

**AGRO FOOD PROCESSING (AFP)  
FACILITIES MULTAN  
AUDITED FINANCIAL  
STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2025**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINION**

We have audited the financial statements of **AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**(the Company), which comprise the statement of financial position as at 30 June 2025, and income and expenditure statement, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, income and expenditure statement, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025, and of the loss and comprehensive deficit, the changes in equity and its cash flows for the year then ended.

**BASIS FOR OPINION**

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

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

Management is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and 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 the Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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


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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

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


The engagement partner on the audit resulting in this independent auditor's report is **Shahid Farid, FCA**.

  
MUNIFF ZIAUDDIN & CO  
Chartered Accountants  
Place: Islamabad  
UDIN: AR202510241OkIWcJKzZ  
Date: 25 February, 2026

**AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

	Note	2025 Rupees	2024 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	293,090,859	287,976,187
Long term deposits	6	9,692,000	9,692,000
		302,782,859	297,668,187
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	7	18,228,651	16,601,155
Trade debts	8	29,402,177	39,404,068
Short term investments	9	61,900,000	67,979,120
Loan and advances	10	5,105,788	4,721,493
Deposits and other receivables	11	11,349,748	12,821,488
Tax refunds due from the Government	12	9,817,445	9,357,073
Cash and bank balances	13	13,011,173	27,616,744
		148,814,982	178,501,141
		<b>451,597,841</b>	<b>476,169,328</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
32,100,000 (2024:32,100,000) ordinary shares of Rs. 10 each		<b>321,000,000</b>	<b>321,000,000</b>
Issued, subscribed and paid-up share capital	14	100,050	100,050
Contribution by the sponsors	15	400,000	400,000
<b>CAPITAL RESERVE</b>			
Surplus on revaluation of property, plant and equipment	16	131,126,550	135,772,056
<b>REVENUE RESERVE</b>			
General reserve	17	13,676,411	12,262,184
Accumulated fund		220,960,806	221,555,687
		366,263,817	370,089,977
<b>NON-CURRENT LIABILITIES</b>			
Deferred Government grant	18	71,410,453	76,579,386
Staff retirement benefit - gratuity	19	4,924,540	4,233,395
		76,334,993	80,812,781
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	20	8,999,031	25,266,570
<b>CONTINGENCIES AND COMMITMENTS</b>			
	21	-	-
		<b>451,597,841</b>	<b>476,169,328</b>

Annexed notes form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**MANAGER FINANCE**

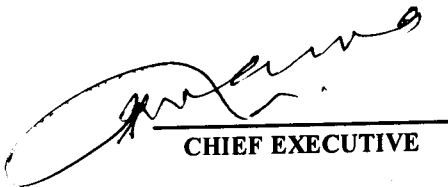
  
**DIRECTOR**

**AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN  
INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Rupees	2024 Rupees
Revenue	22	93,453,422	84,824,932
Program delivery cost	23	(105,062,345)	(86,824,405)
<b>Gross loss</b>		<u>(11,608,923)</u>	<u>(1,999,473)</u>
Administrative and general expenses	24	(13,398,526)	(13,788,802)
Other income	25	19,287,619	17,805,283
<b>(Deficit) / surplus before taxation</b>		<u>(5,719,830)</u>	<u>2,017,008</u>
Taxation	26	-	-
<b>(Deficit) / surplus for the year</b>		<u>(5,719,830)</u>	<u>2,017,008</u>
<b>(Loss) / earning per share (basic and diluted)</b>	27	<u>(571.70)</u>	<u>201.60</u>

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Annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE

  
MANAGER FINANCE


  
DIRECTOR

**AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Rupees	2024 Rupees
<b>(Deficit) / surplus for the year</b>		(5,719,830)	2,017,008
<b>Other comprehensive income for the year</b>			
Items that will not be reclassified to statement of income and expenditure			
Remeasurement of defined benefit obligation	19.2	1,893,670	1,238,787
<b>Total comprehensive (deficit) / surplus for the year</b>		<u>(3,826,160)</u>	<u>3,255,795</u>

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Annexed notes form an integral part of these financial statements.

  
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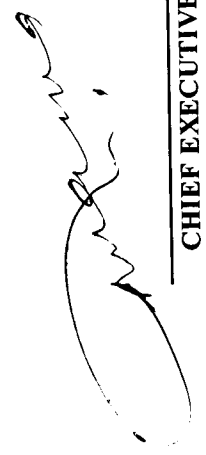
  
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 DIRECTOR

**AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2025**

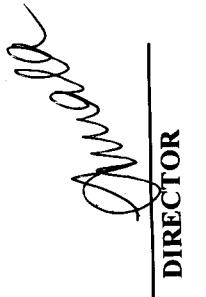
	Share Capital	Contribution by sponsors	Capital Reserve		Revenue Reserves		Total
			Surplus on revaluation of property, plant and equipment	General Reserve	Accumulated Fund		
<b>Balance as at 01 July 2023</b>	100,050	400,000	141,052,227	10,987,971	214,293,934	366,834,182	
Total comprehensive income for the year							
Surplus for the year	-	-	-	-	2,017,008	2,017,008	
Other comprehensive income	-	-	-	-	1,238,787	1,238,787	
Transfer to general reserve from accumulated fund	-	-	-	1,274,213	(1,274,213)	-	
Transfer to accumulated fund on account of incremental depreciation	-	-	(5,280,171)	-	5,280,171	-	
<b>Balance as at 30 June 2024</b>	<b>100,050</b>	<b>400,000</b>	<b>135,772,056</b>	<b>12,262,184</b>	<b>221,555,687</b>	<b>370,089,977</b>	
Total comprehensive loss for the year							
Deficit for the year	-	-	-	-	(5,719,830)	(5,719,830)	
Other comprehensive income	-	-	-	-	1,893,670	1,893,670	
Transfer to general reserve from accumulated fund	-	-	-	1,414,227	(3,826,160)	(3,826,160)	
Transfer to accumulated fund on account of incremental depreciation	-	-	(4,645,506)	-	(1,414,227)	-	
<b>Balance as at 30 June 2025</b>	<b>100,050</b>	<b>400,000</b>	<b>131,126,550</b>	<b>13,676,411</b>	<b>220,960,806</b>	<b>366,263,817</b>	

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**CHIEF EXECUTIVE**

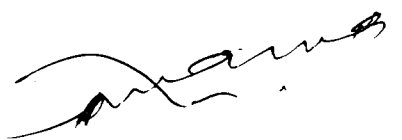
  
**MANAGER FINANCE**

  
**DIRECTOR**

**AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 (Rupees)	2024 (Rupees)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(Deficit) / surplus before taxation</b>		(5,719,830)	2,017,008
Amortization of Government grant	18	(5,168,933)	(5,744,477)
Profit on bank deposits and investments		(10,487,724)	(15,602,834)
Depreciation	5	19,108,015	20,079,258
Impairment loss on capital work-in-progress machinery		7,150,953	-
Provision for gratuity	19.5	2,584,815	2,699,329
Sales tax adjusted		-	3,705,039
<b>Operating cashflows before changes in working capital</b>		<b>7,467,296</b>	<b>7,153,323</b>
<b>Changes in working capital</b>			
Decrease / (increase) in trade and other receivables	8	10,001,891	(17,325,112)
(Increase) in store, spares & loose tools	7	(1,627,496)	(4,477,811)
(Increase) in loan and advances	10	(384,295)	(1,567,287)
(Decrease) / increase in creditors, accrued and other liabilities	20	(16,267,539)	812,262
<b>Cash used in operations</b>		<b>(810,143)</b>	<b>(15,404,625)</b>
Staff post-retirement benefits paid	19	-	(385,284)
Income tax paid		(460,372)	(621,438)
<b>Cash used in operating activities</b>		<b>(1,270,515)</b>	<b>(16,411,347)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment against acquisition of property, plant and equipment	5	(31,373,640)	(1,871,350)
Receipt of profit on bank deposits and investments		11,959,464	16,046,539
Receipt against short term investment	9	6,079,120	25,020,880
<b>Cash (used in) / generated from investing activities</b>		<b>(13,335,056)</b>	<b>39,196,069</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>(Decrease) / increase in cash and cash equivalents</b>		<b>(14,605,571)</b>	<b>22,784,722</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>27,616,744</b>	<b>4,832,022</b>
<b>Cash and cash equivalents at the end of the year</b>	13	<b>13,011,173</b>	<b>27,616,744</b>

