



ANNUAL REPORT

2023

**D S INDUSTRIES
LIMITED**

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COMPANY INFORMATION

| | | |
|-----------------------------|---|--------------------------------|
| Board of Directors | Mr. Ali Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Hassan Ibrahim Ahmed Mr. Suleman Ahmed Mrs. Rukhsana Khalid Mr. M. Naeem Ilyas Mr. Haider Ali | Chief Executive Chairperson |
| Audit Committee | Mr. M. Naeem Ilyas Mr. Haider Ali Mrs. Rukhsana Khalid | Chairman |
| HR & Remuneration Committee | Mrs. Rehana Pervez Ahmed Mrs. Rukhsana Khalid Mr. M. Naeem Ilyas | Chairperson |
| Chief Financial Officer | Mr. Muhammad Naeem Akhtar | |
| Company Secretary | Mr. Salman Farooq | |
| Auditors | M/s Rizwan & Company Chartered Accountants | |
| Legal Advisor | Cornelius, Lane & Mufti Advocates & Solicitors | |
| Banks | Bank Al-Habib Limited Habib Bank Limited Meezan Bank Limited | |
| Registered Office | 20-K, Gulberg II, Lahore. | |
| Share Registrars | THK Associates (Pvt.) Limited 32-C, Jami Commercial, Street 2, DHA Phase VII, Karachi - 75500 | |
| Website | www.dsil.com.pk | |

VISION

- To be a dynamic, profitable, growth oriented Company and to achieve excellence through commitment, integrity, honesty and team work

MISSION

- To increase consistently the value of the Company to its shareholders by building up the Company on sound financial footings with better productivity, excellence in quality and improved efficiency at lower operating costs without compromising on our principles of ethics, integrity and professional standards
- To achieve high returns on investments through continuous process of improvement for the benefit of shareholders
- To be a responsible employer and to develop and reward employees according to their ability and performance.
- Be a good corporate citizen

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the members that the Forty-third Annual General Meeting of DS Industries Limited will be held at the Registered Office of the Company i.e. 20-K, Gulberg II, Lahore on Friday, October 27, 2023, at 3:30 p.m. to transact the following business.

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2023 and the Directors' Report and Auditors' Reports thereon.
2. To appoint statutory auditors of the Company for the year ending June 30, 2024 and fix their remuneration. The present Auditors M/s Rizwan & Company - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

Lahore
October 4, 2023

Salman Farooq
(Company Secretary)

Notes

- I The Share Transfer Books of the Company will remain closed from October 23, 2023 to October 27, 2023 (both days inclusive) to establish the right to attend annual general meeting.
- II A member of the Company entitled to attend and vote may appoint another member as his/ her proxy to attend and vote instead of him /her.
- III Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
- IV Member holding aggregate 10% or more shareholding, residing in a city other than Lahore, may demand the facility of video link for participation in the Annual General Meeting.
- V Shareholders are also requested to notify immediately any change in their contact details to the Share Registrar, M/s THK Associates (Private) Limited, Plot No 32-C, J a m i Commercial, Street No 2, DHA Phase VII, Karachi.

DIRECTORS' REPORT

The Board of Directors of D.S.Industries Limited is proud to release the Company's Forty-third Annual Report which includes the Audited Financial Statements of the Company together with the Directors' and Auditors' report thereon for the year ended June 30, 2023

Financial Results of the Company

Sales during the reviewed year climbed to Rs. 37.18 million from Rs. 15.94 million during the same period of last year, and the profit before tax recorded during the year is Rs. 3.78 million as compared to a loss of Rs. 31.64 million during the same period of last year. However, the Company's financial results resulted in a net loss of Rs. 14.43 million after providing reversal of deferred tax asset of Rs. 17.20 million.

The Auditor has qualified its report regarding recognition of deferred tax assets. The Company has rightly recognized deferred tax asset as it expects profit in the future.

Future Outlook

Due to factors including the persistent increase in inflation, the SBP discount rate and the ongoing political unrest, the country's economic situation remained essentially unstable throughout the year. An important factors in the country's economic unrest was also the country's persistent devaluation of the Pakistani rupee against foreign currencies. In 2024, same challenges are expected to continue. The current state of economic uncertainty will continue to hinder the country's economic progress

Dividend

In view of the adverse results in the current year and available accumulated losses, directors of your Company have proposed no dividend for the year.

Book Closure

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 23, 2023 to October 27, 2023 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - 32-C, Jami Commercial, Street No 2, DHA Phase VII, Karachi at the close of business on October 20, 2023 will be considered to attend and vote at the meeting.

Pattern of Shareholding

Pattern of shareholding along with categories of shareholders of the Company as at June 30, 2023, are annexed with this report.

Annual Report June 30, 2023

Trading in the Shares of the Company

During the year ended June 30, 2023, the below mentioned director/associate has traded in the stock of D S Industries Limited and informed to Exchange

| Name of Director & their spouses | Transaction Type | No of Shares |
|---|------------------|--------------|
| Mrs. Sara Tanwir Ahmed w/o Mr. Hassan Ibrahim Ahmed | Sell | 2,475,000 |

Operating and Financial Data

Operating and financial data with key ratios for the six years is annexed.

Number of Board Meetings Held

Six meetings of the Board of Directors were held during the year ended June 30, 2023 and the attendance of the directors is as follows.

| | | |
|--------------------------|-----------------|--------------|
| Mr. Ali Pervez Ahmed | Chief Executive | 6 attendance |
| Mrs. Rehana Pervez Ahmed | Director | 5 attendance |
| Mr. Hassan Ibrahim Ahmed | Director | 6 attendance |
| Mr. Suleman Ahmed | Director | 6 attendance |
| Mr. Naeem Ilyas | Director | 5 attendance |
| Mr. Haider Ali | Director | 6 attendance |
| Mrs. Rukhsana Khalid | Director | 6 attendance |

Statement of Ethics & Business Practices

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every director and employee of the Company as a token of acknowledgement of his/her understanding of the standards of conduct in relation to everybody associated or dealing with the Company.

Auditors

The Auditors M/s Rizwan & Company - Chartered Accountants retire and being eligible offer themselves for reappointment. The Audit Committee recommends the reappointment of M/s Rizwan & Company - Chartered Accountants as auditors of the Company for the financial year ending June 30, 2024.

Audit Committee

The Audit Committee of the Company is in place and comprises the following members as required under the Code of Corporate Governance.

| | |
|----------------------|----------|
| Mr. M. Naeem Ilyas | Chairman |
| Mr. Haider Ali | Member |
| Mrs. Rukhsana Khalid | Member |

Meetings of the Audit Committee were held during the year ended June 30, 2023 as required by the Code of Corporate Governance for review of quarterly & annual accounts and other related matters. The meeting was also attended by the Chief Financial Officer, head of Internal Audit and External Auditors as and when it was required.

Code of Corporate Governance

Statement in Compliance to the Code of Corporate Governance

The Board of Directors and the Company remain committed to the principles of good corporate management practices. The Board and management are cognizant of their responsibilities and monitor the performance of the Company to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information. The Board is pleased to advise that the Company has complied, in all material respects, with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations 2019 as fully explained in the attached Statement of Compliance and there is no material departure from the best practices. Further, the following statements are being made:

- 1 Proper books of accounts of the Company have been maintained.
- 2 The financial statements prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows and change in equity.
- 3 Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4 International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- 5 The system of internal control is sound in design and has been effectively implemented and monitored.
- 6 The Company suffered loss of Rs. 14.43 million during the year and has accumulated losses of Rs. 584.05 million as at the balance sheet date. The turnover of the Company has increased slightly from the last year. These factors may cast doubt about the entity's ability to continue as going concern. However, the management is making continuous efforts to support the Company.
- 7 There has been no material departure from the best practices of corporate governance as defined in the listing regulations.
- 8 Financial highlights for the last six years are annexed.

Acknowledgement

The Board of Directors would like to place on record their appreciation to the valued shareholders, bankers, the Securities & Exchange Commission of Pakistan and to the management of the Pakistan Stock Exchange Limited for their valuable support, assistance and guidance. The Board also express its appreciation to the staff and workers of the Company for their services, loyalty and efforts being continuously rendered

Lahore
October 4, 2023

For & on behalf of the Board



Hassan Ibrahim Ahmed
Director



Ali Pervez Ahmed
Chief Executive

CHAIRMANS' REVIEW

I am pleased to present annual review as Chairperson of the Board of Directors of D S Industries Limited for the year ended June 30, 2023

I am pleased to report that the overall performance of the Company and its Board and effectiveness of its role in attaining the Company's aims and objectives for the year ended June 30, 2023.

- 1 The Company's Board has seven Directors, including two Independent Directors, possesses extensive expertise spanning various domains, including business, finance, information technology, and regulations. Additionally, our Audit Committee and Human Resource & Remuneration Committee, staffed by individuals with relevant experience, operate in accordance with their assigned Terms of Reference.
- 2 Compliance with the legislative system in which Company operates, including Companies Act, 2017, Listing Regulations of Pakistan Stock Exchange Limited and the Memorandum and Articles of Association of the Company.
- 3 Active participation in strategic planning process, enterprise risk management system, policy development, financial structure, monitoring and approval.
- 4 Hiring, evaluating, compensating and supporting the Executive Directors and other key positions including Chief Executive
- 5 Appropriate constitution of Board Committees with members possessing adequate technical knowledge and experience
- 6 Establishing adequate system of internal controls in the Company and its regular assessment through self-assessment mechanism or/and internal audit activities
- 7 Ensuring presence of required quorum in Board and Committees' meetings

For the financial year ended June 30, 2023, Board's overall performance and effectiveness has been assessed as satisfactory. Improvements are an ongoing process leading to action plan. The overall assessment as satisfactory is based on an evaluation of integral component including composition of the Board and its Committees, which have a direct bearing on the Boards' role in achievement of Company's objectives, including vision and mission set for that purpose.

On behalf of the Board of Directors, I would like to express my heartfelt gratitude to all our stakeholders for their unwavering trust, continued support, and encouragement. I recognize and deeply appreciate the contributions of my fellow Board members, senior management, and employees of the Company during the year and thank for valuable contributions for the growth of the Company.

