefit obligation**			
	Provision at July 01, 2023		**268,466**	173,612
	Expense for the year	18.1(b)	**106,339**	76,916
			374,805	250,528
	Benefit paid		**(34,349)**	(21,130)
	Actuarial loss on defined benefit plan		**31,784**	39,068
	Provision as at June 30, 2024		**372,240**	268,466
(b)	**The amount charged in the statement of profit or loss is as follows:**			
	Current service cost		**65,830**	55,160
	Interest cost		**40,509**	21,756
	Expense for the year	18.1(a)	**106,339**	76,916
(c)	**Principle actuarial assumptions**			
	Discount rate		**19.75%**	16.25%
	Salary increase		**19.00%**	20.00%
	Normal retirement age of employees		**60**	60

(d) Comparison for five years

As at June 30,	**2024**	**2023**	**2022**	**2021**	**2020**
	.... Rupees in '000				
Present value of defined benefit obligation	**372,239**	268,466	173,612	139,082	101,895
Experience adjustment					
Actuarial loss / (gain) on obligation	**31,784**	39,068	(25,979)	(13,996)	4,229

(e) Sensitivity analysis for actuarial assumptions

The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on Projected Credit Unit Model. There is no change from prior year in respect of methods and assumptions used to prepare sensitivity analysis.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation 1% increase	Impact on defined benefit obligation 1% decrease
	------ (Rupees in '000) ------	
Assumptions		
Effect of change in discount rate	**339,892**	409,815
Effect of change in future salary increase	**411,119**	338,251

18.2 The Company operates an unfunded gratuity scheme, hence, no plan assets are available.

18.3 As of June 30, 2024, a total of 569 (2023: 582) employees have been covered under the above scheme.

18.4 As per the recommendation of the actuary, the charge for the year ending June 30, 2025 amounts to Rs. 129.086 million.

18.5 The weighted average duration of the defined benefit obligation as at June 30, 2024 is 9.39 (2023: 9.34) years.

18.6 Risks Associated with Defined Benefit Plans

Longevity Risk:

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

Salary Increase Risk:

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

Withdrawal Risk:

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

	Note	2024	2023
		.... Rupees in '000'	
19 TRADE AND OTHER PAYABLES			
Creditors	19.1	**1,413,468**	1,056,669
Accrued liabilities	19.2	**1,901,481**	1,558,252
Advances from customers - unsecured		**116,847**	13,550
Advance against expenses - unsecured	19.3	**9,995**	13,010
Book overdraft	19.4	**229,111**	10,781
Staff contribution for vehicle		**28,379**	38,566
Workers' Profits Participation Fund	19.5	**33,423**	69,643
Workers' Welfare Fund	19.6	**17,004**	14,544
Withholding tax		**25,994**	18,776
		3,775,702	2,793,789

19.1 This includes balance with Artistic Fabric Mills (Private) Limited - related party amounting to Rs. 18.354 (2023: Rs. 5.400) million.

19.2 This includes provisions of Rs. 1,386.047 (2023: Rs. 1,373.884) million prudently recorded against increase in tariff / levies by utility company and government authority which are subjudice in the Honourable Courts of Laws, hence the relevant details are not disclosed.

During the year ended June 30, 2021, Honourable Supreme Court of Pakistan (SCP) has, in its original decision and decision against the review petition, ordered Industrial Gas Consumers to Pay GID Cess (included in aforementioned provision as per GIDC Act, 2015) in accordance with the parameters mentioned therein. Being aggrieved, the Company has filed suit before Honourable High Court of Sindh against billing of GID Cess by the Gas company (at captive power rates instead of industrial rates) considering it to be in contrast with the decision of SCP. Accordingly, the payment of GID Cess is dependent on the decision of the said case which is pending till the reporting date.

19.3 This represents amount of Rs. 5.844 (2023: Rs. 5.837) million and Rs. 4.152 (2023: 7.172) million received from Regency Brands LLC - related party and DL 1961 premium denim INC - related party respectively for reimbursable expenses.

19.4 This represents balance arising on account of unpresented cheques issued as on reporting date which is to be cleared subsequent to the year end.