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**CHIEF EXECUTIVE**

  
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**MANAGER FINANCE**

  
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**DIRECTOR**

**AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

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**1. CORPORATE AND GENERAL INFORMATION**

**1.1. LEGAL STATUS AND OPERATIONS**

**Agro Food Processing (AFP) Facilities Multan** (the Company) was set up under section 42 of the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The Company was registered as a Company limited by guarantee as on July 09, 2012. The main objectives of the Company are to provide consultancy services, support and exposure to growers about latest fruit and vegetables processing techniques, provide pulp extraction facilities at lower cost and help the growers to go for value addition and minimize the post-harvest losses. The registered office and processing facilities of the Company are situated at Plot no. 30-33, Phase II, Industrial Estate, Multan.

Prior to incorporation of AFP as a limited liability Company, it was operating as a PSDP and ADP Funded Project (the Project) jointly executed and managed by Small and Medium Enterprises Development Authority (SMEDA) and Punjab Small Industries Corporation (PSIC). The Project commenced operations in 2009 after its inauguration by the Prime Minister of Pakistan on 25th August, 2009. Subsequently AFP Project was incorporated with SECP on 9th July, 2012 as a Public Company Limited by Guarantee. At the time of its incorporation as a Company under section 42 of the repealed Ordinance, all assets (including the land and building) and liabilities of the Project as per its Audited Financial Statements for the year ended June 30, 2012 were handed over to the newly formed Company.

**2. BASIS OF PREPARATION**

**2.1. STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Accounting Standards for Not-for-profit Organization (NPOs) as issued by Institute of Chartered Accountants of Pakistan,
- Provisions of and the directives issued under the Companies Act, 2017 and State Owned Enterprise (Governance and Operations) Act, 2023.

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

**2.2. BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention without taking into account the effects of inflation or carrying values, except otherwise stated in the forthcoming policies and notes.

**2.3. FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

**2.4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

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The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgements are:

- Estimated useful life of property, plant and equipment [note 4.1];
- Provision for slow moving stores and spares and net realizable value [note 4.3]
- Impairment of non-financial assets [note 4.2]
- Expected credit loss allowance [note 4.4]
- Estimation of current and deferred tax [note 4.7, note 26]
- Provisions and contingencies [note 4.12 & 4.14]

## 2.5. MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. 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.

## 3. CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS

### 3.1. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED STANDARDS THAT MAY BE RELEVANT TO THE COMPANY AND ADOPTED IN THE CURRENT YEAR

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

### 3.2. STANDARD, AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS AND INTERPRETATIONS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY

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

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Standards	Standards, Interpretations and Amendments	Effective from accounting period beginning on or after:
IAS 21	The effect of change in foreign exchange rate (Amendments)	January 1, 2025
IFRS 7	Financial instruments disclosure (Amendments)	January 1, 2026
IFRS 9	Financial instruments: classification and measurements	January 1, 2026
IFRS 17	Insurance contracts	July 1, 2025
IFRS 18	Presentation and disclosures	January 1, 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

Further, the following new standards have been issued by IASB and ISSB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS S1 – General requirements for disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related disclosures

The management expects that the adoption of above standards and amendment will not have any material impact on the Company's financial statements except for presentation and disclosures.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies used in the preparation of these financial statements have been consistently applied by the Company for all periods presented in these financial statements. These accounting policies are set out below.

##### 4.1. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except capital work-in-progress (CWIP) and are stated at revalued amount being the fair value at the date of revaluation, less accumulated depreciation and any identified impairment in value. Land is stated at revalued amount being the fair value at the date of revaluation, less any subsequent impairment losses.

Any revaluation increase arising on the revaluation of such assets is credited to 'Surplus on revaluation of property, plant and equipment', while decrease in the carrying amount arising on revaluation is charged to income and expenditure to the extent that it exceeds the balance, if any, held in the surplus on revaluation account relating to a previous revaluation of that asset.

Depreciation on all items of property, plant and equipment, except land and CWIP is charged to income by applying reducing balance method so as to write-off the depreciable amounts over estimated remaining useful life of the assets. The useful life and depreciation method are consistent with the expected pattern to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of operating property, plant and equipment. Rates of depreciation are stated in note 5.1 to these financial statements.

Depreciation is charged on additions from the date on which an asset is available for use or capitalized and no depreciation is charged after the date in which asset is disposed off. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

The assets' residual value and useful lives are reviewed at each financial year end and adjusted if expectations differ significantly from previous estimates and impact on depreciation is significant.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

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

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An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Capital work-in-progress is stated at cost accumulated impairment loss to the financial position date. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to relevant categories of property, plant and equipment as and when these assets are available for use.

#### 4.2. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each financial position date whether there is any indication that an asset may be impaired. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether these are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of income and expenditure.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of carrying amount that would have been determined had no impairment loss been recognized for that asset. Reversal of impairment loss is recognized as income.

#### 4.3. STORES, SPARES AND LOOSE TOOLS

These are valued at the lower of cost and net realizable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost plus directly attributable expenses incidental thereto accumulated up to the date of statement of financial position. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for identified obsolete and slow moving items based on their condition at the reporting date depending upon the management's judgement.

Net realizable value specifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessarily to be incurred to make the sale.

#### 4.4. TRADE DEBTS AND OTHER RECEIVABLES

Trade debts are initially recognized at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less loss allowance, if any. The Company always measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Trade debts and other receivables considered irrecoverable are written off.

#### 4.5. DEPOSITS AND OTHER RECEIVABLE

Deposits and prepayments are included in current assets, except for maturities greater than twelve months after the financial position date, which are classified as non-current assets and are stated at amortized cost. These are carried at cost less any estimate made for doubtful receivables based on review of outstanding balances and management estimates. Deposits considered bad and doubtful are charged to the statement of income and expenditure.

#### 4.6. SHORT TERM INVESTMENT

Short-term investments represent investments that are expected to be realised, sold, or otherwise converted into cash within twelve months of the reporting date. These are initially recognised at fair value plus transaction costs, where applicable.

Subsequently, short-term investments are measured as follows:

- **At amortised cost:** if the investment is held within a business model whose objective is to hold financial assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

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- **At fair value through other comprehensive income (FVOCI)**, if the investment is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.
- **At fair value through profit or loss (FVTPL)**, if the investment does not meet the criteria for amortised cost or FVOCI.
  - Gains and losses arising from changes in fair value are recognised in profit or loss or other comprehensive income in accordance with the classification of the investment.
  - An investment is derecognised when the contractual rights to receive the cash flows from the asset expire or the asset is transferred and substantially all the risks and rewards of ownership have been transferred.

All the investments of AFP shall be made in line with the provisions of Companies Act, 2017 and Rules made thereof by the SECP. All the investments will be subject to prior approval of the Board through resolution company shall not make any investment in any of its associated companies or associated undertakings except as provided in Section 199 of the Companies Act, All investments made by the Company on its own behalf shall be made and held by it.