Lahore
October 4, 2023

Rehana Pervez Ahmed
Chairperson

FINANCIAL HIGHLIGHTS

| Profit and Loss Accounts | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| Sales | 37,179,661 | 15,940,800 | 133,969,658 | 117,732,604 | 581,734,778 | 717,846,175 |
| Cost of sales | (22,119,683) | (27,850,426) | (128,717,193) | (115,417,102) | (612,634,156) | (733,450,702) |
| Gross profit / (loss) | 15,059,978 | (11,909,626) | 5,252,465 | 2,315,502 | (30,899,378) | (15,604,527) |
| Operating expenses | | | | | | |
| - Selling & Distribution cost | (9,953,140) | (1,666,963) | (27,504,948) | (24,632,791) | (2,441,729) | (1,852,272) |
| - Administrative & General expenses | (15,053,322) | (13,781,448) | (9,850,977) | (16,418,310) | (34,702,708) | (29,132,885) |
| - Other expenses | (280,439) | (796,760) | (11,474,238) | (296,654) | (114,649,676) | (6,066,603) |
| | (25,286,901) | (16,245,171) | (48,830,163) | (41,347,755) | (151,794,113) | (37,051,760) |
| | (10,226,923) | (28,154,797) | (43,577,698) | (39,032,253) | (182,693,491) | (52,656,287) |
| Other Income | 15,686,535 | 21,719,283 | 14,533,463 | 26,657,954 | 94,521,203 | 14,195,755 |
| Operating profit/(loss) | 5,459,612 | (6,435,514) | (29,044,235) | (12,374,299) | (88,172,288) | (38,460,532) |
| Finance cost | (89,505) | (11,326,462) | (11,450,615) | (16,474,364) | (17,441,039) | (9,677,409) |
| Notional Interest | - | (6,995,420) | 2,621,099 | 4,101,969 | (15,543,107) | 15,543,107 |
| Share of (Loss)/profit of associated undertaking | (1,586,220) | (6,885,411) | 6,389,774 | (1,799,806) | (13,390,093) | (11,242,787) |
| Profit / (loss) before Taxation | 3,783,887 | (31,642,807) | (31,483,977) | (26,546,500) | (134,546,527) | (43,837,621) |
| Taxation | (18,209,800) | 60,244,704 | 21,804,737 | (6,936,307) | 53,015,364 | (31,945,213) |
| (Loss)/profit after Taxation | (14,425,913) | 28,601,897 | (9,679,240) | (33,482,807) | (81,531,163) | (75,782,834) |
| Dividend | 0 | 0 | 0 | 0 | 0 | 0 |
| Bonus | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance Sheet | | | | | | |
| Share Capital | 836,856,310 | 836,856,310 | 836,856,310 | 836,856,310 | 836,856,310 | 836,856,310 |
| Long term finances | - | - | 96,775,762 | 103,975,762 | - | 82,745,085 |
| Property, plant and equipment | 21,233,485 | 21,793,292 | 331,969,244 | 343,661,165 | 371,830,271 | 478,921,989 |
| Current assets | 128,236,741 | 166,870,898 | 18,498,504 | 20,624,720 | 36,944,240 | 104,292,967 |
| Current liabilities | 110,853,772 | 153,768,186 | 189,189,399 | 166,447,339 | 292,148,868 | 372,843,664 |
| Key Financial Ratios | | | | | | |
| Gross profit / (loss) ratio (%) | 40.51 | (74.71) | 3.92 | 1.97 | (5.31) | (2.17) |
| Operating profit / (loss) ratio (%) | 14.68 | (40.37) | (21.68) | (10.51) | (15.16) | (5.36) |
| Net (loss)/profit ratio (%) | (38.80) | 179.43 | (7.22) | (28.44) | (14.02) | (10.56) |
| (Loss) / earning per share | (0.17) | 0.34 | (0.12) | (0.40) | (0.97) | (0.91) |

Statement of Compliance With Listed Companies (Code of Corporate Governance) Regulations, 2019 For The Year Ended June 30, 2023

Name of Company: **D S INDUSTRIES LIMITED**

Year ending: **June 30, 2023**

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

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

Male : Five

Female : Two

2. The composition of the Board is as follows:

Name of Director and Category

Independent Directors

- Mr. M Naeem Ilyas

- Mr. Haider Ali

Other Non-Executive Directors

- Mrs. Rehana Pervez Ahmed

- Mrs. Rukhsana Khalid

Executive Directors

- Mr. Ali Pervez Ahmed

- Mr. Hassan Ibrahim Ahmed

- Mr. Suleman Ahmed

3. The Directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of the particulars of the significant policies along with their dates of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations;
9. Directors are well conversant with the Listing Regulations and legal requirements and as such are fully aware of their duties and responsibilities. However none of directors of the Company have obtained any certification in any Directors Training Program;

However all the Executive Directors, Mr. Ali Pervez Ahmed, Mr. Hassan Ibrahim Ahmed and Mr. Suleman Ahmed are exempt due to 14 years of education and 15 years of experience on the board of a listed company.

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

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:-

Audit Committee

- Mr. M. Naeem Ilyas (Chairman)
- Mr. Haider Ali
- Mrs. Rukhsana Khalid

HR and Remuneration Committee

- Mrs. Rehana Pervez Ahmed (Chairperson)
- Mrs. Rukhsana Khalid
- Mr. M. Naeem Ilyas

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 committee were as per following:
Audit Committee - Quarterly
Human Resource and Remuneration Committee - Yearly
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 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, except as explained at Sr. 19 and 20
19. The Company, currently have three executive directors out of total seven directors on the Board, to work in more effective manner and with proper division of responsibilities.
20. The Company currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director.

Lahore.
October 4, 2023



Hassan Ibrahim Ahmed
Director



Ali Pervez Ahmed
Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of D.S. INDUSTRIES 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 D.S. Industries Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

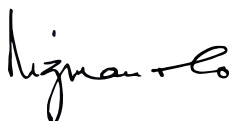
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

Further, we would like to highlight that:

- As required by regulation 19.1 of the Regulations appropriate arrangements for orientation courses and training of four of the directors have not been carried out.



RIZWAN AND COMPANY
Chartered Accountants

Lahore: 04 OCTOBER 2023

UDIN: CR202310101Qq9Vn7pP5

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of D.S. INDUSTRIES LIMITED, which comprise the statement of financial position as at June 30, 2023, 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 summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

Except for the matter described in the Basis for Qualified Opinion section of our report, 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, 2023 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified 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 qualified opinion and after due verification we report that:

- a) The Company has recognized deferred tax asset amounting to Rs.72.259 million on unused losses. The Company has history of losses and there is no convincing evidence that sufficient taxable profits will be available in future against which these unused losses can be utilized by the Company. Had the deferred tax asset not been recognized, the deferred tax asset as at June 30, 2023 would have been lower and loss after tax for the year then ended would have been higher by Rs.72.259 million.

Emphasis of Matter

- a) **Material Uncertainty Relating to Going Concern**
We draw attention to note 2.1 (b) to the financial statements which explains that the Company has incurred operating loss of Rs 10.22 million on its CMT activities and that the Company's revenue has been facing a declining trend for the past few years. Further, the Company as at 30 June 2023 has accumulated losses of Rs. 584.04 million. The Company has liquidated substantially all property, plant and equipment. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis for reasons explained in note 2.1 (b).
- b) We were appointed auditors of the company after 30 June 2023 and therefore did not observe the counting of physical inventories at the end of the year. However, we have satisfied ourselves about the propriety and accuracy of inventory quantities held at 30 June 2023, which are depicted in note 16 to the financial Statements at Rs 12.25 million, by using alternate audit procedures.
Our report is not qualified in respect of the above matters.

Key Audit Matters

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

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>a) Deferred Tax Asset</p> <p>At June 30, 2023, the Company has recognized net deferred tax assets of Rs. 75.89 million including deferred tax asset on unused tax losses of Rs.72.259 million.</p> <p>The recognition of deferred tax assets is based on the assessment of whether it is probable that sufficient taxable profit will be available in the future to utilize the reversal of deductible temporary differences, unused tax losses and unused tax credits before the unused tax losses and unused tax credits expire. The analysis of the utilization of the deferred tax assets was significant to our audit as the amounts are material, the assessment process is judgmental and is based on assumptions that are impacted by expected future market conditions.</p> <p>We have determined that this area constitutes a significant risk of material misstatement referred to note 14.</p> | <p>We designed our audit procedures to be responsive to this risk.</p> <p>We obtained an understanding of the process that management has implemented for accounting for deferred tax assets. We also evaluated the design and tested the operating effectiveness of controls in this area.</p> <p>We performed substantive audit procedures to validate the deferred tax balances, which are recorded with a consideration of enacted tax laws as applicable in the jurisdiction in accordance with IFRS.</p> <p>Our audit work on the valuation of deferred tax assets, with the involvement of our tax specialists, included:</p> <ul style="list-style-type: none"> - Validating the completeness and accuracy of tax attributes; - Confirming the appropriate application of tax rules for utilizing deferred tax assets, including expiry of those attributes; - Evaluating the Company's ability to generate sufficient taxable income to utilize deferred tax assets. This evaluation takes into account the Company's historical profitability and future projections; and, - Reviewing the adequacy of the disclosures made by the company in accordance with IFRS. <p>In addition, we assessed the Company's accounting for compliance with IFRS.</p> |

Information other than the Financial Statements and Auditors 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 of the Company 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

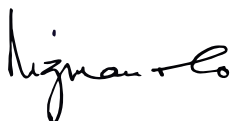
Based on our audit, we further report that in our opinion:

- Except for the effect of the matter referred to in paragraph (a) of the Basis of Qualified Opinion section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- Except for the effect of the matter referred to in paragraph (a) of the Basis of Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended June 30, 2022 were audited by another auditor whose report, dated October 6, 2022, expressed modified opinion on those statements.

The engagement partner on the audit resulting in this independent auditor's report is Rashid Iqbal (FCA).



RIZWAN AND COMPANY
Chartered Accountants

Lahore: 04 OCTOBER 2023

UDIN: AR202310101NznYUwECm

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

| EQUITY AND LIABILITIES | NOTE | 2023 | 2022 |
|---|------|----------------------|----------------------|
| | | <u>RUPEES</u> | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 100,000,000 (2022: 100,000,000) ordinary shares of Rupees 10 each | | <u>1,000,000,000</u> | <u>1,000,000,000</u> |
| Issued, subscribed and paid up share capital | 5 | 836,856,310 | 836,856,310 |
| Discount on issue of shares | 6 | (82,899,709) | (82,899,709) |
| Revaluation reserves | 7 | 17,340,002 | 17,340,002 |
| Accumulated loss | | <u>(584,048,876)</u> | <u>(569,622,963)</u> |
| TOTAL EQUITY | | 187,247,727 | 201,673,640 |
| NON-CURRENT LIABILITIES | | | |
| Employees retirement benefits | 8 | - | 592,891 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 55,505,981 | 79,913,374 |
| Short term borrowings | 10 | 54,004,233 | 73,317,989 |
| Unclaimed dividend | | 337,563 | 337,563 |
| Provision for taxation | 27 | 1,005,995 | 199,260 |
| TOTAL LIABILITIES | | 110,853,772 | 153,768,186 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 11 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 298,101,499 | 356,034,717 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 12 | 21,233,485 | 21,793,292 |
| Long term investments | 13 | 68,198,756 | 69,784,205 |
| Deferred taxation | 14 | 75,897,278 | 93,101,083 |
| Long term deposits | 15 | 4,535,239 | 4,485,239 |
| | | <u>169,864,758</u> | <u>189,163,819</u> |
| CURRENT ASSETS | | | |
| Stores and spares | | - | 361,346 |
| Stock in trade | 16 | 12,253,255 | 2,867,199 |
| Trade receivables | 17 | 97,093 | - |
| Advances and other receivables | 18 | 32,316,866 | 31,092,279 |
| Advance income tax/income tax refundable | | 4,012,313 | 2,168,920 |
| Bank balances | 19 | 79,557,214 | 130,381,154 |
| | | <u>128,236,741</u> | <u>166,870,898</u> |
| TOTAL ASSETS | | 298,101,499 | 356,034,717 |

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

| | NOTE | 2023 RUPEES | 2022 |
|--|-----------|---------------------|--------------|
| Revenue from contracts with customers - net | 20 | 37,179,661 | 15,940,800 |
| Cost of sales | 21 | (22,119,683) | (27,850,426) |
| Gross profit / (loss) | | 15,059,978 | (11,909,626) |
| Selling and distribution expenses | 22 | (9,953,140) | (1,666,963) |
| Administrative expenses | 23 | (15,053,322) | (13,781,448) |
| Other expenses | 24 | (280,439) | (796,760) |
| | | (25,286,901) | (16,245,171) |
| | | (10,226,923) | (28,154,797) |
| Other income | 25 | 15,686,535 | 21,719,283 |
| Operating profit / (loss) | | 5,459,612 | (6,435,514) |
| Finance cost | 26 | (89,505) | (11,326,462) |
| Notional interest | | - | (6,995,420) |
| Share of (loss) of associates | 13 | (1,586,220) | (6,885,411) |
| Profit / (loss) before taxation | | 3,783,887 | (31,642,807) |
| Provision for taxation | 27 | (18,209,800) | 60,244,704 |
| (Loss) / profit after taxation | | (14,425,913) | 28,601,897 |
| (Loss) / earnings per share - basic and diluted | 28 | (0.17) | 0.34 |

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

| | Note | 2023 | 2022 |
|---|------|---------------------|------------|
| | | RUPEES | |
| PROFIT AFTER TAXATION | | (14,425,913) | 28,601,897 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurements of defined benefit obligation | 8 | - | (242,879) |
| Related taxation | 14 | - | 70,435 |
| | | - | (172,444) |
| Items that may be reclassified subsequently to profit or loss | | - | - |
| Other comprehensive loss | | - | (172,444) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | (14,425,913) | 28,429,453 |