		Note	2024	2023
			.... Rupees in '000'	
19.5	**Workers' Profits Participation Fund**			
	Balance at the beginning of the year		**69,643**	46,921
	Allocation for the year	27	**33,423**	69,643
	Interest on WPPF	27	**8,915**	3,712
			111,981	120,276
	Payments made during the year		**(78,558)**	(50,633)
			33,423	69,643
19.6	**Workers' Welfare Fund**			
	Balance at the beginning of the year		**14,544**	13,550
	Allocation for the year	27	**17,004**	14,544
			31,548	28,094
	Payments made during the year		**(14,544)**	(13,550)
			17,004	14,544
20	**ACCRUED MARK-UP**			
	Long term financings		**23,997**	97,191
	Short term running finance		**75**	-
	Short term borrowings		**119,636**	244,403
			143,708	341,594
21	**SHORT TERM BORROWINGS**			
	Short term loans - secured	21.1	**996,000**	5,973,000
	Short term running finances under FE-25	21.2	**4,986,012**	-
	Short term running finances under EFS	21.3	**1,110,148**	-
			7,092,160	5,973,000
21.1	**Short term loans - secured**			
	Export refinance II	21.1.1	**928,000**	850,000
	Export refinance II	21.1.2	**68,000**	1,493,000
	Export refinance II	21.1.3	**-**	900,000
	Export refinance II	21.1.3	**-**	765,000
	Export refinance II	21.1.3	**-**	250,000
	Export refinance II	21.1.3	**-**	1,265,000
	Export refinance II	21.1.3	**-**	200,000
	Export refinance I	21.1.3	**-**	250,000
			996,000	5,973,000

21.1.1 The Company arranged a facility for short-term loan under export refinance amounting to Rs. 928 (2023: Rs. 850) million, from a commercial bank on mark-up basis, the outstanding loan is repayable by August 31, 2024. The said export refinance facility is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 3,125 million.

The said export refinance carries mark-up at the rate of 1% per annum (2023: 1% per annum) above the SBP's Minimum Export Refinance rate, payable quarterly.

21.1.2 The Company arranged a facility for running musharakah under islamic export refinance, amounting to Rs. 68 million (2023: 1,493 million), from a commercial bank on mark-up basis, repayable by August 31, 2024. The said islamic export refinance facility is secured against the first pari passu registered hypothecation charge on present & future current assets of the Company, aggregating to Rs. 1,875 million.

The said islamic export refinance carries mark-up at the rate of 1% per annum (2023: 1%) above the SBP's Minimum Islamic Export Refinance rate, payable quarterly.

21.1.3 These loans have been fully repaid during the year in accordance with the terms of agreement.

	Note	2024	2023
		.... Rupees in '000'	
21.2 Short term running finances - FE-25			
RF-I	21.2.1	**278,250**	-
RF-II	21.2.2	**833,700**	-
RF-III	21.2.3	**1,113,200**	-
RF-IV	21.2.4	**2,760,862**	-
		4,986,012	-

21.2.1 The Company has borrowed short-term running finances under Foreign Exchange The facilities availed are for an amount of USD 1.00 million equivalent to Rs. 278.250 million (2023: Nil). The rate of mark-up on these finances are 6% (2023: Nil) per annum. These facilities are secured against the first pari passu hypothecation charge over the movables and receivables aggregating to 3125.5 million

21.2.2 The Company arranged a facility for short-term loan under export refinance Foreign Exchange Circular No.25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 3.00 million equivalent to Rs. 833.700 million (2023: Nil). The rates of mark-up on these finances are 6% (2023: Nil) per annum. It is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 1,250 million.

21.2.3 The Company has arranged short-term running finance facility under Foreign Exchange Circular No.25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 4.00 million equivalent to Rs. 1,113.200 million (2023: Nil). The rates of mark-up on these finances are 7% (2023: Nil) per annum. The said export refinance facility is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 1,587.5 million.

21.2.4 The Company has arranged short-term running finance facility under Foreign Exchange Circular No.25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 10.00 million equivalent to Rs. 2,760.862 million (2023: Nil). The rates of mark-up on these finances are 5% (2023: Nil) per annum. The said export refinance facility are secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs. 4,400 million.

	Note	2024	2023
		.... Rupees in '000'	
21.3 Short term running finances - EFS (Rupee based discounting)			
EFS-I	21.3.1	554,067	-
EFS-II	21.3.2	556,081	-
		1,110,148	-

21.3.1 The Company has arranged short-term running finance facility under Export Finance Scheme (EFS) Circular No.03, dated February 16, 2022. The facilities availed are for an amount of USD 1.910 million equivalent to Rs. 554.067 million (2023: Nil). The rates of mark-up on these finances are 2% (2023: Nil) per annum above the respective SBP rate. These facilities are secured against the first pari passu hypothecation charge over the movables and receivables.

21.3.2 The Company has arranged short-term running finance facility under Export Finance Scheme (EFS) Circular No.03, dated February 16, 2022. The facilities availed are for an amount of USD 1.919 million equivalent to Rs. 556.080 million (2023: Nil). The rates of mark-up on these finances are 2% (2023: Nil) per annum above the respective SBP rate. These facilities are secured against the first pari passu hypothecation charge over the movables and receivables.