#### 4.7. TAXATION

##### Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### Deferred tax

Deferred tax is accounted for using the statement of financial position approach in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation of the taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference, unused tax losses and tax credits can be utilized.

##### LEVY

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

#### 4.8. EMPLOYEES' RETIREMENT BENEFITS

##### DEFINED BENEFIT PLANS

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. Defined benefit plans define an amount of gratuity that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. The liability recognized in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The Company has established separate funded gratuity schemes for its staff who completes qualifying period of service. Contributions under the schemes are made on the basis of actuarial valuation using Projected Unit Credit Method, related details of which are given in Note 19 to the financial statements.

The amount arising as a result of remeasurements are recognized in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost are recognized immediately in statement of income and expenditure.

#### 4.9. CREDITORS, ACCRUED AND OTHER LIABILITIES

Liabilities for creditors and other amounts payable are initially recognized at fair value of consideration to be paid in future for the goods and services received, whether or not billed to the Company, which is normally the transaction cost.

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### **Return on Bank deposits**

Return on bank deposits / interest income is recognized using applicable effective interest rate method. Income is accrued as and when the right to receive the income establishes.

## **4.16. FINANCIAL INSTRUMENTS**

### **4.16.1. Initial Recognition**

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

### **4.16.2. Classification of financial assets**

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income (FVTOCI), or
- at amortized cost.

The Company determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. By default, all other financial assets are subsequently measured at FVTPL.

### **4.16.3. Classification of financial liabilities**

The Company classifies its financial liabilities at amortised cost.

### **4.16.4. Subsequent measurement**

#### **i) Financial assets at FVTOCI**

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

#### **ii) Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial liabilities and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

#### **iii) Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the unconsolidated statement of profit or loss in the period in which they arise.

Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

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#### 4.16.5. Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs. Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive). The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

#### 4.16.6. Derecognition

##### i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable, is recognized in the unconsolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the unconsolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the unconsolidated statement of profit or loss, but is transferred to retained earnings.

##### ii) Financial liabilities

The Company derecognizes its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the unconsolidated statement of profit or loss.

#### 4.16.7. Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in these unconsolidated statement of financial position if the Company has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 4.17. SHARE CAPITAL AND FUND BALANCE

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits, if any.

Accumulated fund balances include all current and prior period accumulated surplus/(deficit).

#### 4.18. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the surplus or deficit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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#### 4.10. GOVERNMENT GRANTS

Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Fair value signifies the amount received in cash.

Government grants, where there is primary condition to purchase, construct or otherwise acquire long-term assets, are accounted for as "deferred income" in statement of financial position and credited to the statement of income and expenditure on a systematic basis over the expected useful lives of the related long-term assets.

All other grants are recognized in the statement of income and expenditure in the year of receipt.

#### 4.11. RELATED PARTY TRANSACTIONS

Transactions and contracts with related parties are carried out at arm's length prices determined in accordance with comparable uncontrolled price method as approved by the Board of directors, except in rarely extreme circumstances, subject to the approval of the Board, where it is in the interests of the Company to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

#### 4.12. PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

If it is no longer probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation, the provisions are reversed. However, the provisions are adjusted at each financial position date to reflect the current best estimate.

#### 4.13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise; cash in hand and balances with banks in current and deposit accounts. These also include highly liquid short-term investments that are readily convertible to known amounts of cash and are subject to insignificant change in value.

#### 4.14. CONTINGENCIES AND COMMITMENTS

These are not accounted for in the financial statements unless these are actual liabilities and are only disclosed when:

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

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

#### 4.15. REVENUE RECOGNITION

The Company sold its products in separately identifiable contracts. The contracts entered into with the customers generally includes one performance obligation i.e. the provision of goods to the customer.

Revenue from sale of goods is recognized when the Company satisfies a performance obligation under a contract by transferring promised goods to the customer. Goods are considered to be transferred at the point in time when the customer obtains control over the goods (i.e. on dispatch of goods from the plant to the customer)

##### Rendering of Services

Revenue from contracts for provision of the services is recognized at the point in time when the services are rendered.

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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 statement of income and expenditure attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

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**AGRO FOOD PROCESSING (AFP) FACILITIES MULTAN**  
**NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Rupees	2024 Rupees
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	291,690,859	279,425,234
Capital work-in-progress	5.7	1,400,000	8,550,953
		<b>293,090,859</b>	<b>287,976,187</b>

**5.1 OPERATING FIXED ASSET**

		Freehold land	Building	Plant and machinery	Electric installation	Gas Installations	Office equipment	Furniture and fittings	Computers and accessories	Vehicle	Total
COST/REVALUED AMOUNT	As at 01 July 2023	100,000,000	145,584,187	131,901,482	1,960,000	5,000,000	967,263	578,218	498,450	2,975,000	389,464,600
	Addition	-	1,454,950	416,400	-	-	-	-	-	-	1,871,350
	As at 30 June 2024	100,000,000	147,039,137	132,317,882	1,960,000	5,000,000	967,263	578,218	498,450	2,975,000	391,335,950
	Addition	-	22,203,119	8,117,785	-	-	401,200	-	651,535	-	31,373,640
As at 30 June 2025	100,000,000	169,242,256	140,435,667	1,960,000	5,000,000	1,368,463	578,218	1,149,985	2,975,000	422,709,590	
ACCUMULATED DEPRECIATION	As at 01 July 2023	-	40,050,424	47,765,695	610,000	1,850,000	362,521	278,809	319,009	595,000	91,831,458
	For the year	-	10,589,750	8,413,877	135,000	315,000	60,474	29,941	59,215	476,000	20,079,258
	As at 30 June 2024	-	50,640,174	56,179,572	745,000	2,165,000	422,995	308,750	378,224	1,071,000	111,910,716
	For the year	-	10,156,779	7,977,348	121,500	283,500	64,457	26,947	96,684	380,800	19,108,015
As at 30 June 2025	-	60,796,953	64,156,920	866,500	2,448,500	487,452	335,697	474,908	1,451,800	131,018,731	
Written down value as at 30 June 2024	100,000,000	96,398,963	76,138,310	1,215,000	2,835,000	544,268	269,468	120,226	1,904,000	279,425,234	
Written down value as at 30 June 2025	100,000,000	108,445,303	76,278,747	1,093,500	2,551,500	881,011	242,521	675,077	1,523,200	291,690,859	
Annual rate of depreciation		10%	10%	10%	10%	10%	10%	10%	33%	20%	
		2025 Rupees	2024 Rupees								
5.1.1 Depreciation charge is allocated as following:		17,523,449	18,394,652								
Program delivery cost		1,584,566	1,684,605								
Administrative expenses		19,108,015	20,079,257								

5.1.2 The Company had its land, buildings, plant & machinery, electric installations, gas installations, office equipment, furniture & fixtures, computer & accessories and vehicles situated at its factory premises revaluated through Messrs. Medallion Services (Pvt) Limited, an independent valuer approved by Pakistan Banks' Association (PBA) in any amount category, on June 30, 2022. The revaluation resulted in surplus on revaluation of property, plant and equipment amounting to Rs. 48.145 million. The basis used for revaluation were as follows:

**Land**

Valuation of land has been determined by obtaining current market data from the Punjab Industrial Estate, property brokers/dealers and estate agents to ascertain the asking and selling price for properties of the same nature in the immediate neighbourhood and adjoining areas. Neighbouring properties, which have been recently sold or purchased, have been investigated to determine a reasonable selling/buying price.

**Building**

Survey of building was carried out for class and type of construction, quality of material used, standard of workmanship and finish. The price of building has been assessed according to the observations.

The assessment of the building has been made on existing outlook, appearance, face value, individual merits, class and type of construction, quality and standard of material used for construction, finish of the building and exercising all possible care and applying suitable price adjustments as existed on the day of survey.