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023**

| | CAPITAL RESERVES | | | Accumulated loss | TOTAL EQUITY | |
|--|--------------------|-----------------------------------|-------------------------|---------------------|----------------------|--------------------|
| | SHARE CAPITAL | Discount on issue of shares | Revaluation reserves | | | Sub total |
| ----- (RUPEES) ----- | | | | | | |
| Balance as at 30 June 2021 | 836,856,310 | (82,899,709) | 228,435,379 | 145,535,670 | (809,147,793) | 173,244,187 |
| Profit after taxation | - | - | - | - | 28,601,897 | 28,601,897 |
| Other comprehensive loss | - | - | - | - | (172,444) | (172,444) |
| Total comprehensive income for the year | - | - | - | - | 28,429,453 | 28,429,453 |
| Other transactions | | | | | | |
| Revaluation surplus realised on disposal | - | - | (205,103,697) | (205,103,697) | 205,103,697 | - |
| Incremental depreciation | - | - | (5,991,680) | (5,991,680) | 5,991,680 | - |
| | | | (211,095,377) | (211,095,377) | 211,095,377 | - |
| Balance as at 30 June 2022 | 836,856,310 | (82,899,709) | 17,340,002 | (65,559,707) | (569,622,963) | 201,673,640 |
| Profit after taxation | - | - | - | - | (14,425,913) | (14,425,913) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (14,425,913) | (14,425,913) |
| Balance as at 30 June 2023 | 836,856,310 | (82,899,709) | 17,340,002 | (65,559,707) | (584,048,876) | 187,247,727 |

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

| | NOTE | 2023 RUPEES | 2022 |
|---|-----------|---------------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 29 | (29,417,531) | (75,833,581) |
| Payments for: | | | |
| Employees retirement benefits | | - | (2,483,147) |
| Interest on borrowings | | - | (950,969) |
| Income tax | | (2,042,653) | (212,153) |
| Net cash (used in)/generated from operating activities | | (31,460,184) | (79,479,850) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | - | - |
| Proceeds from disposal of property, plant and equipment | | | 184,319,500 |
| Long term deposits | 15 | (50,000) | 14,587,155 |
| Net cash generated from investing activities | | (50,000) | 198,906,655 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term finances | | - | (2,000,000) |
| Net increase/(decrease) in short term borrowings | | (19,313,756) | 12,152,542 |
| Net cash (used in) financing activities | | (19,313,756) | 10,152,542 |
| Net increase / (decrease) in cash and cash equivalents | | (50,823,940) | 129,579,347 |
| Cash and cash equivalents at the beginning of the year | | 130,381,154 | 801,807 |
| Cash and cash equivalents at the end of the year | 19 | 79,557,214 | 130,381,154 |

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1. THE COMPANY AND ITS OPERATIONS

D.S. Industries Limited [‘the Company’] was incorporated in Pakistan as a Private Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into a Public Limited Company. The Company is listed on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing of women’s fashion apparel. The registered office of the Company is situated at 20-K, Gulberg II, Lahore.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Circular No. 3/2017 dated February 07, 2017 issued by the Institute of Chartered Accountants of Pakistan (ICAP.), for companies that are not considered a going concern. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

b) Going concern assumption

The Company has incurred operating loss of Rs 10.22 million on CMT activities as in last year liquidated substantially all property, plant and equipment. Further, the Company as at 30 June 2023, has accumulated losses of Rs. 584.04 million and there is no convincing evidence that sufficient taxable profits will be available in future. These factors indicate existence of material uncertainty that raises doubts about the Company’s ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis based on the following: "

- (i) The Company has continued financial support of its related parties in the form of interest free loans. Related parties have, up to 30 June 2023, provided financial support amounting to Rs. 54.004 million in the form of interest free loans.
- (ii) The Company has remodeled its textile product portfolio switched from loss making yarn to profitable ready to wear garments.
- (iii) The Company has successfully repaid/settled its debt finance liabilities.
- (iv) Current assets of the Company, as at 30 June 2023, exceed its current liabilities as at that

The management is confident that through above factors, the Company will turnaround into a profitable company, subject to impact, if any, of uncontrollable circumstances including power crises and market conditions.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

| Items | Measurement basis |
|-------------------------------------|---------------------------|
| Financial liabilities | Amortized cost |
| Financial assets | Fair value/amortized cost |
| Land, building, plant and machinery | Revalued amount |
| Employee retirement benefits | Present value |

2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. 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 and in any future

2.3.1 Critical accounting judgements

Judgments made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

(a) Business model assessment (see note 34.1.2)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

(b) Significant increase in credit risk (see note 34.1.1)

As explained in note 34.1.1, expected credit losses are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

2.3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 34.1.6)

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 8.51 million (2022: Rs. 13.656 million). Further information on the Company's credit risk management practices and credit quality and impairment of financial assets is referred to in

(b) Present value of defined benefit obligation (see note 8)

The Company operates till 30 June 2022 an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. After restructuring, the company is in process of introducing the new scheme for the employees presently working under contract and transferred the payable balance of old scheme to trade and other payables as mentioned in note 9.

(c) Taxation provisions (see note 27)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provisions for current tax and tax contingencies. The provision for current tax is estimated at Rs. 1.005 million (2022: Rs. 0.199 million). The management believes that the provision for current tax made in the financial statements is sufficient to discharge related tax liability.

Debit for deferred tax of Rs. 17.204 million (2022: Rs. 93.101 million) has been estimated after taking into account historical and future turnover and profit trends and their taxability under the current tax law.

Further information on the taxation provisions are referred to in note 27.

(d) Deferred tax assets on unused tax losses and credits (see note 14)

Deferred tax assets are recognized for unused tax losses and credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Company has Rs. 249.168 million (2022: Rs. 315.938 million) of tax losses and credits carried forward as at the reporting date and available to the Company for utilization against future taxable profits. Out of these, deferred tax asset has been recognized on tax losses and credits amounting to Rs. 249.168 million (2022: Rs. 311.963 million).

If the Company was able to recognize all unrecognized deferred tax assets, deferred tax assets and equity as at the reporting date would have increased by Rs. Nil (2022: Rs. 3.975 million)

(e) Net realizable values of stock in trade (see note 16.1)

The Company estimates net realizable values of its stock in trade as the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

2.4 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

a) Amendments to published approved accounting standards that are effective in

Following amendments to published approved accounting standards are mandatory for the

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

The above mentioned amendments to published approved accounting standards did not

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

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not stated in these financial statements.

c) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations there to will be effective for accounting periods beginning on or after January 01, 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after January 01, 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a Liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of Liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of Liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a Long-term basis are no Longer relevant for the classification of a Liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a Liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a Liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a Liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a Liability's classification at that date. However, when non-current Liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those Liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) -
- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

Land, buildings, plant and machinery and electric installations held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land, buildings, plant and machinery and electric installations is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land, buildings and plant and machinery is recognized as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve

All other items or property, plant and equipment (furniture and fixtures, office and other equipments and vehicles) are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labor and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences

Depreciation is recognized in profit or loss, using rates specified in note 10, so as to write off the cost or revalued amounts of assets (other than freehold land and assets under construction) over their useful lives, using the reducing balance method, with the exception of computer hardware and allied items, which are depreciated using straight line method over their useful lives, and right-of-use assets, for which the lease does not transfer ownership of the underlying asset to the Company at the end of lease term, which are depreciated over the shorter of lease term and useful lives of the underlying assets, using straight line method.

Depreciation on an item of property, plant and equipment commences from the month in which the item is ready for intended use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Incremental depreciation being the difference between depreciation based on the revalued amounts recognized in profit or loss and depreciation based on the historical cost, net of tax, is reclassified from the revaluation reserve to retained earnings. On the subsequent disposal or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such items is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.2 Stores and spares

These are generally held for internal use and are valued at cost. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held exclusively for capitalization are classified as property, plant and equipment.

4.3 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

| Category | Basis of determination of cost |
|------------------|---|
| Raw material | Moving average cost |
| Work in process | Average manufacturing cost |
| Finished goods | Average manufacturing cost |
| Stock in transit | Invoice price plus related cost incurred up to the reporting date |

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labor and an appropriate proportion of manufacturing overheads.

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

4.4 Employee benefits

4.4.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

4.4.2 Post-employment benefits

Till 30 June 2023, the Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in other comprehensive income. After restructuring, the company is in process of introducing the new scheme for the employees presently working under contract and transferred the payable balance of old scheme to trade and other payables as mentioned in note 9.

4.5 Financial instruments

4.5.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual

4.5.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

(a) *Financial assets at amortized cost*

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows 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.

(b) *Financial assets at fair value through other comprehensive income ['fair value through OCI']*

These are:

- (i) financial assets held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets 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; and
- (ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

(c) *Financial assets at fair value through profit or loss*

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition

(d) *Financial liabilities at amortized cost*

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

(e) *Financial liabilities at fair value through profit or loss*

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

4.5.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

4.5.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.

4.5.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.5.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

4.6 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

4.7 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

4.8 Investment in associates

Investments in associates are accounted for using the equity method of accounting. Under the equity method, an investment in an associate is recognized initially in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate, dividends received and impairment losses, if any. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

4.9 Trade and other payables

4.9.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

4.9.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

4.10 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

4.11 Trade and other Receivables**4.11.1 Financial assets**

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs, except for trade receivables that do not have a significant financing component, which are measured at undiscounted invoice price. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

4.11.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

4.12 Contracts with Customers**4.12.1 Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

| Product/service | Nature and timing of satisfaction of performance obligations, including significant payment terms | Revenue recognition policies |
|------------------------|---|--|
| Fashion apparel | Payments from customers against sale of goods is typically due at the end of credit period ranging from 30 days to 120 days, except for garments which are sold for cash on delivery. There are no customer loyalty programs or warranty provisions. However, some contracts allow for return | Revenue is recognized at a point in time when the goods are dispatched to the customers. |

4.12.2 Contract assets

Contract assets represent work performed up to the reporting date which has not been invoiced to customers because the related performance obligations remain partially unsatisfied as at the reporting date.

4.12.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

4.13 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

4.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

4.15 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

4.15.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

4.15.2 Deferred taxation

Deferred tax is accounted for using the 'balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the

4.16 Earnings per share ['EPS']

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

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.17 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. Interest income on cash and cash equivalents is recognized using effective interest method.

4.18 Segment reporting

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

4.19 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

4.20 Impairment

4.20.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade receivables, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

4.20.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.21 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from retained earnings in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

4.22 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in 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 inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4.23 Related party transactions

All transactions with related parties are conducted on an arm's length basis, as defined by accounting standards, except as explained in note 31.

4.24 Other income

Other income (profit on bank deposits) is recognized on accrual basis.