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

The Company is a respondent in J.C.M. Nos. 29 and 32 filed, on Oct 28, 2017 and Nov 21, 2017 respectively, by the minority shareholders of the Company in the Honorable High Court of Sindh inter alia challenging the manner in which the business is being managed and seeking certain declaration and restraining order in this regard.

The Company believes that there is no merit in the aforesaid proceedings and based on the view of the legal advisor there appears to be no liability expected on the Company on account of the above litigations.

22.2 On July 25, 2019, SECP had issued a show cause notice under section 256 of the companies Act, 2017 and also a notice of hearing dated 19.9.2019 due to the complaints and insistence of certain minority shareholders on misplaced allegations pertaining to the manner in which the business of the company is being managed and seeking certain declaration. However, before the hearing of the show cause notice or an inspection or investigation was ordered / initiated, the company filed suit no. 1506 of 2019 before the Honourable High Court of Sindh which, vide its order dated 25.09.2019 restrained SECP from further proceedings in pursuance to the aforementioned notices. The Honourable High Court further directed SECP to maintain status quo.

The company believes that there is no merit in the aforesaid proceedings and based on the view of the legal advisor there appears to be no liability expected on the company on account of the above litigation.

	2024	2023
	.... Rupees in '000'	
22.3 Outstanding counter guarantees	**939,906**	633,410

22.4 Commitments

22.4.1 Commitments in respect of Building on leasehold land at the end of the period amounted to Rs. 96.708 (2023: Rs. 226.913) million.

22.4.2 Outstanding letters of credit at the end of the period amounted to Rs. 585,860 (2023: Rs. 1,009.703) million.

22.4.3 Post dated cheques issued in favour of Custom Authorities and Nazir High Court aggregating to Rs. 774.559 (June 30, 2023: Rs.1,275.613) and Rs. 162.065 (2023: 162.065) million respectively, against various statutory notifications.

	Note	2024	2023
		.... Rupees in '000'	
23 TURNOVER - NET			
Exports	23.1 & 23.2	**20,193,686**	16,636,423
Local		**1,216,005**	1,285,225
		21,409,691	17,921,648
Sales tax		**(353,022)**	(448,042)
Sales commission / trade discount		**(246,283)**	(400,871)
		(599,305)	(848,913)
		20,810,386	17,072,735

23.1 Included herein is a sum of Rs. 2,366.398 (2023: Rs.1,747.082) million, representing indirect exports made by the Company during the current year, by arranging inland letters of credit or export facilitation scheme 2021 or, standardised purchased orders from certain direct exporters in favour of the Company, pursuant to the Banking Policy and Regulation Department's (BPRD) Circulars No.24 and 31 dated June 28, 1999 and August 13, 1999 respectively, issued by the State Bank of Pakistan.

23.2 Includes net foreign exchange gain on exports amounting to Rs. 129.452 (2023: 1,462.439) million.

	Note	2024	2023
		.... Rupees in '000'	

24 COST OF SALES

	Note	2024	2023
Opening stock - finished goods	8	617,173	578,680
Cost of goods manufactured	24.1	19,254,900	14,191,531
		19,872,073	14,770,211
Closing stock - finished goods	8	(1,502,012)	(617,173)
		18,370,061	14,153,038

24.1 Cost of goods manufactured

	Note	2024	2023
Raw and packing materials consumed	24.1.1	11,213,935	8,566,618
Stores and spares consumed	24.1.2	641,418	458,308
Salaries, wages and other benefits	24.1.3	4,513,802	3,285,938
Fuel and power		2,097,881	809,164
Weaving, stitching, finishing and printing charges		355,489	37,637
Repairs and maintenance		67,113	60,345
Printing, stationery and postage		21,987	18,255
Fees and subscription		26,111	17,333
Telephone and telex		7,161	7,028
Rent, rates and taxes		2,698	12,127
Insurance		47,554	34,499
Water charges		364,138	263,357
Transportation		38,821	31,886
Depreciation	4.1.2	746,498	648,562
Security charges		14,358	11,039
Travelling, boarding and lodging		8,145	6,635
Royalty	24.1.5	80,283	40,260
Miscellaneous		2,709	3,355
		20,250,101	14,312,346
Opening work-in-process		1,268,952	1,148,137
Closing work-in-process	8	(2,264,153)	(1,268,952)
		19,254,900	14,191,531

		Note	2024	2023
			.... Rupees in '000'	
24.1.1	**Raw and packing materials consumed**			
	Opening stock		**3,258,840**	3,289,700
	Purchases	24.1.4	**9,540,518**	8,638,795
	Duty draw back on export sales and other rebates		**(130,941)**	(103,037)
			9,409,577	8,535,758
			12,668,417	11,825,458
	Closing stock	8	**(1,454,482)**	(3,258,840)
			11,213,935	8,566,618
24.1.2	**Stores and spares consumed**			
	Opening stock		**248,281**	241,801
	Purchases		**646,529**	464,788
			894,810	706,589
	Closing stock	7	**(253,392)**	(248,281)
			641,418	458,308