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**Plant and machinery**

The subject machinery is properly maintained in good working and operational condition. For valuation purposes, the supplier and different Manufacturing consultants in the Country and out of Country have been contacted and information regarding the valuation of Plant & Machinery has been collected. Completing the above exercise, current replacement value of plant and machinery has been determined.

**All other assets**

All assets of the Company other than land, building and plant & machinery are maintained in good condition. However, the written down value truly represents their fair market value on the replacement cost basis. Accordingly, we have assumed that the carrying amount of such assets approximates their fair market value and no surplus arises on their revaluation except for vehicles which have been taken at their fair market value.

The forced sale values of the above-mentioned operating fixed assets as at the date of latest revaluation were as follows:

	Rupees
Freehold Land	85,000,000
Building	99,015,950
Plant and machinery	74,757,672
Electric Installations	1,200,000
Gas installations	2,800,000
Office equipment	330,400
Furniture and fittings	178,698
Computers and accessories	104,000
Vehicles	2,380,000
	<u>265,766,720</u>

5.2 The depreciation charge and amortization of Government grant for the year has been allocated as follows:

	Note	Depreciation		Amortization of Government grant		Depreciation on assets other than grant	
		2025	2024	2025	2024	2025	2024
		Rupees					
Operating expenses	23	17,523,449	18,394,652	4,973,762	5,526,403	12,549,687	12,868,249
Administrative and general expenses	24	1,584,566	1,684,605	195,171	218,074	1,389,395	1,466,531
<b>Total</b>	<b>5.3</b>	<u>19,108,015</u>	<u>20,079,257</u>	<u>5,168,933</u>	<u>5,744,477</u>	<u>13,939,082</u>	<u>14,334,780</u>

5.3 The breakup of cost/ revalued amount and depreciation related to grant assets, other assets and revaluation surplus is as follows:

	Note	2025		2024	
		Cost/ Revalued amount	Depreciation	Cost/ Revalued amount	Depreciation
		Rupees			
Grant assets	18	221,035,670	5,168,933	221,035,670	5,744,477
Other assets		161,667,954	9,293,576	130,294,314	9,054,610
		<u>382,703,624</u>	<u>14,462,509</u>	<u>351,329,984</u>	<u>14,799,087</u>
Elimination of accumulated depreciation		(128,535,734)	-	(128,535,734)	-
		<u>254,167,890</u>	<u>14,462,509</u>	<u>222,794,250</u>	<u>14,799,087</u>
Revaluation surplus / incremental depreciation		168,541,700	4,645,506	168,541,700	5,280,171
	5.1	<u>422,709,590</u>	<u>19,108,015</u>	<u>391,335,950</u>	<u>20,079,258</u>

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- 5.4 Had the revaluations of these assets not been made, the carrying value of these assets as at June 30, 2025 would have been as under:

	As at June 30, 2025			As at June 30, 2024			Rate
	Cost	Accumulated Depreciation	Net book value	Cost	Accumulated Depreciation	Net book value	
Freehold Land	9,800,000	-	9,800,000	9,800,000	-	9,800,000	0%
Building	164,998,990	70,798,261	94,200,729	142,795,871	62,224,212	80,571,659	10%
Plant and machinery	193,224,966	141,282,018	51,942,948	185,107,181	135,934,909	49,172,272	10%
Electric Installations	2,408,997	1,664,610	744,387	2,408,997	1,581,901	827,096	10%
Gas installations	5,000,904	3,344,381	1,656,523	5,000,904	3,160,323	1,840,581	10%
Office equipments	1,733,437	799,621	933,816	1,332,237	729,297	602,940	10%
Furniture and fittings	973,442	674,740	298,702	973,442	641,551	331,891	10%
Computers and accessories	1,658,081	998,031	660,050	1,006,546	908,749	97,797	33%
Vehicles	2,904,806	2,577,651	327,155	2,904,806	2,495,862	408,944	20%
	<b>382,703,623</b>	<b>222,139,314</b>	<b>160,564,309</b>	<b>351,329,984</b>	<b>207,676,804</b>	<b>143,653,180</b>	

- 5.5 There are no major spare parts and stand by equipment qualifying as property, plant and equipment.

5.6 The title of land and ownership of building which were owned by Punjab Small Industries Corporation (PSIC) have not yet been legally transferred in name of the Company. Formal requests for such transfer have been forwarded to PSIC by the Company vide its letter # AFP/CEO/14/006 dated January 21, 2014, and letter # AFP/SEC/15/081 dated August 06, 2015, as well as by the Ministry of Industries and Production (MoI&P) vide letter # 3(5)2006-Project dated January 31, 2014. After approval from PSIC Board in its meeting dated September 02, 2014, it was conveyed to the Company regarding handing over of land and building as well as plant and machinery, electric installations and gas installations vide letter no. PSIC/ RDM/ ADM/1717 dated January 19, 2015 and PSIC/RDM/ADM/1738 dated January 22, 2015. Accordingly, these have been accounted for in these financial statements w.e.f. January, 2015. Furthermore, in persuasion of this matter, the Ministry of Industries and Production vide letter # 3(2)/2017-ME-IV dated July 27, 2017 has instructed the Managing Director, PSIC to expedite the remaining process and take necessary action for the transfer of title of land in the name of the Company. Moreover, PSIC vide letter no. PSIC/PEN/100/7252 has appointed Regional Director, PSIC, Regional Office, Multan (AFP Director), as focal person to oversee the matter as regards to the proposed transfer of assets in the name of AFP. Planning and Development Department (Government Of the Punjab) upon the request of MOI&P held meeting on October 25, 2018 in which it was unanimously resolved that PSIC will amend its rules and complete all formalities to transfer the title of land and building to AFP. Further a letter bearing reference number 3(2)/2017 - (ME-IV) dated March 21, 2019 was sent to Planning and Development department from MOI&P for implementation of Letter bearing reference no. 3(2)2017-(ME-IV) dated December 17, 2020 was sent to Planning and Development Department from MOI&P and another letter to Secretary, Industries, commerce, investment & Skills Development Department, Government of Punjab and Managing Director, PSIC from Planning and Development department vide its letter No. 2(399)/IND/P&D/2018/ Provisional dated December 22, 2020 in order to inquire the implementation status of decision taken in the meeting held on October 25, 2018. During the financial year ended 2021 and 2022 various reminder letters were sent by AFP to MOI&P and PSIC in order to followup and inquire regarding the implementation status of transfer of assets, however the matter has not yet been resolved.

In view of the deliberations / correspondences exchanged between the Government officials as regards to the aforementioned facts, the Company believes that the matter will now be resolved in a reasonable period of time; and formal approval for the transfer of ownership of land and building in the name of Company would be forthcoming, as all the other formalities and consents for the same have already been made by the respective authorities.

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The detail of WDV of assets transferred to the Company as at January 01, 2015 is as follows:

	Rupees
	9,800,000
Land	43,150,734
Building	7,559,872
Plant and machinery	2,948,997
Electric installations	5,000,904
Gas installations	<u>68,460,507</u>
	<u>7,159,000</u>
Security deposit to SNGPL and WAPDA	<u><u>75,619,507</u></u>

#### 5.7 CAPITAL WORK-IN-PROGRESS

The breakup and movement in capital work-in-progress is as follows:

		Opening Balance	Additions	Transfers	Impairment loss	Closing Balance
	Note	Rupees				
Plant and machinery	5.7.1	8,550,953	-	-	(7,150,953)	1,400,000
Plant and machinery			4,005,270	(4,005,270)	-	-
Building			16,139,440	(16,139,440)	-	-
<b>June 30, 2025</b>		<u>8,550,953</u>	<u>20,144,710</u>	<u>(20,144,710)</u>	<u>(7,150,953)</u>	<u>1,400,000</u>
<b>June 30, 2024</b>		<u>8,550,953</u>	-	-	-	<u>8,550,953</u>

5.7.1 This represents cost incurred on purchase of Electronic Grading (by weight) from Messrs. Arcadia. The machine has been delivered at the premises of the Company, but its commissioning has not been completed till 30 June 2025 as the party has not yet executed its commitments as contracted. However, the contractor has secured complete execution of contract by depositing an amount of Rs. 0.898 million (2024: Rs. 0.898 million) with Jubilee General Insurance Company Limited, as performance security and has also issued a performance bond in favor of the Company.