5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

| 2023 (NUMBER OF SHARES) | 2022 | | 2023 RUPEES | 2022 RUPEES |
|----------------------------|-------------------|---|--------------------|--------------------|
| 53,685,631 | 53,685,631 | Ordinary shares of Rupees 10/- each fully paid in cash | 536,856,310 | 536,856,310 |
| 30,000,000 | 30,000,000 | Ordinary shares of Rupees 10/- each issued as fully paid bonus shares | 300,000,000 | 300,000,000 |
| 83,685,631 | 83,685,631 | | 836,856,310 | 836,856,310 |

5.1 Ordinary shares of the Company held by the related parties:

| | (NUMBER OF SHARES) | 2023 | 2022 |
|--------------------------------------|--------------------|------------------|------------------|
| D.S. Textile Limited | | 2,100,721 | 2,100,721 |
| D.S. Apparel (private) Limited | | 6,000 | 6,000 |
| Ali Pervez Capital (private) Limited | | 18 | 18 |
| | | 2,106,739 | 2,106,739 |

6 DISCOUNT ON ISSUE OF SHARES

This represents discount on issue of ordinary shares under section 84 and 86(1) of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

| | 2023 RUPEES | 2022 RUPEES |
|--|-------------------|-------------------|
| 7 REVALUATION RESERVE | | |
| As at the beginning of the year | 17,340,002 | 228,435,379 |
| Incremental depreciation transferred to accumulated losses | | |
| Incremental depreciation for the year | - | (8,438,986) |
| Deferred taxation | - | 2,447,306 |
| Surplus realized on disposal | - | (5,991,680) |
| Surplus on the assets disposed off | - | (256,052,149) |
| Deferred taxation | - | 50,948,452 |
| | - | (205,103,697) |
| | 17,340,002 | 17,340,002 |

7.1 Revaluation of Land and Building has been carried out on June 30, 2019, by independent valuers M/s Excel Services & Engineering (Pvt) Ltd registered surveyors and valuation consultants on the basis of market value. The current balance related to the land as mentioned

8 EMPLOYEES RETIREMENT BENEFITS

The Company operates till 30 June 2022 an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. After restructuring, the company is in process of introducing the new scheme for the employees presently working under contract and transferred the payable balance of old scheme to trade and other payables as mentioned in note 9.

| | NOTE | 2023 | 2022 |
|--|------|-----------|-------------|
| | | RUPEES | |
| 8.1 Movement in present value of defined benefit obligation | | | |
| As at beginning of the year | | 592,891 | 2,519,877 |
| Charged to profit or loss for the year | | - | 313,282 |
| Benefits paid during the year | | - | (2,483,147) |
| Remeasurements recognized in other comprehensive income | | - | 242,879 |
| Transferred to trade and other payables | 9 | (592,891) | - |
| As at end of the year | | - | 592,891 |
| 8.2 Charge to profit or loss | | | |
| Current service cost | | - | 185,452 |
| Interest cost | | - | 127,830 |
| | | - | 313,282 |
| 8.3 The charge to profit or loss has been allocated as | | | |
| Cost of sales | | - | 313,282 |
| 8.4 Remeasurements recognized in other comprehensive income | | | |
| Actuarial loss arising from changes in: | | | |
| Changes in financial assumptions | | - | 1,926 |
| Experience adjustments | | - | 240,953 |
| | | - | 242,879 |

8.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries, TRT Associates. The principal assumptions used in determining present value of defined benefit obligation are:

| | 2023 | 2022 |
|--------------------------------------|------|--------|
| Discount rate | - | 13.25% |
| Expected rates of increase in salary | - | 12.25% |

8.6 Sensitivity analysis

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

| | 2023 | 2022 |
|-------------------------------------|--------------------------------|--------------------------------|
| | Change in actuarial assumption | Change in actuarial assumption |
| | Defined benefit obligation | Defined benefit obligation |
| | Rupees | Rupees |
| Discount rate | + 1% | 542,111 |
| | - 1% | 648,443 |
| Expected rate of increase in salary | + 1% | 648,428 |
| | - 1% | 542,104 |

8.7 Risk factors

The defined benefit plan exposed the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on government bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.

| | NOTE | 2023 | 2022 |
|--|------|-------------------|-------------------|
| | | RUPEES | |
| 9 TRADE AND OTHER PAYABLES | | | |
| Trade creditors | | 10,244,813 | 20,182,981 |
| Accrued liabilities | | 596,494 | 7,779,429 |
| Advances from customers | | 42,937,604 | 47,124,982 |
| Workers' Welfare Fund | 9.1 | 81,287 | 40,191 |
| Workers' profit participation fund | 9.2 | 199,152 | - |
| Sales tax payable | | 809,841 | 1,494,147 |
| Tax deducted at source | | 43,899 | 3,291,644 |
| Gratuity payable | 8 | 592,891 | - |
| | | <u>55,505,981</u> | <u>79,913,374</u> |
| 9.1 WORKERS WELFARE FUND | | | |
| Opening balance | | 40,191 | 40,191 |
| Charge for the year | | 81,287 | - |
| | | <u>121,478</u> | <u>40,191</u> |
| Paid during the year | | (40,191) | - |
| | | <u>81,287</u> | <u>40,191</u> |
| 9.2 WORKERS' PROFIT PARTICIPATION FUND | | | |
| Opening balance | | - | - |
| Allocation for the year | | 199,152 | - |
| | | <u>199,152</u> | <u>-</u> |
| 10 SHORT TERM BORROWINGS | | | |
| These represent temporary loans obtained from related parties and are unsecured and interest free. Details are as follows: | | | |
| | | 2023 | 2022 |
| | | RUPEES | |
| From directors | | 16,434,549 | 16,434,549 |
| From associated companies / undertakings | | 37,569,684 | 56,883,440 |
| | | <u>54,004,233</u> | <u>73,317,989</u> |

11 CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess ['GIDC'] Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court of Pakistan ['the SCP'] on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honorable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015 and the same was challenged vide a writ petition in the Lahore High Court ['LHC'] including retrospective treatment of the provisions of the GIDC Act, 2015. LHC decided this suit in favor of the consumers. However, the Government filed an appeal in the SCP. The SCP has disposed off the case on 13 August 2020 and instructed the gas distribution companies to recover the outstanding amount in 24 equal installments only from those consumers who have already passed the burden of GIDC cost to their customers. However, during the year 2021-22, the Company paid the entire liability under protest. The management and its legal counsel are of the view that case will be decided in favour of the Company and once decided the payment made under protest will be returned

b) Commitments

There was no commitments of the Company as at 30 June 2023 (2022: Rupees Nil).

12 PROPERTY, PLANT AND EQUIPMENT

| | 30-Jun-23 | | | | | | | | | |
|----------------------------|------------------------------|---------------------|---------------------|------------------------------|-----------|------------------------------|------------------------|----------------------|------------------------------|------------------------------------|
| | COST / REVALUED AMOUNTS | | | | | DEPRECIATION | | | | Net book |
| | As at 01-Jul-22 Rupees | Additions Rupees | Disposals Rupees | As at 30-Jun-23 Rupees | Rate % | As at 01-Jul-22 Rupees | For the year Rupees | Adjustment Rupees | As at 30-Jun-23 Rupees | value as at 30-Jun-23 Rupees |
| Freehold land | 18,785,000 | - | - | 18,785,000 | - | - | - | - | - | 18,785,000 |
| Office and other equipment | 1,434,555 | - | - | 1,434,555 | 10 | 1,016,039 | 41,852 | - | 1,057,891 | 376,664 |
| Vehicles | 5,816,960 | - | - | 5,816,960 | 20 | 3,227,184 | 517,955 | - | 3,745,139 | 2,071,821 |
| | 26,036,515 | - | - | 26,036,515 | | 4,243,223 | 559,807 | - | 4,803,030 | 21,233,485 |

| | 30-June-22 | | | | | | | | | |
|----------------------------|------------------------------|---------------------|----------------------|------------------------------|-----------|------------------------------|------------------------|----------------------|------------------------------|------------------------------------|
| | COST / REVALUED AMOUNTS | | | | | DEPRECIATION | | | | Net book |
| | As at 01-Jul-21 Rupees | Additions Rupees | Disposals Rupees | As at 30-Jun-22 Rupees | Rate % | As at 01-Jul-21 Rupees | For the year Rupees | Adjustment Rupees | As at 30-Jun-22 Rupees | value as at 30-Jun-22 Rupees |
| Freehold land | 103,090,000 | - | (84,305,000) | 18,785,000 | - | - | - | - | - | 18,785,000 |
| Buildings | | | | | | | | | | |
| Factory | 352,686,976 | - | (352,686,976) | - | 5 | 164,342,446 | 8,632,458 | (172,974,904) | - | - |
| Colony/office block | 49,550,446 | - | (49,550,446) | - | 5 | 23,089,146 | 1,212,810 | (24,301,956) | - | - |
| Plant and machinery | 6,729,404 | - | (6,729,404) | - | 5 | 554,528 | 77,186 | (631,714) | - | - |
| Electric installations | 2,921,000 | - | (2,921,000) | - | 10 | 445,453 | 61,889 | (507,342) | - | - |
| Furniture and fixtures | 1,221,800 | - | (1,221,800) | - | 10 | 326,046 | 22,394 | (348,440) | - | - |
| Office and other equipment | 1,434,555 | - | - | 1,434,555 | 10 | 969,537 | 46,502 | - | 1,016,039 | 418,516 |
| Vehicles | 7,316,960 | - | (1,500,000) | 5,816,960 | 20 | 3,254,741 | 560,839 | (588,396) | 3,227,184 | 2,589,776 |
| | 524,951,141 | - | (498,914,626) | 26,036,515 | | 192,981,897 | 10,614,078 | (199,352,752) | 4,243,223 | 21,793,292 |

12.1 Free hold land of the Company is located at District Sheikhpura with a total area of 14 Kanals 9 Marla (30-Jun-22: 14 Kanals 9 Marla).

13 LONG TERM INVESTMENTS

These represent investments in ordinary shares of related parties. The details are as follows:

| | NOTE | 2023 | 2022 |
|--|------|-------------------|-------------------|
| | | RUPEES | |
| Pervaiz Ahmad Consultancy Services Limited - Quoted | | | |
| 61,550 (2022: 61,550) ordinary shares of Rs. 10 | 13.1 | - | - |
| Relationship: associate | | | |
| Ownership Interest: 0.03% (2022: 0.03%) | | | |
| Market value: Rs. 0.62 (2022: Rs. 0.86) per share | | | |
| Pervez Ahmed Capital (Private) Limited - Unquoted | | | |
| 7,727,000 (2022: 7,727,000) ordinary shares of Rs. 10 each | 13.2 | 68,198,756 | 69,784,205 |
| Relationship: associate | | | |
| Ownership Interest: 44.88% (2022: 44.88%) | | | |
| | | 68,198,756 | 69,784,205 |

13.1 Pervez Ahmed Consultancy Services Limited ['PACSL'] was incorporated in Pakistan on 08 June 2005 as a Single Member Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was later converted to Public Limited Company and listed on Pakistan Stock Exchanges Limited. The Company was primarily a brokerage house engaged in the shares brokerage and trading, consultancy services and underwriting. However, the Company has amended its memorandum of association to change its principal activity to act as consultants and advisors to individual, corporations, financial institutions, Government bodies and departments, Companies, corporations and other entities. The registered office of the Company is situated at 20-K Gulberg II, Lahore.

The investment has been accounted for by using equity method. Particulars of investment are as follows:

| | 2023 | 2022 |
|---|--------------------|-------------|
| | PERCENTGE | |
| Percentage of ownership interest | 0.03 | 0.03 |
| | RUPEES | |
| Cost of investment | 3,412,243 | 3,412,243 |
| Share of post acquisition losses | (1,546,989) | (1,546,218) |
| Share of post acquisition changes in equity | (160,258) | (160,258) |
| Accumulated impairment | (1,704,996) | (1,705,767) |
| | - | - |

13.1.1 Extracts of financial statements of Pervez Ahmed Consultancy Services Limited

The assets and liabilities of Pervez Ahmed Consultancy Services Limited as at the reporting date and related revenue and profit for the year then ended based on the audited financial statements are as follows:

| | 2023 | 2022 |
|----------------------------|--------------------|-------------|
| | RUPEES | |
| Non current assets | 78,790,934 | 80,419,343 |
| Current assets | 4,863,965 | 11,023,417 |
| Non current | - | - |
| Current liabilities | 647,065,971 | 652,283,070 |
| (Loss)/profit for the year | (2,570,763) | (8,325,723) |
| Share of | (771) | (2,747) |

13.2 This represents investment in ordinary shares of Pervez Ahmed Capital (Private) Limited ['PACPL'], an associate. PACPL is incorporated in Pakistan as a Private Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is to carry on the business of stock brokerage, underwriting and investments. The registered office of the Company is situated at 1-A/565, Block – 3, Gulshan. The investment has been accounted for by using equity method. Particulars of investment

| | 2023 | 2022 |
|----------------------------------|---------------------|-------------------|
| | PERCENTGE | |
| Percentage of ownership interest | 44.88 | 44.88 |
| | 2023 | 2022 |
| | RUPEES | |
| Cost of investment | 85,000,000 | 85,000,000 |
| Share of post acquisition losses | (16,801,244) | (15,215,795) |
| | 68,198,756 | 69,784,205 |