24.1.3 Included herein a sum of Rs. 100.062 (2023: Rs. 71.295) million is respect of staff retirement benefits.

24.1.4 Includes foreign exchange loss on import purchases amounting to Nil (2023: Rs. 55.933 million).

24.1.5 Represents royalty against trade license and technical services that is payable by the Company to 'Recover IPCO LLC' having its principal place of business at '1624 Market St. Ste 226 Denver co 80202 USA'.

25 DISTRIBUTION COSTS

	Note	2024	2023
Salaries, allowances and other benefits	25.1	**26,001**	26,916
Insurance		**6,593**	3,588
Freight and transportation		**202,156**	199,647
Export development surcharge and clearing charges		**59,367**	50,572
Postage, courier and stamps		**59,753**	41,147
Depreciation	4.1.2	**1,618**	1,405
Travelling, boarding and lodging		**46,539**	35,562
Sales promotion expenses		**22,051**	19,279
Sales office expenses		**9,888**	9,093
Testing / Quality control charges		**34,000**	27,229
Miscellaneous		**483**	466
		468,449	414,904

25.1 Included herein a sum of Rs. 0.976 (2023: Rs. 1.007) million is respect of staff retirement benefits.

	Note	2024	2023
		.... Rupees in '000'	

26 ADMINISTRATIVE EXPENSES

	Note	2024	2023
Salaries, allowances and other benefits	26.1	**140,432**	123,189
Depreciation	4.1.2	**60,658**	52,700
Legal and professional charges		**18,574**	19,421
Fees and subscription		**8,840**	11,749
Auditors' remuneration	26.2	**2,428**	2,159
Donations	26.3	**12,492**	11,956
Miscellaneous		**6,673**	7,295
		250,097	228,469

26.1 Included herein a sum of Rs. 5.301 (2023: Rs. 4.613) million is respect of staff retirement benefits.

26.2 Auditors Remuneration

	2024	2023
Reanda Haroon Zakaria Aamir Salman Rizwan & Company		
Audit fee	**1,721**	1,530
Fee for half yearly review	**338**	300
Out-of-pocket expenses	**204**	183
Related sindh sales tax	**165**	146
	2,428	2,159

26.3 Includes amounts of Rs. 1.380 million, Rs. 5.365 million and Rs. 4.140 million paid to Abdul Sattar EDHI Foundation, Saylani Welfare Trust and The Citizen Foundation respectively. Directors or their spouses do not have any interest in the donees to whom donations were made.

27 OTHER OPERATING EXPENSES

	Note	2024	2023
Workers' Profits Participation Fund (WPPF)	19.5	**33,423**	69,643
Interest on WPPF	19.5	**8,915**	3,712
Workers' Welfare Fund	19.6	**17,004**	14,544
Unrealized loss on remeasurement of investments	13	**-**	7,654
		59,342	95,553

	Note	2024	2023
		.... Rupees in '000'	

28 OTHER INCOME

	Note	2024	2023
Income from non financial assets			
Scrap sales - net	28.1	**47,756**	69,438
Gain on sale of fixed assets	4.1.3	**24,896**	11,230
		72,652	80,668
Income from financial assets			
Profit on treasury call account		**27,552**	18,137
Unrealized gain on remeasurement of investments		**62,528**	-
Dividend income		**11,754**	10,899
		101,834	29,036
		174,486	109,704

28.1 This amount is net of sales tax amounting to Rs. 8.562 (2023: Rs. 8.991) million.

29 FINANCE COSTS

	Note	2024	2023
Mark-up on secured			
Long term financing		**156,308**	203,789
Short term running finances		**37,683**	-
Short term borrowings		**965,102**	729,839
		1,159,093	933,628
Bank charges		**59,802**	48,181
		1,218,895	981,809

30 LEVIES

	Note	2024	2023
Final tax u/s 154		**202,721**	177,151
Final tax u/s 150		**1,763**	1,635
	30.1	**204,484**	178,786

30.1 Represents final taxes recognized as levies in accordance with the requirements of IFRIC 21 / IAS37.

31 INCOME TAX EXPENSE

	Note	2024	2023
Current		**81,825**	69,250

31.1 This includes super tax of Rs. 73.834 (2023: Rs. 63.990) million and normal tax on profit on debt of Rs. 7.990 (2023: Rs. 5.260) million.