	Note	2025 Rupees	2024 Rupees
<b>6. LONG TERM DEPOSITS</b>			
Sui Northern Gas Pipe Line (SNGPL)		7,159,000	7,159,000
Water And Power Development Authority (WAPDA)		2,533,000	2,533,000
		<u>9,692,000</u>	<u>9,692,000</u>
<b>7. STORES, SPARES AND LOOSE TOOLS</b>			
Stores and spares		18,225,257	16,588,866
Loose tools		3,394	12,289
		<u>18,228,651</u>	<u>16,601,155</u>
<b>8. TRADE DEBTS</b>			
Considered good	8.1	29,402,177	39,404,068
Considered doubtful	8.2	8,319,753	8,212,030
		37,721,930	47,616,098
Provision for expected credit loss		(8,319,753)	(8,212,030)
		<u>29,402,177</u>	<u>39,404,068</u>
<b>8.1 Considered good</b>			
Ameer Hamza		11,980,575	-
Shakarganj Food Products Limited		6,484,576	14,333,969
Masha-Allah Foods		3,932,223	-
SA Foods International		2,177,500	-
Noor Food Industries		-	5,531
Shezan International Limited		1,457,880	778,754
Other parties		3,369,423	24,285,814
		<u>29,402,177</u>	<u>39,404,068</u>

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8.1.1 These are secured by way of lien over goods to be delivered to customers. As per terms agreed with the customers, the goods are not dispatched unless the amount has been recovered. In addition to this, the Company is also entitled to recover cold storage charges from these parties for the provision of storage facilities for their goods (Note 22). Furthermore, these are also partially secured against advances received from customers against the respective orders.

	Note	2025 Rupees	2024 Rupees
<b>8.2 Considered doubtful</b>			
Bilal and Co.		3,002,431	3,002,431
Top Star Enterprises		2,179,569	2,179,569
Zea En (Private) Limited		1,407,931	1,407,931
Rubicon Enterprises		1,622,099	1,622,099
Vision packages		30,047	-
Can Master		77,676	-
		<u>8,319,753</u>	<u>8,212,030</u>

8.2.1 These amounts are overdue and outstanding for more than three years despite several requests for recovery. The Company is in litigation with aforementioned parties and filed a law suit against them for recovery of these amounts in the Civil Court of law, pending adjudication at the reporting date. The management of the Company and its legal advisor are of the firm view that the decision of the case will be made in favor of the Company and all amounts due from the above-named parties except Vision packages & Can master including the legal costs will be recovered in full. However, an amount equivalent to 100% (2024: 100%) of such debts has been provided for in these financial statements as dictated by prudence.

#### 9. SHORT TERM INVESTMENTS

Term Deposit Receipts (TDRs) - amortized cost

Allied Bank Limited

The Bank of Punjab

16,900,000 20,979,120

45,000,000 47,000,000

61,900,000 67,979,120

9.1 These represents Term Deposit Receipts (TDRs) having different maturity periods (ranging from 1 month to one year). These TDRs bear profit ranging from 13% to 17.25% per annum (2024: 20.55% to 22.15% per

#### 10. LOANS AND ADVANCES

Loans to key management personal

Loans and advances to employees

Advances to supplier

10.1 1,943,738 1,015,300

2,928,580 1,998,784

233,470 1,707,409

5,105,788 4,721,493

10.1 These represent loans given to Mr. Munwar Hussain (CEO), Mr. Muhammad Latif (Manager F&A), Waqar Shabbir (CS) and Mr. Abdul Moueed (Manager Marketing) as per policy of the Company. These loans are secured against gratuity and will be deducted from their salary.

#### 11. DEPOSITS AND OTHER RECEIVABLES

Deposits

Margin against letters of credit

Other receivables

Accrued profit on term deposit receipts

11.1 4,782,017 4,782,017

6,567,731 8,039,471

11,349,748 12,821,488

11.1 This represents margin deposit held with National Bank of Pakistan (NBP) against Inland Letters of Credit opened for the purchase of Electronic Fruit Grading Machine. These LCs were expired during the year ended June 30, 2017. However, this margin deposit is still kept with the said Bank to be released after the outcome of the civil suit is decided. During the previous year the outcome of the case was decided in favour of the Company and the management is pursuing this matter to get this balance released from NBP.

#### 12. TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax

9,817,445 9,357,073

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13. CASH AND BANK BALANCES

	2025 Rupees	2024 Rupees
Cash in hand	5,628	23,373
Cash at banks in current accounts	13,005,545	27,593,371
	<u>13,011,173</u>	<u>27,616,744</u>

14. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2025 (No. of shares)	2024 (No. of shares)		2025 Rupees	2024 Rupees
10,005	10,005	Ordinary shares of Rs. 10 each, fully paid up in cash	<u>100,050</u>	<u>100,050</u>

14.1 At the year end, shares of the Company are held by the Government entities through their nominees as detailed below:

2025 (No. of shares)	2024 (No. of shares)	Name of Government entity	2025 Rupees	2024 Rupees
2,001	2,001	Ministry of Industries and Production	20,010	20,010
4,002	4,002	Small and Medium Enterprises Development Authority	40,020	40,020
4,002	4,002	Punjab Small Industries Corporation	40,020	40,020
<u>10,005</u>	<u>10,005</u>		<u>100,050</u>	<u>100,050</u>

14.2 Ministry of Industries and Production, Small and Medium Enterprise Development Authority, and Punjab Small Industries Corporation have implied powers to appoint any of its official on the board of the Company and to take decisions for the selection of board members.

15. CONTRIBUTION BY THE SPONSORS

This represents the amount of contribution in the sum of Rs. 500,000 by all the subscribers to the Memorandum of Association of the Company as per conditions mentioned in the license under section 42 of the Act. Out of the total contribution, shares amounting to Rs. 100,000 were issued against minimum subscription pursuant to Article-3 of the Articles of Association of the Company with respect to Certificate of Commencement of Business.

16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as at July 01,	135,772,056	141,052,227
Transferred to accumulated funds on account of - incremental depreciation for the year	(4,645,506)	(5,280,171)
Balance as at June 30,	<u>131,126,550</u>	<u>135,772,056</u>

16.1 This reserve is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

17. GENERAL RESERVE

The Board of Directors in their 12th meeting held on April 03, 2015 passed a resolution for the creation of reserve @ 2% of processing and grading charges, net of sales tax. Accordingly, the amount of Rs.1.414 million (2024: Rs. 1.274 million) on account of this general reserve has been accumulated from accumulated funds to general reserve.