13.2.1 Extracts of financial statements of Pervez Ahmed Capital (Private) Limited

The assets and liabilities of Pervez Ahmed Capital (Private) Limited as at the reporting date and related revenue and profit for the year then ended based on the audited financial statements are as follows:

| | NOTE | 2023 | 2022 |
|-------------------------|------|--------------------|--------------|
| | | RUPEES | |
| Non current assets | | 14,225,852 | 17,630,209 |
| Current assets | | 137,810,790 | 137,938,874 |
| Non current liabilities | | - | - |
| Current liabilities | | 111,129 | 110,929 |
| (Loss) for the year | | (3,532,640) | (15,335,950) |
| Share of (loss) | | (1,585,449) | (6,882,664) |

14 DEFERRED TAXATION

| | | | |
|---|------|-------------------|-------------------|
| Deferred tax asset on deductible temporary differences | 14.1 | 75,897,278 | 93,101,083 |
| Deferred tax liability on taxable temporary differences | 14.1 | - | - |
| Net deferred tax asset | | 75,897,278 | 93,101,083 |

14.1 Recognized deferred tax liabilities and assets

Deferred tax liabilities and assets are attributable to the following:

| | 30 June 2023 | | | |
|---------------------------------|--------------------------|------------------------------------|-------------------|-----------------------|
| | As at 01 July 2022 | Recognized in profit or loss | Recognized in OCI | As at 30 June 2023 |
| | Rupees | | | |
| Deferred tax assets | | | | |
| Operating fixed assets | 93,635 | 212,051 | - | 305,686 |
| Employees retirement benefits | 171,938 | (171,938) | - | - |
| Investments | 2,328,505 | 1,004,129 | - | 3,332,634 |
| Unused tax losses and credits | 90,507,005 | (18,248,047) | - | 72,258,958 |
| | 93,101,083 | (17,203,805) | - | 75,897,278 |
| Deferred tax liabilities | - | - | - | - |
| | 93,101,083 | (17,203,805) | - | 75,897,278 |

| | 30 June 2022 | | | |
|---------------------------------|-----------------------|------------------------------------|-------------------|-----------------------|
| | As at 01 July 2021 | Recognized in profit or loss | Recognized in OCI | As at 30 June 2022 |
| Rupees | | | | |
| Deferred tax assets | | | | |
| Operating fixed assets | (58,896,106) | 58,989,741 | - | 93,635 |
| Employees retirement benefits | 730,764 | (629,261) | 70,435 | 171,938 |
| Impairment allowance | 53,354 | (53,354) | - | - |
| Investments | 496,132 | 1,832,373 | - | 2,328,505 |
| Unused tax losses and credits | 90,202,540 | 304,465 | - | 90,507,005 |
| | 32,586,684 | 60,443,964 | 70,435 | 93,101,083 |
| Deferred tax liabilities | | | | |
| | - | - | - | - |
| | <u>32,586,684</u> | <u>60,443,964</u> | <u>70,435</u> | <u>93,101,083</u> |

14.2 Deferred tax has been calculated at 29% (2022: 29%) of the temporary differences as at the reporting date based on tax rates notified by the Government of Pakistan for future tax years.

Deferred tax arising from timing differences pertaining to income from investment in listed equity securities taxable as a separate block under the provisions of the Ordinance, has been calculated at 16.5% (2022: 16.5%) of the timing differences based on tax rates notified by the Government of Pakistan for future tax years for such income.

14.3 Unrecognized deferred tax assets

Unused tax losses include Rupees 249,168,822 related to business losses. The expiry dates of these business losses are given hereunder:

| Accounting year to which the business loss relates | Amount of business loss | Accounting year in which business loss will expire |
|--|-------------------------|--|
| 2018 | 11,505,135 | 2024 |
| 2019 | - | 2025 |
| 2020 | 23,441,158 | 2026 |
| 2021 | 31,540,188 | 2027 |
| 2022 | 182,682,341 | 2028 |
| 2023 | - | 2029 |
| | <u>249,168,822</u> | |

15 LONG TERM DEPOSITS

These have been deposited with various utility companies and regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

| | 2023 | 2022 |
|--------------------------|-------------------|------------------|
| | RUPEES | |
| 16 STOCK IN TRADE | | |
| Raw material | 2,384,384 | 2,475,574 |
| Work in process | 891,300 | - |
| Finished goods | 8,977,571 | 391,625 |
| | <u>12,253,255</u> | <u>2,867,199</u> |

16.1 Entire stock in trade, with exception of stock of waste, is carried at cost being lower than net realizable value.

| | NOTE | 2023 | 2022 |
|--|------|-------------------|-------------------|
| | | RUPEES | |
| 17 TRADE RECEIVABLES | | | |
| Gross amount due - Considered good | | 97,093 | - |
| Impairment allowance for expected credit losses | 17.1 | - | - |
| | | 97,093 | - |
| 17.1 Impairment allowance for expected credit | | | |
| As at beginning of the year | | - | 183,980 |
| Write off during the year | | - | (183,980) |
| As at end of the year | | - | - |
| 18 ADVANCES AND OTHER RECEIVABLES | | | |
| Advances to employees | 18.1 | 1,006,989 | 1,151,296 |
| Other receivables | 18.2 | 29,940,983 | 29,940,983 |
| Accrued mark-up | | 1,368,894 | - |
| | | 32,316,866 | 31,092,279 |

18.1 These represent advances to employees for expenses on behalf of the Company and those against salaries in accordance with the Company policy.

18.2 This represents payment for GIDC made to Sui Northern Gas Pipelines Limited under protest as explained in note 11a.

| | NOTE | 2023 | 2022 |
|--|------|--------------------|--------------------|
| | | RUPEES | |
| 19 BANK BALANCES | | | |
| On current accounts | | 792,235 | 662,125 |
| On deposit accounts | 19.1 | 78,764,979 | 129,719,029 |
| | | <u>79,557,214</u> | <u>130,381,154</u> |
| 19.1 Rate of profit on deposit accounts ranges from 13.25% to 21.94% (2022: 4.5% to 13.25%) per annum. | | | |
| | | 2023 | 2022 |
| | | RUPEES | |
| 20 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET | | | |
| Local sales | | | |
| Garments | | 42,234,124 | 18,001,177 |
| Waste | | 15,490 | 140,900 |
| | | 42,249,614 | 18,142,077 |
| Sales tax | | (5,069,953) | (2,201,277) |
| | | <u>37,179,661</u> | <u>15,940,800</u> |
| 21 COST OF SALES | | | |
| Raw material consumed | | 21,758,556 | 4,113,482 |
| Stores and spares consumed | | 361,346 | 984,612 |
| Salaries, wages and benefits | | 9,441,486 | 3,364,767 |
| Power and fuel | | - | 2,484,357 |
| Rent, rates and taxes | | - | 828,226 |
| Repair and maintenance | | - | 208,488 |
| Insurance | | 35,541 | - |
| Depreciation | | - | 10,053,239 |
| Manufacturing cost | | <u>31,596,929</u> | <u>22,037,171</u> |
| Work in process | | | |
| As at beginning of the year | | - | 2,255,600 |
| As at end of the year | | (891,300) | - |
| | | <u>(891,300)</u> | <u>2,255,600</u> |
| Cost of goods manufactured | | <u>30,705,629</u> | <u>24,292,771</u> |
| Finished goods | | | |
| As at beginning of the year | | 357,825 | 3,839,730 |
| As at end of the year | | (8,977,571) | (357,825) |
| | | <u>(8,619,746)</u> | <u>3,481,905</u> |
| Waste | | | |
| As at beginning of the year | | 33,800 | 109,550 |
| As at end of the year | | - | (33,800) |
| | | <u>33,800</u> | <u>75,750</u> |
| | | <u>22,119,683</u> | <u>27,850,426</u> |
| 21.1 Raw material consumed | | | |
| As at beginning of the year | | 2,475,574 | 4,138,957 |
| Purchased during the year | | 21,667,366 | 2,450,099 |
| As at end of the year | | (2,384,384) | (2,475,574) |
| | | <u>21,758,556</u> | <u>4,113,482</u> |

| | NOTE | 2023 | 2022 |
|--|------|-------------------|-------------------|
| | | RUPEES | |
| 22 SELLING AND DISTRIBUTION EXPENSES | | | |
| Commission | | 2,017,444 | 402,436 |
| Advertising and sales promotion | | 6,302,850 | 547,963 |
| Freight and forwarding | | 1,632,846 | 716,564 |
| | | <u>9,953,140</u> | <u>1,666,963</u> |
| 23 ADMINISTRATIVE EXPENSES | | | |
| Directors' remuneration | | 2,850,000 | 2,850,000 |
| Salaries, wages and other benefits | | 6,202,717 | 6,608,467 |
| Communication | | 164,518 | 286,233 |
| Printing and stationery | | 197,719 | 197,602 |
| Repair and maintenance | | 398,860 | - |
| Vehicle running & maintenace | | 992,461 | - |
| Rent, rates and taxes | | 211,586 | 127,900 |
| Legal and professional | | 496,843 | 571,913 |
| Utilities | | 1,230,636 | 1,140,583 |
| Fee and subscription | | 1,103,729 | 951,911 |
| Auditor's remuneration | 23.1 | 272,500 | 465,000 |
| Depreciation | | 559,807 | 560,839 |
| Others | | 371,946 | 21,000 |
| | | <u>15,053,322</u> | <u>13,781,448</u> |
| 23.1 Auditor's remuneration | | | |
| Audit fee | | 200,000 | 400,000 |
| Half yearly review | | 50,000 | 50,000 |
| Out of pocket expenses | | 22,500 | 15,000 |
| | | <u>272,500</u> | <u>465,000</u> |
| 24 OTHER EXPENSES | | | |
| Fines and penalties | | - | 634,383 |
| Miscellaneous | | - | 162,377 |
| Workers' welfare fund | 9.1 | 81,287 | - |
| Workers' profit participation fund | 9.2 | 199,152 | - |
| | | <u>280,439</u> | <u>796,760</u> |
| 25 OTHER INCOME | | | |
| Gain on financial instruments | | | |
| Return on bank deposits | | 15,685,765 | 233,638 |
| Accrued interest waived-off | | - | 14,125,272 |
| Reversal of impairment allowance on long term investment | | 771 | 2,747 |
| | | <u>15,686,535</u> | <u>14,361,657</u> |
| Other income | | | |
| Gain on disposal of property & plant | | - | 7,357,626 |
| | | <u>15,686,535</u> | <u>21,719,283</u> |
| 26 FINANCE COST | | | |
| Interest on long term finances | | - | 11,085,919 |
| Bank charges and commission | | 89,505 | 240,543 |
| | | <u>89,505</u> | <u>11,326,462</u> |

| 27 PROVISION FOR TAXATION | NOTE | 2023 | 2022 |
|---|------|-------------------|---------------------|
| | | RUPEES | |
| Current taxation | | | |
| for current year | 27.1 | 1,005,995 | 199,260 |
| Deferred taxation | | | |
| attributable to origination and reversal of temporary differences | 14 | 17,203,805 | (60,443,964) |
| attributable to changes in tax rates | | - | - |
| | | 17,203,805 | (60,443,964) |
| | | 18,209,800 | (60,244,704) |

27.1 Provision for taxation has been made under section 113 (30-Jun-2022:section 113) of the Income Tax Ordinance, 2001 ['the Ordinance']. There is no relationship between tax expense and accounting profit. Accordingly, no numerical reconciliation has been presented.