31.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	Note	2024	2023
		.... Rupees in '000'	
Current tax liability for the year as per applicable tax laws	31.3	**286,309**	248,036
Portion of current tax liability as per tax laws, representing income tax under IAS 12		**(81,825)**	(69,250)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		**(204,484)**	(178,786)
		-	-

31.3 The aggregate of final tax and income tax, amounting to Rs. 286.309 (2023: Rs. 248.036) million represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

31.4 Relationship between tax expense and accounting profit for the year is as follows:

	2024	2023
Profit before levies and income taxes	**618,028**	1,308,666
Tax at the applicable rate of 29%	**179,228**	379,513
Tax effect of:		
Income subject to final tax regime	**25,256**	(200,727)
Super tax at 10%	**73,835**	63,990
Profit on debt at 29%	**7,990**	5,260
Levies and income tax - note 30 and 31	**286,309**	248,036

32 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share has been computed by dividing the net profit for the year with the number of ordinary shares issued by the Company.

	2024	2023
Net profit (Rupees in '000)	**331,719**	1,060,630
Number of Ordinary shares (Shares in '000)	**84,000**	84,000
Earnings per shares - basic (Rupees)	**3.95**	12.63

Diluted earnings per share

Diluted earnings per share has not been computed because there are no dilutive potential ordinary shares.

		Note	2024	2023
			.... Rupees in '000'	
33	**CASH GENERATED FROM OPERATIONS**			
	Profit before levies and income tax		**618,028**	1,308,666
	Adjustments for non cash charges and other items:			
	Depreciation	4.1.2	**808,774**	702,667
	Provision for gratuity	18.1	**106,339**	76,916
	Unrealized (gain) / loss on remeasurement of investment	13	**(62,528)**	7,654
	Dividend income	28	**(11,754)**	(10,899)
	Gain on disposal of operating fixed assets	28	**(24,896)**	(11,230)
	Finance costs	29	**1,218,895**	981,809
	Provision for Workers' Profit Participation Fund	19.5	**42,338**	73,355
	Provision for Workers' Welfare Fund	19.6	**17,004**	14,544
			2,094,172	1,834,816
	Profit before working capital changes		**2,712,200**	3,143,482
	(Increase) / decrease in current assets			
	Stores and spares		**(20,516)**	(5,440)
	Stock-in-trade		**224,307**	(363,044)
	Trade debts		**(496,705)**	312,244
	Loans and advances		**(94,434)**	(33,719)
	Trade deposits		**59,712**	(38,003)
	Other receivables		**(32,882)**	(37,459)
	Sales tax refundable		**(132,319)**	(17,252)
			(492,837)	(182,673)
	Increase in current liabilities			
	Trade and other payables		**1,015,673**	455,193
	Cash generated from operations		**3,235,036**	3,416,002

	July 01, 2023	Cash Flows	June 30, 2024
	.... Rupees in '000		
33.1 Changes in liabilities from financing activities			
Long term financing - secured	4,954,652	(2,212,227)	**2,742,425**
Current maturity of long term financing	465,748	98,390	**564,138**
Short term borrowings - secured	5,973,000	1,119,160	**7,092,160**
	11,393,400	(994,677)	**10,398,723**

34 UNAVAILED CREDIT FACILITIES AVAILABLE AT YEAR END

	2024	2023
	.... Rupees in '000'	
Long term finance	-	169,517
Cash short term running finances	**3,443,729**	3,105,000

35 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	2024			2023		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	.... Rupees in '000					
Short term employee benefits						
Managerial remuneration	**9,910**	**-**	**278,782**	8,510	-	232,249
Medical	**990**	**-**	**27,746**	850	-	23,111
Bonus	**853**	**-**	**24,708**	780	-	20,426
Post-employment benefits						
Gratuity	**1,000**	**-**	**26,703**	780	-	20,584
	12,753	**-**	**357,939**	10,920	-	296,370
Number of persons	**1**	**-**	**142**	1	-	123

35.1 The Chief Executive and certain executives are provided with the free use of Company maintained cars in terms of their employment.

35.2 Aggregate amount charged in these financial statements in respect of fee for attending meetings to Non-Executive Directors was Rs. 0.750 (2023: Rs. 0.570) million.