18. DEFERRED GOVERNMENT GRANT

Gross grant	283,348,292	283,348,292
Accumulated Amortization:		
Opening balance	(206,768,906)	(201,024,429)
Amortization (equivalent to depreciation) for the year	(5,168,933)	(5,744,477)
Closing balance	<u>(211,937,839)</u>	<u>(206,768,906)</u>
	<u>71,410,453</u>	<u>76,579,386</u>

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	Note	2025 Rupees	2024 Rupees
<b>19. STAFF RETIREMENT BENEFIT - GRATUITY</b>			
Liability recognized in statement of financial position	19.1	<u>4,924,540</u>	<u>4,233,395</u>
<b>19.1 Liability recognized in statement of financial position</b>			
Present value of defined benefit obligation	19.3	22,161,337	19,251,975
Fair value of plan assets	19.4	<u>(17,236,797)</u>	<u>(15,018,580)</u>
		<u>4,924,540</u>	<u>4,233,395</u>
<b>19.2 Movement in net liability</b>			
Opening balance		4,233,395	3,158,137
Charge for the year	19.5	2,584,815	2,699,329
Contributions		-	(385,284)
Remeasurement chargeable in other comprehensive income		<u>(1,893,670)</u>	<u>(1,238,787)</u>
		<u>4,924,540</u>	<u>4,233,395</u>
<b>19.3 Changes in present value of defined benefit obligation</b>			
Opening defined benefits obligation		19,251,975	16,054,819
Current service cost		1,970,973	2,232,263
Interest cost on defined benefits obligation		2,791,536	2,498,293
Benefits paid		-	(385,284)
Actuarial (gain) in financial assumptions		(118,260)	(53,808)
Experience adjustments		<u>(1,734,887)</u>	<u>(1,094,308)</u>
		<u>22,161,337</u>	<u>19,251,975</u>
<b>19.4 Changes in fair value of plan assets</b>			
Opening plan assets		15,018,580	12,896,682
Contributions		-	385,284
Interest income on plan assets		2,177,694	2,031,227
Benefits paid		-	(385,284)
Return on plan assets, excluding interest income		<u>40,523</u>	<u>90,671</u>
		<u>17,236,797</u>	<u>15,018,580</u>
<b>19.5 Charge for the year</b>			
Current service cost		1,970,973	2,232,263
Interest cost on defined benefit obligation		2,791,536	2,498,293
Interest income on plan assets		<u>(2,177,694)</u>	<u>(2,031,227)</u>
		<u>2,584,815</u>	<u>2,699,329</u>
<b>19.6 Plan assets comprise of:</b>			
Cash and/or deposits		<u>100.00%</u>	<u>100.00%</u>
<b>19.7 Sensitivity analysis for actuarial assumptions</b>			
Discount rate +100 bps		20,149,749	17,475,372
Discount rate -100 bps		24,495,267	21,315,763
Salary increase +100 bps		24,525,317	21,343,771
Salary increase -100 bps		20,089,060	17,421,108
The actuarial valuation was carried out as on June 30, 2025 by Nouman Associates using Projected Unit Credit (PUC) Actuarial Cost Method, the following significant assumptions have been used for calculation of plan:			
Discount rate used for interest cost in income and expenditure		14.50%	15.75%
Discount rate used for year end obligation		12.00%	14.50%
Expected rate of salary increase in future years		11.00%	13.50%
Mortality rates		Setback 1 year	Setback 1 year
Retirement assumption		Age 60	Age 60

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**19.8 Expected expense for the next year**

The expected expense to be charged in statement of income and expenditure for the year ending June 30, 2026 is Rs.2.938 million.

	Note	2025 Rupees	2024 Rupees
<b>20. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>			
Creditors	20.1	2,052,932	7,757,911
Accrued liabilities		4,098,112	13,188,629
Advances from customers	20.2	337,836	2,633,008
Withholding Income tax payable		652,217	505,442
Sales tax payable		942,934	266,580
Performance securities payable	20.3	915,000	915,000
		<u>8,999,031</u>	<u>25,266,570</u>

20.1 These include Rs. 5.705 million (2024: Rs. 5.705 million) owed to Messrs. Arcadia (the supplier of Electronic Grading by weight), which is payable subject to installation and commissioning of the machine purchased.

20.2 These represent advances received @ 10% of total order value from customers at the reporting date. These are interest free and adjustable on completion of agreed activities and dispatch of goods to the customers.

20.3 This represents performance security payable against construction of cold storage facility within one year of completion to following:

The Extreme Engineering & Automation		<u>915,000</u>	<u>915,000</u>
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**21. CONTINGENCIES AND COMMITMENTS****21.1. Contingencies**

Notices have been issued under section 161 of the Income Tax Ordinance, 2001 for Tax Years 2022 and 2024. The proceedings in respect of these notices are currently in process. Based on the opinion of the Company's tax advisor, the management expects a favourable outcome; accordingly, no provision has been made in these financial statements.

**Commitments**

There are no commitments as at 30 June 2025 (30 June 2024: Nil)

**22. REVENUE**

Fruit processing charges		75,731,846	67,725,082
Fruit grading charges		-	509,065
Cold storage charges		22,394,247	20,832,032
		<u>98,126,093</u>	<u>89,066,179</u>
Sales tax	22.1	<u>(4,672,671)</u>	<u>(4,241,247)</u>
		<u>93,453,422</u>	<u>84,824,932</u>

22.1. Sales tax includes sales tax on services charged under section 3 of the Punjab Sales Tax on Services Act, 2012.

**23. PROGRAM DELIVERY COST**

Salaries, wages and other benefits	23.1	40,152,094	33,717,939
Utilities		35,489,565	32,317,942
Travelling & conveyance expense		1,313,687	-
Plant running expenses		710,210	222,036
Laboratory expenses		211,550	2,085,604
Weighbridge expenses		47,150	754,774
Training, awareness, seminars and promotional activities		313,445	641,157
Consultancy and certifications		543,940	1,429,580
Stores consumed		706,627	82,384
Repair and maintenance		5,291,728	2,480,575
Depreciation	5.2	17,523,449	18,394,652
Government grant amortized during the year	5.2	(4,973,762)	(5,526,403)
		12,549,687	12,868,249
Impairment loss on capital work-in-progress machinery		7,150,953	-
Other operating expenses		581,709	224,165
		<u>105,062,345</u>	<u>86,824,405</u>

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23.1. This includes gratuity expense amounting to Rs 1.91 million (2024: Rs. 2.2 million) and remuneration of chief executive amounting to Rs. 3 million and (2024 : Rs. 3.63 million).

	Note	2025 Rupees	2024 Rupees
<b>24. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Director's remuneration	24.1	1,222,000	1,285,000
Salaries, wages and other benefits	24.2	6,641,129	6,061,822
Travelling expenses		599,499	1,296,203
Communication expenses		65,482	65,999
Utilities		1,174,629	787,984
Advertisement and promotional expenses		30,150	274,049
Entertainment		388,103	282,499
Repair and maintenance		195,481	173,189
Printing, stationery and newspapers		95,506	83,537
Legal and professional charges		140,000	592,483
Vehicle insurance		-	8,241
Fee and subscription		207,222	125,586
Rent, rates and taxes		14,145	10,180
Consultancy and certification fee		761,250	760,394
Auditors' remuneration - annual audit fee	24.3	189,000	183,750
Provision for expected credit loss		107,723	-
Depreciation	5.2	1,584,566	1,684,605
Government grant amortized during the year	5.2	(195,171)	(218,074)
		1,389,395	1,466,531
Janitorial expenses		69,045	28,079
Miscellaneous		108,767	303,276
		<u>13,398,526</u>	<u>13,788,802</u>

24.1. This includes remuneration of chief executive Rs. 0.3 million (2024: Rs. 0.363 million) & director's meeting fee Rs. 0.922 million (Rs. 0.922 million).

24.2. This includes gratuity expense amounting to Rs. 0.67 million (2024: Rs.0.499 million).

24.3. This head represents the statutory audit fee for the year. The auditors only provided external audit services.

## 25. OTHER INCOME

<b>Income from financial assets</b>	9	10,487,724	15,602,434
Return on TDRs			
<b>Income from assets other than financial assets</b>			
Sale of pulp waste		2,891,706	1,963,889
Tender fee		97,000	55,000
Grader liability write off		5,704,979	-
Miscellaneous		106,210	183,960
		8,799,895	2,202,849
		<u>19,287,619</u>	<u>17,805,283</u>

## 26. TAXATION

Agro Food Processing has been recognized as a Not-for-Profit organization under section 2(36) and is entitled to 100% tax credit under section 100 (C ) of the Income Tax Ordinance 2001 and exemption from Commissioner Inland Revenue under the Income Tax Ordinance, 2001 valid till 30 June 2026 (renewable afterwards).