27.2 Assessments for the tax years up to 2022 have either been finalized or are deemed assessments in terms of section 120(1) of the Ordinance, as per returns filed by the

28 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

| | | 2023 | 2022 |
|--|----------------|---------------------|------------|
| (Loss)/profit for the year | <i>Rupees</i> | (14,425,913) | 28,601,897 |
| Weighted average number of ordinary shares | <i>Numbers</i> | 83,685,631 | 83,685,631 |
| (Loss)/earnings per share | <i>Rupees</i> | (0.17) | 0.34 |

| | 2023 | 2022 |
|--|-------------------------------|----------------------------------|
| | RUPEES | |
| 29 CASH (USED IN) / GENERATED FROM OPERATIONS | | |
| Profit/(loss) before taxation | 3,783,887 | (31,642,807) |
| Adjustments for non-cash charges and other items: | | |
| Interest on borrowings | - | 11,085,919 |
| Notional interest | - | 6,723,068 |
| Accrued interest waived-off | - | (14,125,272) |
| Gain on disposal of property, plant and equipment | - | (7,357,626) |
| Reversal of impairment allowance on long term investment | - | (2,747) |
| Share of loss/(profit) of associates | 1,585,449 | 6,885,411 |
| Provision for employees retirement benefits | - | 313,282 |
| Depreciation | 559,807 | 10,614,078 |
| | 2,145,256 | 14,136,113 |
| Cash used in operations before working capital | 5,929,143 | (17,506,694) |
| Working capital changes | | |
| Stores and spares | 361,346 | 517,518 |
| Stock in trade | (9,386,056) | 7,476,638 |
| Trade receivables | (97,093) | - |
| Advances and other receivables | (1,224,587) | (28,584,595) |
| Employees retirement benefits | (592,891) | - |
| Trade and other payables | (24,407,393) | (31,391,490) |
| Long term payables | - | (6,344,958) |
| | (35,346,674) | (58,326,887) |
| Cash (used in) from operations | (29,417,531) | (75,833,581) |
| 30 CHANGES FROM FINANCING CASH FLOWS | 2023 - RUPEES | |
| | Long term finances | Short term borrowings |
| As at beginning of the year | - | - |
| Short term borrowing repaid | - | (19,313,756) |
| As at end of the year | - | (19,313,756) |
| | 2022 - RUPEES | |
| | Long term finances | Short term borrowings |
| As at beginning of the year | 105,475,762 | 61,165,447 |
| Long term finances repaid | (2,000,000) | - |
| Long term finances settled | (103,475,762) | - |
| Short term borrowing obtained | - | 33,024,106 |
| Short term borrowing repaid | - | (20,871,564) |
| As at end of the year | - | 73,317,989 |

31 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise sponsors of the Company, associated companies and undertakings and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

| Name of related party | Nature of relationship | Basis of relationship | Aggregate %age of shareholding in the Company |
|--------------------------------|-------------------------------|---------------------------------|--|
| Rehana Pervez Ahmed | Key management personnel | Director | 6.466% |
| Suleman Ahmed | Key management personnel | Director | 0.962% |
| Hassan Ibrahim | Key management personnel | Director | 0.035% |
| Ali Pervez Ahmed | Key management personnel | Chief executive officer | 4.315% |
| Pervez Ahmed Capital (Pvt) Ltd | Associated company | Common directorship | 0.00% |
| Origins | Sole proprietorship | Close family member | 0.00% |
| Infinite Buying Services | Associated company | Common directorship | 0.00% |
| D.S. Textiles Limited | Associated company | Common directorship | 2.510% |
| Mausummary Lawn | Sole proprietorship | Close family member of director | 0.00% |

Transactions with sponsors are limited to provision of interest free loans to the Company and issuance of ordinary shares and those with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associates and associated undertakings and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction, with the exception of borrowings, which are interest free.

Details of transactions and balances with related parties is as follows:

| | | 2023 | 2022 |
|---|--|-------------------|-------------|
| | | RUPEES | |
| 31.1 Transactions with related parties | | | |
| Nature of relationship | Nature of transactions | | |
| Associated companies and undertakings | Sales | - | 1,657,990 |
| | Short term borrowings obtained- <i>net</i> | - | 11,897,908 |
| Sponsors | Short term borrowings repaid- <i>net</i> | 19,313,756 | 557,668 |
| Key management personnel | Short-term employee benefits | 2,850,000 | 2,850,000 |
| 31.2 Balances with related parties | | | |
| Nature of relationship | Nature of balance | | |
| Directors | Short term borrowings | 16,434,549 | 16,434,549 |
| Associated companies | Short term borrowings | 37,569,684 | 56,883,440 |
| Key management personnel | Short-term employee benefits payable | 592,891 | 592,891 |

32 CONTRACTS WITH CUSTOMERS

32.1 Contract balances

The information about receivables and contract liabilities from contracts with customers are as follows:

| Nature of balance | Presented in financial statements as | 2023 | 2022 |
|----------------------|--------------------------------------|------------|------------|
| | | RUPEES | |
| Receivables | Trade receivables | 97,093 | - |
| Contract liabilities | Advances from customers | 42,937,603 | 47,124,982 |

32.2 Changes in contract liabilities

Significant changes in contract liabilities are as follows:

| | | |
|---|-------------------|-------------------|
| As at beginning of the year | 47,124,982 | 48,090,010 |
| Revenue recognized against contract liability as at beginning of the year | - | (1,152,407) |
| Repaid during the year | (4,187,378) | - |
| Net increase due to cash received in excess of revenue recognized | - | 187,379 |
| As at end of the year | <u>42,937,604</u> | <u>47,124,982</u> |

33 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as

| | NOTE | 2023 | 2022 |
|--|------|-------------------|--------------------|
| | | RUPEES | |
| 33.1 Financial assets | | | |
| <i>Financial assets at amortized cost</i> | | | |
| Long term deposits | 15 | 4,535,239 | 4,485,239 |
| Trade receivables | 17 | 97,093 | - |
| Advances to employees | 18 | 1,006,989 | 1,151,296 |
| Bank balances | 19 | 79,557,214 | 130,381,154 |
| | | <u>85,196,535</u> | <u>136,017,689</u> |
| 33.2 Financial liabilities | | | |
| <i>Financial liabilities at amortized cost</i> | | | |
| Trade creditors | 9 | 10,244,813 | 20,182,981 |
| Accrued liabilities | 9 | 596,494 | 7,779,429 |
| Unclaimed dividend | | 337,563 | 337,563 |
| Short term borrowings | 10 | 54,004,233 | 73,317,989 |
| | | <u>65,183,103</u> | <u>101,617,962</u> |

34 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

34.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial

34.1.1 Credit risk management practices

In order to minimise credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of trade receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis. The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial condition and there is no realistic prospect of recovery.

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

The Company's credit risk grading framework comprises the following categories:

| Category | Description | Basis for recognizing ECL |
|------------|---|---|
| Performing | The counterparty has low credit risk | Trade receivables: Lifetime ECL Other assets: 12-month ECL |
| Doubtful | Credit risk has increased significantly since initial recognition | Lifetime ECL |
| In default | There is evidence indicating the assets is credit-impaired | Lifetime ECL |
| Write-off | There is no realistic prospect of recovery | Amount is written-off |

34.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

| | NOTE | 2023 RUPEES | 2022 |
|---|------|-------------------|--------------------|
| <i>Financial assets at amortized cost</i> | | | |
| Long term deposits | 15 | 4,535,239 | 4,485,239 |
| Trade receivables | 17 | 97,093 | - |
| Advances to employees | 18 | 1,006,989 | 1,151,296 |
| Bank balances | 19 | 79,557,214 | 130,381,154 |
| | | 85,196,535 | 136,017,689 |

34.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

| | Note | External credit rating | Internal credit grading | 12-month or life-time risk ECL | Gross carrying | Loss Allowance |
|-----------------------|------|------------------------|-------------------------|--------------------------------|-------------------|----------------|
| Rupees | | | | | | |
| Long term deposits | 15 | N/A | Performing | 12-month ECL | 4,535,239 | - |
| Trade receivables | 17 | N/A | Performing | Lifetime ECL | 97,093 | - |
| Advances to employees | 17 | N/A | Performing | 12-month ECL | 1,006,989 | - |
| Bank balances | 19 | A3 - A1+ | N/A | 12-month ECL | 79,557,214 | - |
| | | | | | 85,196,535 | - |

(a) *Long term deposits*

Long term deposits comprise security deposits placed with various utility companies and regulatory authorities. These deposits are substantially perpetual in nature. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) *Trade receivables*

For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on trade receivables by using internal credit risk gradings. As at the reporting date, all trade receivables are considered 'performing', except for which impairment allowance has been made, as there is no significant increase in credit risk in respect of these receivables since initial recognition. There are no such receivables to be reported at the balance sheet date.

(c) *Advances to employees*

Advances to employees have been given against future salaries and post-employment benefits. Accordingly, these are considered to have no credit risk. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(d) *Bank balances*

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

34.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk, except for trade receivables. However, there are no significant customers' accounts as at the reporting date.

34.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets.

34.1.6 Changes in impairment allowance for expected credit losses

The changes in impairment allowance for expected credit losses are as follows:

| | 2023 | 2022 |
|--|---------------|-----------|
| | RUPEES | |
| As at beginning of the year | - | 183,980 |
| Impairment loss on trade receivables arising from contracts with customers | | |
| - recognized during the year | - | - |
| - reversed during the year | - | - |
| Net change in impairment allowance | - | - |
| Written off during the year | - | (183,980) |
| As at end of the year | - | - |

34.2 Liquidity risk

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

34.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company has continued support of its sponsors and other related parties in

34.2.2 Exposure to liquidity risk

The following presents the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The analysis have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate

| | 2023 | | | | |
|-----------------------|------------------------|-------------------------------|-------------------------|---------------------------|------------------------------|
| | Carrying amount | Contractual cash flows | One year or less | One to three years | More than three years |
| | Rupees | | | | |
| Trade creditors | 10,244,813 | 10,244,813 | 10,244,813 | - | - |
| Accrued liabilities | 546,494 | 546,494 | 546,494 | - | - |
| Unclaimed dividend | 337,563 | 337,563 | 337,563 | - | - |
| Short term borrowings | 54,004,233 | 54,004,233 | 54,004,233 | - | - |
| | 65,133,103 | 65,133,103 | 65,133,103 | - | - |
| | 2022 | | | | |
| | Carrying amount | Contractual cash flows | One year or less | One to three years | More than three years |
| | Rupees | | | | |
| Trade creditors | 20,182,981 | 20,182,981 | 20,182,981 | - | - |
| Accrued liabilities | 7,779,429 | 7,779,429 | 7,779,429 | - | - |
| Unclaimed dividend | 337,563 | 337,563 | 337,563 | - | - |
| Short term borrowings | 73,317,989 | 73,317,989 | 73,317,989 | - | - |
| | 101,617,962 | 101,617,962 | 101,617,962 | - | - |

34.3 Market risk

34.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to currency risk.

34.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) *Interest rate risk management*

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

(b) *Interest bearing financial instruments*

The effective interest rates for interest bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest bearing financial instruments as at the reporting date are as follows:

| | 2023 | 2022 |
|-------------------------------|-------------------|-------------|
| | RUPEES | |
| <i>Fixed rate instruments</i> | | |
| Financial assets | 78,764,979 | 129,719,029 |
| Financial liabilities | - | - |

(c) *Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for its fixed rate instruments at fair value

(d) *Cash flow sensitivity analysis for variable rate instruments*

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year and equity as at the reporting date by Rs. nil (2022: nil). A decrease of 100 basis points would have had an equal but opposite effect on profit and equity. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

34.3.3 Other price risk

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

35 CAPITAL MANAGEMENT

The objectives of the Company, while managing capital are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meet stakeholders' expectations. The Company's objective is to ensure its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising option of issuing right shares or, where possible, repurchasing shares, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating dividend payout. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances, including current maturity. Total capital employed includes equity, as shown in the statement of financial position and debt.

| | Unit | 2023 | 2022 |
|--------------|--------|--------------------|--------------------|
| Total debt | Rupees | - | - |
| Total equity | Rupees | 187,247,727 | 201,673,640 |
| | | <u>187,247,727</u> | <u>201,673,640</u> |
| Gearing | % age | <u>0.00%</u> | <u>0.00%</u> |

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any other externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finances.