36 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

36.1 Financial Instrument by Category

	Note	2024	2023
		.... Rupees in '000'	
Financial Assets			
- Fair value through profit or loss			
Short term investment	13	**135,379**	71,502
- At amortized cost			
Long term loans	5	**26,444**	32,602
Long term deposits	6	**1,957**	1,957
Trade debts	9	**3,938,238**	3,441,533
Current maturity of long term loans	10	**17,856**	18,560
Trade deposits	11	**7,580**	67,292
Other receivables	12	**10,768**	446
Cash and bank balances	14	**692,466**	1,173,574
		4,830,688	4,807,466
Financial Liabilities			
- At amortized cost			
Long term financing	17	**2,742,425**	4,954,652
Trade and other payables	19	**2,158,013**	1,241,037
Unclaimed dividend		**3,541**	3,238
Accrued mark-up	20	**143,708**	341,594
Short term borrowings	21	**7,092,160**	5,973,000
Current maturity of long-term financing	17	**564,138**	465,748
		12,703,985	12,979,269

36.2 Financial risk management

The Company's activities expose it to a variety of financial risks i.e. market risk (including Interest rate risk, foreign currency risk and equity price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and financial instruments.

The Board of directors reviews and agrees policies for managing each of these risks which are summarised below:

36.3 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and equity risk.

Financial instruments affected by market risk include trade debtors, short term investments, trade payables, bank balances, long-term financing and short-term borrowings.

36.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. Since, the Company has availed finance mainly under the export refinance schemes which has a fixed interest rate, accordingly, the Company's interest rate risk arises only from variable rate instruments as mentioned below;

	2024	2023
	.... Rupees in '000'	
Short term investments in mutual funds	**5,546**	4,197
Bank deposit in treasury call account	**105,961**	132,801
Long term financings at prevailing market rates	**-**	(1,651,624)
	111,507	(1,514,626)

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change of 100 basis points in interest rates at the reporting date, with all other variables held constant, of the Company's profit before tax.

	Change in interest rate (%)	Effect on profit / (loss) Rupees in '000
June 30, 2024	**+1**	**1,115**
	-1	**(1,115)**
June 30, 2023	+1	(15,146)
	-1	15,146

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

36.3.2 Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency). The Company's exposure to foreign currency risk is as follows:

	2024	**2023**
	.... **Rupees in '000'**	
Trade debts	**3,542,582**	2,936,571
Cash and bank balances	**676,529**	912,025
Trade and other payables	**(90,168)**	(153,073)
	4,128,943	3,695,523
The following significant exchange rates have been applied at the reporting dates:		
Exchange rates (PKR / USD)	**278.30**	286.60

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change of 10% in the US Dollar exchange rate at the reporting date, with all other variables held constant, of the Company's profit before tax.

	Change in US Dollar rate (%)	**Effect on profit / (loss) Rupees in '000**
June 30, 2024	**+10**	**412,894**
	-10	**(412,894)**
June 30, 2023	+10	369,552
	-10	(369,552)

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

36.3.3 Equity price risk

The Company is exposed to equity price risk, which arises from short term investments in listed securities measured at fair value through profit or loss. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

Sensitivity analysis:

The following table demonstrates the sensitivity to a reasonably possible change of 10% in the market price at the reporting date, with all other variables held constant, of the Company's profit before tax.

	Change in market price (%)	Effect on profit / (loss) Rupees in '000
June 30, 2024	**+10**	**12,983**
	-10	**(12,983)**
June 30, 2023	+10	6,731
	-10	(6,731)

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

36.4 Credit risk

Credit risk is the risk that counter party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Note	2024	2023
		.... Rupees in '000'	
Long term loans including current maturity	5	**44,300**	51,162
Long term deposits	6	**1,957**	1,957
Trade debts	9	**3,938,238**	3,441,533
Trade deposits	11	**7,580**	67,292
Other receivables	12	**10,768**	446
Bank balances	14	**689,855**	1,169,544
		4,692,698	4,731,934

36.4.1 Credit quality of financial assets

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

Trade debts

Customer credit risk is managed by senior management subject to the Board's established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. For any balances if considered doubtful of recovery, the management makes allowance for expected credit loss in accordance with Company's policy. Overall credit risk is expected to be low as at reporting date.

The Company evaluates the concentration of risk with respect to trade debts as low, as its customers are located in several jurisdictions.

		2024	2023
		.... Rupees in '000'	
Ageing of trade debts			
Neither past due nor impaired		**3,675,586**	3,144,253
Past due but not impaired within 120 days		**262,652**	297,280
		3,938,238	3,441,533
Bank Balances			
A1+	PACRA	**238,590**	619,647
A-1+	VIS	**446,843**	532,177
F1+	FITCH	**900**	6,923
A1	PACRA	**3,522**	10,797
		689,855	1,169,544

Other financial assets

Other financial assets includes long term loans, long term deposits, trade deposits and other receivables. The Company evaluates the credit risk with respect to other financial assets as low, as all material amounts are secured and there is no history of credit defaults in the past.

36.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company applies prudent liquidity risk management by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, the Company has unveiled credit facility of Rs. 3,443 (2023: Rs. 3,275) million.