		2025	2024
<b>27. (LOSS)/ EARNINGS PER SHARE - basic and diluted</b>			
(Deficit) / surplus for the year attributable to ordinary shareholders	Rupees	<u>(5,719,830)</u>	<u>2,017,008</u>
Weighted average number of ordinary shares	Number	<u>10,005</u>	<u>10,005</u>
(Loss)/ earning per share - basic	Rupees	<u>(572)</u>	<u>202</u>

There is no dilutive effect on the basic earnings per share as the Company has no such commitments at the reporting date.

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## 28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Managerial remuneration including allowances and benefits given during the year to Chief Executive, executives and meeting fee given to Directors of the Company are as follows:

	Chief Executive	Directors	Executives
	----- Rupees -----		
<b>Managerial remuneration:</b>			
Salary - basic	1,935,480	-	3,747,849
Housing	870,972	-	1,686,473
Utilities	193,548	-	37,760
Health allowance	300,000	-	-
Meeting fee	-	922,000	-
<b>30 June 2025</b>	<b>3,300,000</b>	<b>922,000</b>	<b>5,472,082</b>
Number of persons	<b>1</b>	<b>5</b>	<b>2</b>
<b>Comparative for 30 June 2024</b>			
<b>Managerial remuneration:</b>			
Salary - basic	2,341,931	-	4,713,714
Housing	1,053,876	-	2,121,187
Utilities	234,193	-	471,371
Meeting fee	-	922,000	-
<b>30 June 2024</b>	<b>3,630,000</b>	<b>922,000</b>	<b>7,306,272</b>
Number of persons	<b>1</b>	<b>5</b>	<b>3</b>

In addition to above, Company's maintained vehicle is given to Chief Executive of the Company for official and personal purpose.

No remuneration, in any kind, was given to any of the executive or non-executive directors of the Company (2024: Nil)

## 29. FINANCIAL RISK MANAGEMENT

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The accounts department of the Company assist the Board in developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company is not engaged in the trading of financial assets for speculative purposes nor does it write options.

The Company's management oversees and monitors compliance with the Company's risk management policies, procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Directors are assisted in oversight role by the management. Management undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk.

### 29.1 Credit risk and concentration of credit risk

The Company is exposed to credit risk from its operating activities (primarily for trade receivables and advances) and from its investing activities, including deposits with banks.

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties to the financial instruments fail to perform as contracted. The management believes that the Company is not exposed to major concentration of credit risk. The management monitors and limits the Company's exposure to credit risk through monitoring of clients' credit exposure review and conservative estimates of provision for doubtful receivables.

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The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk as at the reporting date is tabulated below:

	2025 Rupees	2024 Rupees
<b>Financial assets</b>		
Long term deposits	9,692,000	9,692,000
Trade debts	37,721,930	47,616,098
Short term investments	61,900,000	67,979,120
Deposits and other receivables	11,349,748	12,821,488
Cash and bank balance	13,011,173	27,616,744
	<u>133,674,851</u>	<u>165,725,450</u>

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

Trade debts	29,402,177	39,404,068
Long term deposits	9,692,000	9,692,000
Short term investments	61,900,000	67,979,120
Deposits and other receivables	11,349,748	12,821,488
Bank balances	13,005,545	27,593,371
	<u>125,349,470</u>	<u>157,490,047</u>

#### 29.1.1 Credit risk related to financial instruments and cash deposits

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. Credit quality of customers and other receivables are assessed by reference to historical defaults rates and present ages. Banks and financial institutions have external credit ratings determined by various credit rating agencies as listed below :

	Rating		2025 Rupees	2024 Rupees
	Short term	Agency		
<b>Balances with banks:</b>				
The Bank of Punjab	A1+	PACRA	76,524	4,688,501
Allied Bank Limited	A1+	PACRA	12,929,021	142,060
			<u>13,005,545</u>	<u>4,830,561</u>
<b>Short term deposits / investments:</b>				
National Bank of Pakistan	A1+	PACRA	4,782,017	4,782,017
Allied Bank Limited	A1+	PACRA	16,900,000	20,979,120
The Bank of Punjab	A1+	PACRA	45,000,000	47,000,000
<b>Exposure to credit risk - cash deposits</b>			<u>66,682,017</u>	<u>72,761,137</u>

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

#### 29.1.2 Credit risk related to trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. New customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sales limits are established for each customer based on internal rating criteria and reviewed regularly. Trade debts consist of a small number of customers, spread across geographical areas. Any sales exceeding these limits require special approval. Outstanding customer receivables are regularly monitored. Ongoing credit evaluation is performed on the financial condition of accounts receivables, where appropriate. The analysis of ages of trade debts of the Company as at the reporting date is as follows:

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**Exposure to credit risk - trade receivables**

Year	Past due but not impaired						Pass due and impaired	Total
	Neither past due nor impaired	Less than 90 days	90-180 days	180-365 days	1-3 years	Above 3 years		
	Rupees							
2025	-	4,832,623	1,457,800	16,777,507	6,334,247	-	8,319,753	37,721,930
2024	-	13,370,665	-	11,628,109	14,333,969	71,325	8,212,030	47,616,098

The Company's risk in terms of trade receivables is minimal because, these are secured by way of lien over goods to be delivered to customers. As per terms agreed with the customers, the goods are not dispatched unless outstanding balances have been recovered in full.

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

**29.2 Liquidity risk management**

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner unfavourable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

The Company manages liquidity risk by maintaining adequate funds and reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summaries the maturity profiles of Company's financial liabilities as on June 30, 2025 based on contractual undiscounted payments date and present market interest rates.

	1 to 3 months	3 to 6 months	More than 1 year and up to 5 years	More than 5 years	Total
	Rupees				
<b>As at June 30, 2025</b>					
Creditors, accrued and other liabilities	4,435,948	-	2,967,911	5,705,000	7,403,880
<b>As at June 30, 2024</b>					
Creditors, accrued and other liabilities	14,793,307	525,000	3,471,241	5,705,000	24,494,548

**29.3. Market risk management**

Market risk is the risk that changes market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The management of the Company continuously monitors its investments to avoid such risks. The Company is not exposed to market risk except rate of interest on short term investment.

**29.3.1 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. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

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2025                      2024  
Rupees                      Rupees

**Variable interest rate financial assets**

Term Deposit Receipts (TDRs) - amortized cost 61,900,000                      67,979,120

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in the relevant notes to these financial statements.

**Cash flow sensitivity analysis for variable rate instruments**

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, deficit for the year would have been decreased / (increased) by Rs.619,000 (2024: Rs. 679,791). This analysis is prepared without taking in account taxation effect and applying +/-1% discount factor on the outstanding balance of TDRs.

**29.3.2 Currency risk**

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

The Company is not exposed to any foreign currency financial instrument at the financial position date.

**29.3.3 Price risk**

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 being traded in the market.

The Company is not exposed to commodity price risk and equity price risk as the Company has no derivative financial instruments and listed equity investments at the terminal date.

**29.4 Fair value of financial instruments**

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.

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values except short term investments which are carried at amortized cost.

**29.5 Fair value hierarchy**

The Company measures fair value using valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. 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 market for identical assets or liabilities.
- Level 2**      Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
- Level 3**      Inputs for 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 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.