36 FAIR VALUE MEASUREMENTS

The Company measures its land at fair value. The fair value hierarchy of financial instruments measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

36.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

| | 2023 | 2022 |
|---------------|------------|------------|
| | Rupees | |
| Freehold land | 18,785,000 | 18,785,000 |

37 RESTRICTION ON TITLE AND ASSETS PLEDGED/MORTGAGED AS SECURITY

| | 2023 | 2022 |
|------------------------------------|-------------|-------------|
| | Rupees | |
| Mortgages and charges | | |
| Charge over current assets | 140,000,000 | 140,000,000 |
| Charge over operating fixed assets | 408,000,000 | 408,000,000 |

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

No remuneration paid to any director of the company and there is no executive of the company. The aggregate amount charged to profit or loss is in respect of chief executive of the Company on account of managerial remuneration, allowances and perquisites are as follows:

| | 2023 | 2022 |
|----------------------------|------------------|------------------|
| | Chief Executive | |
| | Rupees | |
| Managerial remuneration | 2,850,000 | 2,850,000 |
| Allowances and perquisites | - | - |
| Post employment benefits | - | - |
| | <u>2,850,000</u> | <u>2,850,000</u> |
| Number of persons | 1 | 1 |

38.1 No meeting fee has been paid to any director to any director of the company during the year.

39 NON-CASH FINANCING ACTIVITIES

Last year the Company entered into agreement to sell its land and building to a third party. By virtue of the agreement to sell, the long term finance obtained from Silk Bank Limited and accrued interest thereon were directly settled by the third party buyer. The details are as follows:

| | 2023 | 2022 |
|------------------------|--------|---------------|
| | Rupees | |
| Consideration for sale | | |
| Land | - | 251,772,400 |
| Building | - | 43,227,600 |
| Settlement of | | |
| Long term finance | - | (103,475,762) |
| Accrued interest | - | (19,124,238) |
| | - | 172,400,000 |

40 SEGMENT INFORMATION

40.1 The Company is a single reportable segment, all non-current assets of the Company are situated in Pakistan and sales of the company have originated from Pakistan.

40.2 Information about major customers

| | 2023 | 2022 |
|-----------------------------------|-------------------|------------|
| | Rupees | |
| Revenue derived from Call Courier | 39,357,592 | 16,335,862 |

41 PLANT CAPACITY AND ACTUAL PRODUCTION

The Company does not own any plant as of the balance sheet date. All production activities are conducted on CMT basis.

42 NUMBER OF EMPLOYEES

| | 2023 | 2022 |
|-----------------------------|-----------|------|
| | Numbers | |
| Total number of employees | 13 | 7 |
| Average number of employees | 11 | 22 |

43 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements.

44 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, subject to the appropriateness of going concern assumption, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

45 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 4 October 2023 by the Board of Directors of the Company.

46 GENERAL

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.


CHIEF FINANCIAL OFFICER

DIRECTOR

CHIEF EXECUTIVE

D S Industries Limited
Categories of Shareholders
As At June 30, 2023

| Categories | Numbers | Shares Held | Percentage |
|---|-------------|-------------------|----------------|
| Associated Companies & Related Parties | | | |
| D.S. Textiles Limited | 1 | 2,100,721 | 2.510 |
| D.S. Apparel (Private) Limited | 1 | 6,000 | 0.007 |
| Ali Pervez Capital (Private) Limited | 1 | 18 | 0.000 |
| Mr. Pervez Ahmed | 1 | 8,789,183 | 10.503 |
| Mrs. Sara Tanwir Ahmed | 1 | 250,000 | 0.299 |
| Chief Executive & Directors | | | |
| Mr. Ali Pervez Ahmed - Chief Executive | 1 | 3,610,667 | 4.315 |
| Mrs. Rehana Pervez Ahmed | 1 | 5,411,025 | 6.466 |
| Mr. Hassan Ibrahim Ahmed | 1 | 29,167 | 0.035 |
| Mr. Suleman Ahmed | 1 | 805,166 | 0.962 |
| Mrs. Rukhsana Khalid | 1 | 10,000 | 0.012 |
| Mr. M. Naeem Ilyas | 1 | 1,000 | 0.001 |
| Mr. Haider Ali | 1 | 1,000 | 0.001 |
| Banks, DFI and NBFIs | 4 | 71,749 | 0.086 |
| Insurance Companies | 1 | 31,985 | 0.038 |
| Mutual Funds | 1 | 339,882 | 0.406 |
| General Public (Local) | 1,628 | 51,844,212 | 61.951 |
| General Public (Foreign) | 73 | 8,853,305 | 10.579 |
| Joint Stock Companies | 14 | 1,446,501 | 1.728 |
| Others | 2 | 84,050 | 0.100 |
| Total | 1735 | 83,685,631 | 100.000 |

Detail of Shareholding of 5% and above.

| | Shares Held | Percentage |
|-------------------------------------|-------------|------------|
| Mr. Pervez Ahmed | 8,789,183 | 10.503 |
| Mrs. Rehana Pervez Ahmed - Director | 5,411,025 | 6.466 |
| Mr. Asif Aibani | 5,766,000 | 6.890 |
| Shiekh Aqeel Nisar | 7,009,000 | 8.375 |

**D S Industries Limited
Pattern of Shareholding
As At June 30, 2023**

| Number of Shareholders | Shareholding | | Total Number of Shares Held | %age |
|------------------------|--------------|-----------|-----------------------------|-------|
| | From | To | | |
| 185 | 1 | 100 | 6,435 | 0.008 |
| 216 | 101 | 500 | 97,540 | 0.117 |
| 257 | 501 | 1,000 | 250,985 | 0.300 |
| 467 | 1,001 | 5,000 | 1,394,449 | 1.666 |
| 168 | 5,001 | 10,000 | 1,366,111 | 1.632 |
| 81 | 10,001 | 15,000 | 1,075,460 | 1.285 |
| 54 | 15,001 | 20,000 | 984,704 | 1.177 |
| 42 | 20,001 | 25,000 | 992,166 | 1.186 |
| 29 | 25,001 | 30,000 | 843,500 | 1.008 |
| 11 | 30,001 | 35,000 | 368,485 | 0.440 |
| 20 | 35,001 | 40,000 | 769,500 | 0.920 |
| 13 | 40,001 | 45,000 | 562,000 | 0.672 |
| 22 | 45,001 | 50,000 | 1,085,718 | 1.297 |
| 9 | 50,001 | 55,000 | 474,000 | 0.566 |
| 8 | 55,001 | 60,000 | 471,500 | 0.563 |
| 7 | 60,001 | 65,000 | 440,500 | 0.526 |
| 5 | 65,001 | 70,000 | 344,000 | 0.411 |
| 7 | 70,001 | 75,000 | 512,500 | 0.612 |
| 3 | 75,001 | 80,000 | 233,000 | 0.278 |
| 5 | 80,001 | 85,000 | 413,701 | 0.494 |
| 3 | 85,001 | 90,000 | 267,000 | 0.319 |
| 5 | 90,001 | 95,000 | 465,000 | 0.556 |
| 12 | 95,001 | 100,000 | 1,200,000 | 1.434 |
| 6 | 100,001 | 105,000 | 619,500 | 0.740 |
| 6 | 105,001 | 110,000 | 647,000 | 0.773 |
| 4 | 110,001 | 115,000 | 447,000 | 0.534 |
| 2 | 115,001 | 120,000 | 236,500 | 0.283 |
| 3 | 120,001 | 125,000 | 366,000 | 0.437 |
| 5 | 125,001 | 130,000 | 644,525 | 0.770 |
| 2 | 130,001 | 135,000 | 264,850 | 0.316 |
| 1 | 135,001 | 140,000 | 140,000 | 0.167 |
| 2 | 140,001 | 145,000 | 286,000 | 0.342 |
| 1 | 145,001 | 150,000 | 150,000 | 0.179 |
| 1 | 150,001 | 155,000 | 152,000 | 0.182 |
| 3 | 155,001 | 160,000 | 474,500 | 0.567 |
| 1 | 160,001 | 165,000 | 165,000 | 0.197 |
| 1 | 165,001 | 170,000 | 168,000 | 0.201 |
| 1 | 180,001 | 185,000 | 185,000 | 0.221 |
| 3 | 185,001 | 190,000 | 561,500 | 0.671 |
| 2 | 195,001 | 200,000 | 400,000 | 0.478 |
| 1 | 200,001 | 205,000 | 202,000 | 0.241 |
| 2 | 210,001 | 215,000 | 422,500 | 0.505 |
| 2 | 220,001 | 225,000 | 444,500 | 0.531 |
| 1 | 225,001 | 230,000 | 230,000 | 0.275 |
| 1 | 230,001 | 235,000 | 230,500 | 0.275 |
| 1 | 235,001 | 240,000 | 239,000 | 0.286 |
| 1 | 240,001 | 245,000 | 243,000 | 0.290 |
| 2 | 245,001 | 250,000 | 498,000 | 0.595 |
| 1 | 250,001 | 255,000 | 253,000 | 0.302 |
| 3 | 255,001 | 260,000 | 774,988 | 0.926 |
| 1 | 270,001 | 275,000 | 273,000 | 0.326 |
| 1 | 275,001 | 280,000 | 279,000 | 0.333 |
| 1 | 280,001 | 285,000 | 283,500 | 0.339 |
| 1 | 295,001 | 300,000 | 300,000 | 0.358 |
| 3 | 315,001 | 320,000 | 959,500 | 1.147 |
| 1 | 325,001 | 330,000 | 330,000 | 0.394 |
| 1 | 330,001 | 335,000 | 335,000 | 0.400 |
| 1 | 335,001 | 340,000 | 339,882 | 0.406 |
| 1 | 340,001 | 345,000 | 344,500 | 0.412 |
| 1 | 380,001 | 385,000 | 381,500 | 0.456 |
| 1 | 385,001 | 390,000 | 386,500 | 0.462 |
| 2 | 395,001 | 400,000 | 800,000 | 0.956 |
| 1 | 410,001 | 415,000 | 413,000 | 0.494 |
| 1 | 440,001 | 445,000 | 444,000 | 0.531 |
| 1 | 445,001 | 450,000 | 449,000 | 0.537 |
| 1 | 590,001 | 595,000 | 590,500 | 0.706 |
| 1 | 645,001 | 650,000 | 650,000 | 0.777 |
| 1 | 655,001 | 660,000 | 658,000 | 0.786 |
| 1 | 690,001 | 695,000 | 690,736 | 0.825 |
| 3 | 705,001 | 710,000 | 2,120,300 | 2.534 |
| 1 | 720,001 | 725,000 | 721,500 | 0.862 |
| 1 | 735,001 | 740,000 | 736,500 | 0.880 |
| 2 | 740,001 | 745,000 | 1,484,000 | 1.773 |
| 1 | 785,001 | 790,000 | 787,000 | 0.940 |
| 1 | 850,001 | 855,000 | 850,500 | 1.016 |
| 1 | 865,001 | 870,000 | 868,000 | 1.037 |
| 1 | 910,001 | 915,000 | 912,000 | 1.090 |
| 1 | 920,001 | 925,000 | 924,500 | 1.105 |
| 1 | 945,001 | 950,000 | 950,000 | 1.135 |
| 1 | 1,085,001 | 1,090,000 | 1,086,500 | 1.298 |
| 1 | 1,170,001 | 1,175,000 | 1,171,500 | 1.400 |
| 1 | 1,220,001 | 1,225,000 | 1,220,500 | 1.458 |
| 1 | 1,570,001 | 1,575,000 | 1,572,000 | 1.878 |
| 1 | 1,795,001 | 1,800,000 | 1,800,000 | 2.151 |
| 1 | 2,030,001 | 2,035,000 | 2,034,721 | 2.431 |
| 1 | 3,610,001 | 3,615,000 | 3,610,667 | 4.315 |
| 1 | 3,995,001 | 4,000,000 | 4,000,000 | 4.780 |
| 1 | 4,815,001 | 4,820,000 | 4,816,000 | 5.755 |
| 1 | 4,820,001 | 4,825,000 | 4,820,525 | 5.760 |
| 1 | 6,095,001 | 6,100,000 | 6,097,000 | 7.286 |
| 1 | 8,130,001 | 8,135,000 | 8,131,183 | 9.716 |