Table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
	Rupees in '000					
Long term financing	**-**	**140,965**	**423,172**	**2,014,399**	**728,027**	**3,306,563**
Trade & other payables	**-**	**2,158,013**	**-**	**-**	**-**	**2,158,013**
Unclaimed dividend	**3,541**	**-**	**-**	**-**	**-**	**3,541**
Accrued mark-up	**-**	**143,708**	**-**	**-**	**-**	**143,708**
Short term borrowings	**-**	**5,126,740**	**1,965,420**	**-**	**-**	**7,092,160**
2024	**3,541**	**7,569,426**	**2,388,592**	**2,014,399**	**728,027**	**12,703,985**
Long term financing	-	99,593	366,155	2,811,714	2,142,938	5,420,400
Trade & other payables	-	1,241,037	-	-	-	1,241,037
Unclaimed dividend	3,238	-	-	-	-	3,238
Accrued mark-up	-	341,594	-	-	-	341,594
Short term borrowings	-	5,973,000	-	-	-	5,973,000
2023	3,238	7,655,224	366,155	2,811,714	2,142,938	12,979,269

Effective interest rates for the financial liabilities are mentioned in the respective notes to the financial statements.

36.6 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended June 30, 2024 and June 30, 2023.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents. Capital includes equity attributable to the equity holders and reserves.

	2024	2023
	.... Rupees in '000'	
Long term financing	**2,742,425**	4,954,652
Current maturities of long-term financing	**564,138**	465,748
Short term borrowings	**7,092,160**	5,973,000
Accrued mark-up	**143,708**	341,594
Cash and bank balances	**(692,466)**	(1,173,574)
Net debt	**9,849,965**	10,561,420
Issued, subscribed and paid up capital	**840,000**	840,000
Reserves	**7,259,246**	7,253,311
Total capital	**8,099,246**	8,093,311
Capital and net debt	**17,949,211**	18,654,731
Gearing ratio	**54.88%**	56.62%

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

37 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associated companies, directors, major shareholders of the Company and key management personnel. All the transactions with related parties are entered into at agreed terms (based on arms length using admissible valuation methods) in the normal course of business as approved by the Board of Directors of the Company. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2024	2023
	.... Rupees in '000'	
Key management personnel		
Dividend paid to directors	**238,466**	136,266
Associated companies / undertakings		
Sales	**7,139,971**	3,946,984
Reimbursement of expenses	**91,919**	11,552
Purchases	**245,628**	174,796
Services rendered	**20,150**	218
Services received	**-**	127

37.2 Detail of compensation to key management personnel comprising of chief executive, directors and executives is disclosed in note 35 to these financial statements.

37.3 Following are the associated companies/undertakings with whom the Company had entered into transactions or have arrangement / agreement in place:

S. No.	Name of associated companies / undertakings	Basis of Relationship	Aggregate % of shareholding
1	DL1961 Premium Denim Inc.	Spouse of a director	NIL
2	Artistic Fabric Mills (Private) Limited	Common directorship	NIL
3	Premium Distributors	Common directorship	NIL
4	Regency Brands LLC.	Daughter of a director	NIL

37.4 **Associated Companies Incorporated Outside Pakistan**

S. No.	Name	Basis of Relationship	Country of incorporation
1	DL1961 Premium Denim Inc.	Spouse of a director	United States
2	Premium Distributors	Common directorship	United Arab Emirates
3	Regency Brands LLC.	Daughter of a director	United States

38 SHARIA COMPLIANCE ACTIVITES AND BALANCES

As per the requirements of the fourth schedule to the Companies Act, 2017, Companies engaged in the Shariah permissible business activities as their core business activities shall disclose the following:

	Note	2024	2023
		.... Rupees in '000'	
Statement of Financial Position - Liability Side			
Long term financing obtained as per Islamic mode		**-**	-
Short term borrowings obtained as per Islamic mode		**624,081**	2,193,000
Markup accrued on conventional loan		**131,645**	-
Statement of Financial Position - Asset Side			
Short term shariah compliant investments		**110,945**	71,502
Shariah compliant bank balances		**138,892**	313,487

	Note	2024	2023
		.... Rupees in '000'	
Statement of profit or loss			
Revenue earned from Shariah compliant business segment	23	**20,810,386**	17,072,735
Dividend earned on Shariah compliant investments		**11,754**	10,899
Unrealized gain on Shariah compliant investments		**52,173**	-
Profit earned on Shariah compliant bank balances		**-**	
Finance cost paid on Islamic mode of financings		**262,122**	171,703
Interest earned on conventional bank	28	**27,552**	18,137
Breakup of Other income			
- Shariah Compliant			
Scrap sales - net	28	**47,756**	69,438
Unrealized gain on remeasurement of investments	28	**52,173**	-
Gain on sale of fixed assets	28	**24,896**	11,230
- Non Shariah Compliant			
Unrealized gain on remeasurement of investments		**10,355**	-

The Company maintains bank accounts with Bank Islami Pakistan Limited, Faysal Bank limited, Habib Bank limited and Meezan Bank limited.