	June 30, 2025			June 30, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	----- Rupees -----					
Property, plant and equipment	-	291,690,859	-	-	279,425,234	-

**29.6. Financial instruments by category**

The Company finances its operations through the extraction of pulp / grading of various fruits and provision of processing and cold storage facilities to different parties and local growers along with management of working capital with a view to maintaining an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.

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	2025 Rupees	2024 Rupees
<b>Financial instruments by category</b>		
<b>Financial assets at amortized cost</b>		
Long term deposits	9,692,000	9,692,000
Trade debts	37,721,930	47,616,098
Loans and advances	4,872,318	3,014,084
Short term investments	61,900,000	67,979,120
Deposits and other receivables	11,349,748	12,821,488
Cash and bank balances	13,011,173	27,616,744
	<u>138,547,169</u>	<u>168,739,534</u>
<b>Financial liabilities at amortized cost :</b>		
Creditors, accrued and other liabilities	<u>7,066,044</u>	<u>21,861,540</u>

**30. FUND MANAGEMENT**

The Company's objectives when managing fund are to safeguard the Company's ability to continue as a going concern in order to provide services for the general public and benefit for other stakeholders.

Consistently with others in the industry, the Company manages its fund structure and makes adjustment to it in the light of changes in economic conditions. There were no changes to the Company's approach to fund management during the year.

	2025 ------(Number)-----	2024
<b>31. NUMBER OF EMPLOYEES</b>		
Number of employees at year end	<u>26</u>	<u>28</u>
Average number of employees during the year	<u>27</u>	<u>29</u>

**32. RELATED PARTY DISCLOSURE**

**A. Related Party Relationships**

Name of party	Nature of relationship	Basis of relationship	Percentage of shareholding	No of shares held
Ministry of Industries and Production	Associated undertaking	Shareholding & common directorship	20%	2,001
Small and Medium Enterprises Development Authority	Associated undertaking	Shareholding & common directorship	40%	4,002
Punjab Small Industries Corporation	Associated undertaking	Shareholding & common directorship	40%	4,002
Key management personnel	Executives	Employment	-	-
Employees Gratuity Fund	Employees	Employment	-	-

**B. Related Party Transactions**

The related parties comprise associated undertakings, directors of the Company, key management staff and staff retirement funds. Outstanding balances with these parties and remuneration to chief executive, directors and executives have been disclosed in respective note. There were no material transactions with the related parties during the year that may require disclosure in these financial statements other than those mentioned below:

Name of party	Relationship	Nature of transaction	2025 -----Rupees-----	2024
Employees' Gratuity Fund Trust	Employees	Employer's contribution	2,584,815	2,699,329
Key management personnel	Executives	Loan	1,943,738	1,015,300

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**33. CAPACITY AND PRODUCTION**

	<u>Daily</u> <u>(24* hours/day)</u>	<u>Daily</u> <u>(24* hours/day)</u>
<b>Standard / Installed input capacity - Season</b>		
Pulp production - Stoned fruit	<u>200 tons</u>	<u>200 tons</u>
Pulp production - Non-stoned fruit	<u>100 tons</u>	<u>100 tons</u>
<b>Standard / Installed output capacity - Season</b>		
Pulp production - Stoned fruit	<u>100 tons</u>	<u>100 tons</u>
Pulp production - Non-stoned fruit	<u>80 tons</u>	<u>80 tons</u>

\*Installed capacity is 10 tons / hour for input of stoned fruit and 5 tons / hour for non-stoned fruit while output is 5 tones per hour for stoned and non-stoned fruits. Four hours daily required for cleaning in process (CIP), rest 20 hours production / processing can be proceeded daily. Optimum level for plant usage is 85% to 90%.

**Actual production remained at 3,764 tons (2024: 3,261 tons).**

	2025	2024
	----- Tons -----	
Pulp production - Stoned fruit	<u>3,662</u>	<u>3,155</u>
Pulp production - Non-stoned fruit	<u>102</u>	<u>106</u>

**Reasons for under-utilization of capacity**

Under-utilization of installed capacity was due to seasonal un-availability of the fruits. Availability of fruit for processing (pulping) was as follows:

Item	Period	No. of days
Mango	1st of June to 31st of July	71
Guava	1st of November to 15th of December 10th of February to 15th of March	79

Availability of fruit for processing (pulping) was as follows:

Citrus Grading 21st of December to 10th of March

Moreover, production for the year was based on market demand and orders received for pulp extraction.

**34. ENTITY-WIDE INFORMATION AND DISCLOSURE**

**34.1. Information about products**

Pulp extraction represents 77% (2024: 76%) of the total income from operations of the Company.

**34.2. Information about geographical areas**

All non-current assets of the Company as at June 30, 2025 are located in Pakistan.

100% (2024: 100%) of the income from pulp extraction relates to customers in Pakistan.

**34.3. Information about customers**

During the year, revenue from five customers (2024: six) comprises approximately 69% (2024: 84.15%) of the total revenue earned from operations of the Company.

**35. RE-CLASSIFICATION**

Figures of the corresponding period have been re-arranged / re-grouped where considered necessary for better comparison.

FROM	TO	AMOUNT
<b>STATEMENT OF INCOME AND</b>		
<b>Administrative and general expenses</b>	<b>Administrative and general expenses</b>	
Legal and professional charges	Director's remuneration	922,000

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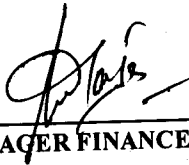
36. **DATE OF AUTHORIZATION**

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

37. **GENERAL**

Figures in these financial statements have been rounded off to the nearest Pakistani Rupee.  
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\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
MANAGER FINANCE

  
\_\_\_\_\_  
DIRECTOR

	Freehold land	Building	Plant and machinery	Electric installation	Gas Installations	Office equipment	Furniture and fittings	Computers and accessories	Vehicle	Total
As at 01 July 2023	100,000,000	145,584,187	131,901,482	1,960,000	5,000,000	967,263	578,218	498,450	2,975,000	389,464,600
Addition	-	1,454,950	416,400	-	-	-	-	-	-	1,871,350
As at 30 June 2024	100,000,000	147,039,137	132,317,882	1,960,000	5,000,000	967,263	578,218	498,450	2,975,000	391,335,950
Addition	-	22,203,119	8,117,785	-	-	401,200	-	651,535	-	31,373,640
As at 30 June 2025	100,000,000	169,242,256	140,435,667	1,960,000	5,000,000	1,368,463	578,218	1,149,985	2,975,000	422,709,590
As at 01 July 2023	-	40,050,424	47,765,695	610,000	1,850,000	362,521	278,809	319,009	595,000	91,831,458
For the year	-	10,589,750	8,413,877	135,000	315,000	60,474	29,941	59,215	476,000	20,079,258
As at 30 June 2024	-	50,640,174	56,179,572	745,000	2,165,000	422,995	308,750	378,224	1,071,000	111,910,716
For the year	-	10,156,779	7,977,348	121,500	283,500	64,457	26,947	96,684	380,800	19,108,015
As at 30 June 2025	-	60,796,953	64,156,920	866,500	2,448,500	487,452	335,697	474,908	1,451,800	131,018,731
Written down value as at 30 June 2024	100,000,000	96,398,963	76,138,310	1,215,000	2,835,000	544,268	269,468	120,226	1,904,000	279,425,234
Written down value as at 30 June 2025	100,000,000	108,445,303	76,278,747	1,093,500	2,551,500	881,011	242,521	675,077	1,523,200	291,690,859
Annual rate of depreciation	-	10%	10%	10%	10%	10%	10%	33%	20%	

	2025	2024
Program delivery cost	17,523,449	18,394,652
Administrative expenses	1,584,566	1,684,605
	19,108,015	20,079,257

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5.1.1 Depreciation charge is allocated as following;

Program delivery cost  
Administrative expenses