1735

83,685,631

100.000

مجلسِ نطماء کی رپورٹ

ڈی ایس انڈسٹریز لمیٹڈ کی مجلسِ نطماء 30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے کمپنی کی تینتا لیسویں سالانہ رپورٹ بشمول کمپنی کے نظر ثانی شدہ حسابات معائنہ پر ڈائریکٹرز اور

آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

کمپنی کے مالیاتی نتائج

زیر جائزہ سال کے دوران، فروخت گزشتہ سال کی اسی مدت کی 15.94 ملین روپے سے بڑھ کر 37.18 ملین روپے ہو گئی اور اس سال کے دوران قبل از ٹیکس منافع 3.78 ملین روپے درج کر لیا جبکہ گزشتہ سال کی اسی مدت کے دوران 31.64 ملین روپے کا نقصان ہوا تھا۔ تاہم کمپنی کے مالی نتائج 17.20 ملین روپے کے مؤثر ٹیکس اثاثہ کی ریورسل فراہمی کے بعد 14.43 ملین روپے کے خالص نقصان پر منتج ہوئے۔

آڈیٹرز نے مؤثر ٹیکس اثاثوں کی شناخت کے حوالے سے اپنی رپورٹ کو اہل قرار دیا ہے۔ کمپنی نے مؤثر ٹیکس اثاثہ کو، بجا طور پر تسلیم کیا کیونکہ اسے مستقبل میں منافع کی توقع ہے۔

مستقبل کا نقطہ نظر

مہنگائی میں مسلسل اضافہ، اسٹیٹ بینک پاکستان کے ڈسکاؤنٹ ریٹ اور جاری سیاسی بد امنی سمیت عوامل کی وجہ سے سال بھر ملک کی معاشی صورتحال بنیادی طور پر غیر مستحکم رہی۔ ملک کی معاشی بد حالی کا ایک اہم سبب ملک میں غیر ملکی کرنسیوں کے مقابلے پاکستانی روپے کی قدر میں مسلسل کمی بھی تھی۔ 2024 میں بھی یہی مشکلات درپیش رہنے کی توقع ہے۔ معاشی بے یقینی کی موجودہ صورتحال ملک کی معاشی ترقی کی راہ میں رکاوٹ بنتی رہے گی۔

منافع منقسمہ

موجودہ سال میں منفی نتائج اور دستیاب مجموعی نقصانات کے مد نظر، آپ کی کمپنی کے ڈائریکٹرز نے سال کے لئے کسی منافع منقسمہ کی تجویز نہیں دی ہے۔

کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں 23 اکتوبر 2023ء تا 27 اکتوبر 2023ء (بشمول دونوں ایام) بند رہیں گی اور اس دوران رجسٹریشن کے لئے حصص کی کوئی منتقلی قابل قبول نہیں ہوگی۔ 20 اکتوبر 2023ء کو کاروبار کے اختتام تک ہمارے شیئرز رجسٹرار، مینسٹرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، C-32، جامی کمرشل، سٹریٹ 2، ڈی ایچ اے فیئر VII، کراچی کو موصول ہونے والی منتقلیاں اجلاس میں شرکت اور حق رائے دہی کے لئے قابل قبول ہوگی۔

نمونہ حصص داری

30 جون 2023ء کے مطابق نمونہ حصص داری کا بیان مع کمپنی کے حصص یافتگان کی کیلنگرز یا اس رپورٹ کے ہمراہ منسلک ہیں۔

کمپنی کے حصص کی تجارت

30 جون 2023ء کو ختم ہونے والے سال کے دوران ڈی ایس انڈسٹریز لمیٹڈ کے اسٹاک میں درج ذیل ڈائریکٹرز نے تجارت کی اور اسٹاک آپکچج کو مطلع کیا گیا:

| نام ڈائریکٹرز اور ان کے شریک حیات | ٹرانزیکشن کی قسم | حصص کی تعداد |
|---|------------------|--------------|
| محترمہ سارہ تنویر احمد زوجہ جناب حسن ابراہیم احمد | فروخت | 2,475,000 |

آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھ سالوں کے لئے آپریٹنگ اور مالیاتی اعداد و شمار مع کلیدی تناسب منسلک ہیں۔

بورڈ کے منعقدہ اجلاسوں کی تعداد

30 جون 2023ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

| تعداد حاضری | عہدہ | نام |
|-------------|--------------|--------------------------|
| 6 | چیف ایگزیکٹو | جناب علی پرویز احمد |
| 5 | ڈائریکٹر | محترمہ ریحانہ پرویز احمد |
| 6 | ڈائریکٹر | جناب حسن ابراہیم احمد |
| 6 | ڈائریکٹر | جناب سلیمان احمد |
| 5 | ڈائریکٹر | جناب نعیم الیاس |
| 6 | ڈائریکٹر | جناب حیدر علی |
| 6 | ڈائریکٹر | محترمہ رخسانہ خالد |

اخلاقیات اور کاروباری طریقوں کا بیان

بورڈ نے کمپنی کے ساتھ منسلک یا کاروبار کرنے والے ہر ایک شخص سے متعلقہ ضابطہء اخلاق کے معیارات کو پیشگی سمجھنے کے اعتراف کے طور پر کمپنی کے ہر ایک ڈائریکٹر اور ملازم کی طرف سے دستخط

شدہ اخلاقیات اور کاروباری طریقوں کا بیان تیار اور جاری کیا ہے۔

آڈیٹرز

آڈیٹرز میسرز رضوان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور اہل ہونے کی بنا پر خود کو دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2024ء کو

ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز میسرز رضوان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو دوبارہ مقرر کرنے کی سفارش کی ہے۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل میں آڈٹ کمیٹی تشکیل دی گئی ہے اور مندرجہ ذیل اراکین پر مشتمل ہے:

| عہدہ | نام |
|---------|--------------------|
| چیئرمین | جناب نعیم الیاس |
| رکن | جناب حیدر علی |
| رکن | محترمہ رخسانہ خالد |

سہ ماہی اور سالانہ حسابات کے جائزہ اور دیگر متعلقہ معاملات کے لئے کارپوریٹ گورننس کے ضابطہء اخلاق کے تحت درکار 30 جون 2023ء کو ختم ہونے والے سال کے دوران آڈٹ کمیٹی کے

اجلاس منعقد ہوئے۔ اجلاس میں چیف فنانشل آفیسر، داخلی آڈٹ کے سربراہ اور جب ضرورت پیش آئی بیرونی آڈیٹرز نے بھی شرکت کی۔

کارپوریٹ گورننس کا ضابطہ اخلاق

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں بیان

بورڈ آف ڈائریکٹرز اور کمپنی کارپوریٹ گورننس کے اچھے طریقوں کے اصولوں پر کاربند ہیں۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے آگاہ ہیں اور مالی اور غیر مالی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے لئے کمپنی کی کارکردگی کی نگرانی کرتے ہیں۔ بورڈ بخوشی تصدیق کرتے ہیں کہ کمپنی نے ہر مادی معاملات میں، لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں شامل بہترین طریقوں جن کی تعمیل کے ساتھ منسلک بیان میں مکمل طور پر وضاحت کی گئی ہے کے مطابق تعمیل کی ہے اور بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔ مزید درج ذیل بیان کرتے ہیں کہ:

- 1- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- 2- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف کیا گیا ہے۔
- 5- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- 6- سال کے دوران کمپنی نے 14.43 ملین روپے کا نقصان درج کیا اور بیلنس شیٹ کی تاریخ تک 584.05 ملین روپے کا مجموعی نقصان اٹھایا ہے۔ کمپنی کے ٹرن اور میں پچھلے سال سے معمولی اضافہ ہوا ہے۔ یہ عناصر کمپنی کے رواں دواں رہنے کی اہلیت کے بارے میں شق پیدا کر سکتے ہیں۔ تاہم، انتظامیہ کمپنی کی مدد کے لئے مسلسل کوششیں کر رہی ہے۔
- 7- فہرستی ضابطوں میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی خاطر خواہ شق سے مادی انحراف نہیں ہو رہا ہے۔
- 8- گزشتہ چھ سالوں کی مالیاتی جھلکیاں منسلک ہیں۔

اظہارِ تشکر

مجلسِ نظاماء بھرپور حمایت، مدد اور رہنمائی کے لئے اپنے قابل قدر حصص یافتگان، بینکوں، سیکورٹیز اینڈ ایکسچینج کمیشن اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کی شکرگزار ہے۔ بورڈ کمپنی کے عملے اور

حسن ابراہیم احمد

ڈائریکٹر

ڈائریکٹر

علی پرویز احمد

ڈائریکٹر

چیف ایگزیکٹو

منجانب بورڈ

تاریخ: 4 اکتوبر 2022ء

۷۔ شیئر ہولڈرز سے یہ بھی درخواست کی جاتی ہے کہ وہ اپنے رابطہ کی تفصیلات میں کسی بھی تبدیلی کی اطلاع فوری طور پر شیئر رجسٹرار، میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر 32-سی، جامی کمرشل، اسٹریٹ نمبر 2، ڈی ایچ اے فیڑ VII، کراچی کو دیں۔

ڈی ایس انڈسٹریز لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ مذکورہ اطلاع کیا جاتا ہے کہ ڈی ایس انڈسٹریز لمیٹڈ کا تینتا لیسواں سالانہ اجلاس عام بروز جمعہ، 27 اکتوبر 2023ء سہ پہر 03:30 بجے کمپنی کے رجسٹرڈ دفتر 20-K، گلبرگ II، لاہور پر درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

- 1-30 جون 2023ء کو ختم ہونے والے سال کے لئے کمپنی کے نظر ثانی شدہ حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
- 2-30 جون 2024ء کو ختم ہونے والے سال کے لئے کمپنی کے قانونی آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ موجودہ آڈیٹرز میسرز رضوان اینڈ کمپنی۔ چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔

لاہور

04 اکتوبر 2023ء

بحکم بورڈ

سلمان فاروق

کمپنی سیکرٹری

نوٹ:-

- 1- کمپنی کی حصص منتقلی کتابیں 23 اکتوبر 2023ء تا 27 اکتوبر 2023ء (بشمول ہر دو ایام) سالانہ اجلاس عام میں شرکت کے حقوق کے تعین کے لئے بند رہیں گی۔
- 2- اجلاس ہذا میں شرکت اور ووٹ دینے کا کمپنی کا اہل ممبر کسی دیگر ممبر کو اپنی بجائے شرکت اور ووٹ دینے کیلئے اپنا/اپنی پر کسی مقرر کرنے کا مستحق ہوگا/ہوگی۔
- 3- پراکسیز کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً جمع کرائی جانی چاہئیں۔
- 4- لاہور کے علاوہ کسی اور شہر میں رہائش پذیر 10% یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبر سالانہ جنرل اجلاس میں شرکت کے لیے ویڈیولنک کی سہولت کا مطالبہ کر سکتے ہیں۔

FORM OF PROXY Annual General Meeting

**The Company Secretary
D S Industries Limited
20-K, Gulberg II,
Lahore.**

Dear Sir,

I/We ----- of (full address) ----- being a member(s) of D S Industries Limited holding ----- Ordinary Shares as per Registered Folio No. / CDC A/c No ----- hereby appoint Mr./ Mrs./ Miss ----- of (full address) ----- or failing him / her Mr./ Mrs./ Miss ----- of (full address) ----- being member of the Company as my/our Proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 27, 2023

Signed this ----- day of ----- 2023

Witnesses:

Signature _____
Name _____
Address _____
CNIC No _____

| |
|-------------------------------------|
| Fifty Rupees Revenue Stamp |
|-------------------------------------|

Signature should be agreed with the
Specimen Signatures with the
Company

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her.
 2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation or company under the common seal of such corporation or company.
 3. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- The Proxy Form, duly completed, must be deposited with the Company Secretary of D S Industries Limited, 20 – K Gulberg II Lahore not less than 48 hours before the time for holding the meeting.

Registered Office: | 20-K Gulberg II, Lahore.

| Ph: (042) 3575 9621, 3575 9464, 3571 4810

| Fax: (042) 3571 0312