39 CORRESPONDING FIGURES

Corresponding figures have been reclassified, whenever necessary for the purpose of compliance, comparison and better presentation.

40 FAIR VALUE MEASUREMENT

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

The different levels to analyse financial assets carried at fair value have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable).

Details of the Company's short term investments in terms of fair value hierarchy, explained above, at June 30, 2024 is as follows:

	Level 1	Level 2	Level 3
	.... Rupees in '000		
Assets measured at fair value - 2024			
Short term investments- at fair value through profit or loss	**135,379**	-	-
Assets measured at fair value - 2023			
Short term investments- at fair value through profit or loss	71,502	-	-

41 PLANT CAPACITY AND ACTUAL PRODUCTION

	2024	2023
	.... Units	
Spinning		
Capacity of yarn (Lbs.)	32,025,500	24,325,000
Actual production of yarn (Lbs.)	18,006,105	13,944,495
Weaving		
Capacity of fabric (meters)	20,328,750	17,621,900
Actual production of fabric (meters)	15,942,842	11,246,000
Garments		
Capacity of garments (Pcs)	8,263,200	8,263,200
Actual production of garments (Pcs)	6,676,508	5,066,309

Under utilisation of available capacity for spinning, weaving and garments was due to normal maintenance, energy shortage, variation in production mix, run length of order lots, global recession and type of quality produced.

42 NUMBER OF EMPLOYEES

	2024	2023
Total number of employees	**564**	583
Average number of employees	**568**	598

43 GENERAL

43.1 Subsequent to year ended June 30, 2024, the Board of Directors in its meeting held on September 28, 2024 has proposed final cash dividend at the rate of Rs.1.00 per ordinary share of Rs. 10 each, amounting to Rs. 84 million (2023: Rs. 3.50/- per share amounting to Rs. 294 million) for approval of the members at the Annual General Meeting.

43.2 Figures in these financial statements have been rounded off to the nearest thousands of rupees.

43.3 These financial statements have been authorised for issue on September 28, 2024 by the Board of Directors of the Company.

Faisal Ahmed	**Sagheer Ahmed**	**Yazdani Zia**
Chief Executive Officer	Chief Financial Officer	Director

FORM OF PROXY

I/We____of_____________________

____being member(s) of ARTISTIC DENIM MILLS LIMITED

and holder of ________________ Ordinary Shares as per Share Register Folio/CDC Account

No.________________ hereby appoint_________________________ Folio/CDC Account No. ________

of_____________________CNIC No. or Passport No.______________________ or failing whom

__________________________ Folio/CDC Account No. _______ of_____________________CNIC No.

or Passport No._____________________ who is also a member of the Company as my/our proxy to attend and vote for me/us and on my/our behalf at the 32nd ANNUAL GENERAL MEETING of the Company to be held on Friday, October 25, 2024 at 4:00 p.m. and at any adjournment thereof.

Signed this________________day of ______________ 2024.

Witnesses: 1.Signature _________________

Name: _____________________

Address: ____________________

CNIC or Passport No. _________

Rs 5/- Revenue Stamp

2. Signature_________________

Name: _____________________

Address: ____________________

CNIC or Passport No. _________

Signature ____________________________

(Signature should agree with the specimen signature registered with the Company).

CNIC or Passport No. __________________

IMPORTANT

1. This form of proxy, duly completed and singed, must be deposited at the Company's Shares Registrar's Office not later than 48 hours before the meeting.
2. This form should be signed by the Member or by his / her attorney duly authorised in writing. If the Member is a Corporation, its common seal should be affixed to the instrument.
3. A Member entitled to attend and vote at the meeting may appoint any other Member as his/her proxy to attend and vote on his / her behalf except that a corporation may appoint a person who is not a Member.

For CDC Account Holders/Corporate Entities:

In addition to the above, following requirements have to be met:

(i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC or Passport Numbers shall be mentioned on the form.

(ii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iii) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.

(iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

ADM

AFFIX
CORRECT
POSTAGE

Company Secretary
Artistic Denim Mills Limited
Plot # 5-9, 23-26, Sector 16
Korangi Industrial Area
Karachi.

Fold : Here

Fold : Here

Fold : Here

Fold : Here

Address
Plot No. 5-9, 23-26, Sector-16, Korangi Industrial Area,
74900 Karachi, Pakistan
Telephone | **Fax**
+92 21 111-236-236 | +92 21 3505 4652