

# ALLAWASAYA

TEXTILE AND FINISHING MILLS LIMITED



**65<sup>TH</sup> Annual Report**  
**For the Year ended June 30, 2022**



65<sup>th</sup> Annual Report  
of  
**Allawasaya Textile and Finishing Mills Limited**  
for the year ended June 30, 2022



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## **VISION STATEMENT**

The vision of Allawasaya Textile and Finishing Mills Limited is to contribute positively to the Socio-Economic growth of Pakistan through business and industrial pursuits endeavoring to achieve excellence in all spheres of such activity with effective and efficient management.

## **MISSION STATEMENT**

Allawasaya Textile and Finishing Mills Limited becomes a truly professional organization, achieve higher quality standards, utilize maximum capacity, capture expansion opportunities and becomes a least cost operator amongst its competitors.

We will strive to continue as a successful Company, make profit and thus create value for our shareholders, customers, suppliers and employees.

## **QUALITY AND ENVIRONMENTAL POLICY**

Our aim is to achieve the leadership of textile and spinning industry through quality products according to customer satisfaction. We thrive to achieve the above through the following measures:

- 1) Acquisition of quality raw material.
- 2) Manufacturing of high quality yarn as per customer satisfaction.
- 3) Continuous training and guidance to employees regarding quality and environment.
- 4) Continuous improvement, close watch and control in production process and environment.
- 5) Follow up of the system, regarding international quality and environmental laws.
- 6) Control of pollution discharge from industrial process.



**COMPANY PROFILE****BOARD OF DIRECTORS**

- |     |                                 |                           |
|-----|---------------------------------|---------------------------|
| 1.  | Mrs. Nusrat Jamil               | - Chairperson             |
| 2.  | Mian Tanvir Ahmad Sheikh        | - Chief Executive Officer |
| 3.  | Mian Muhammad Jamil             |                           |
| 4.  | Mian Tauqir Ahmed Sheikh        |                           |
| 5.  | Mian Anis Ahmad Sheikh          |                           |
| 6.  | Mr. Mohammad Alamgir Jamil Khan |                           |
| 7.  | Mrs. Bushra Tauqir              |                           |
| 8.  | Mr. Muhammad Umar Farooq        |                           |
| 9.  | Mr. Javed Musarrat              |                           |
| 10. | Mr. Abdul Rehman Qureshi        |                           |
| 11. | Mr. Imran Hussain               |                           |

**AUDIT COMMITTEE**

- |                        |            |
|------------------------|------------|
| Mr. Javed Musarrat     | - Chairman |
| Mrs. Nusrat Jamil      | - Member   |
| Mian Anis Ahmad Sheikh | - Member   |

**HUMAN RESOURCE & REMUNERATION COMMITTEE (HR&R)**

- |                                 |            |
|---------------------------------|------------|
| Mr. Abdul Rehman Qureshi        | - Chairman |
| Mian Anis Ahmad Sheikh          | - Member   |
| Mr. Mohammad Alamgir Jamil Khan | - Member   |

**CHIEF FINANCIAL OFFICER**

Sohail Nadeem

**COMPANY SECRETARY**

Muhammad Ismail

**HEAD OF INTERNAL AUDIT**

Ch. Javed Akhtar

**AUDITORS**

Yousuf Adil Chartered Accountants, Multan

**LEGAL ADVISOR**

Mr. Khalil-ur-Rehman– Advocate  
3<sup>rd</sup> Floor, Hameed Law Chambers, 1- Turner Road, Near Al- Taj Hotel, Lahore.

**BANKERS**

M/s Habib Bank Limited  
M/s Bank AL Habib Limited  
M/s Habib Metropolitan Bank Limited  
M/s United Bank Limited  
M/s Askari Bank Limited

**REGISTERED OFFICE**

Allawasaya Square,  
Mumtazabad Industrial Area,  
Vehari Road, Multan, Pakistan  
Ph: (061)4233624-26  
E-Mail: [atm@allawasaya.com](mailto:atm@allawasaya.com)

**SHARES REGISTRAR**

M/s Hameed Majeed Associates (Pvt.) Limited  
H.M. House, 7-Bank Square, Lahore, Pakistan  
Ph: (042)37235081-82  
E-Mail: [shares@hmaconsultants.com](mailto:shares@hmaconsultants.com)

## NOTICE OF 65<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 65<sup>th</sup> Annual General Meeting of the Company will be held on Friday October 28, 2022 at 03:30 p.m. at its registered office, Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan, Pakistan to transact the following business:

1. To confirm the minutes of the 64<sup>th</sup> Annual General Meeting of the Company held on October 28, 2021.
2. To receive, consider and adopt the annual audited financial statements of the Company together with the Directors' Reports and Chairperson's Review thereon for the year ended June 30, 2022.
3. To consider and approve the distribution of cash dividend @72.50% (Rs.7.25 per share) as recommended by the Board for the year ended June 30, 2022.
4. To appoint auditors and to fix their remuneration for the financial year ending June 30, 2023 who will hold office till conclusion of the next Annual General Meeting. The Board, on the recommendation of the Audit Committee, has proposed the appointment of M/s Yousuf Adil Chartered Accountants, Multan as external auditors. The retiring auditors being eligible, have consented and offered themselves for re-appointment.
5. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

Sd/-  
(MUHAMMAD ISMAIL)  
COMPANY SECRETARY

Multan, October 7, 2022

### NOTES:

1. The Shares Transfer Books of the Company will remain closed from 22-10-2022 to 28-10-2022 (both days inclusive) transfers received in order at the office of the Company's Shares Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on October 21, 2022 will be treated in time.
2. A member entitled to attend and vote at the meeting, may appoint any other member as a proxy to attend, speak and vote on behalf of him/her. **A proxy must be a member.** Proxy Forms duly stamped with Rs.5/- revenue stamp, signed and witnessed by one person, in order to be valid must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
3. Any individual beneficial owners of CDC, entitled to attend and vote at the meeting must bring his/her CNIC or passport to prove his/her identity and the proxy shall produce his/ her original CNIC or passport. In case of corporate members, the Boards' resolution or power of attorney with specimen signatures of the nominee shall require to be produced at the time of meeting.
4. For the convenience of Members, a Standard Request Form with appropriate details has been uploaded on the Company's website <www.allawasaya.com>. Those Members who opt to receive the hard copies of the annual audited financial statements instead of sending the same through CD/DVD/USB at their registered addresses may apply to the Company Secretary at his postal or email address [secretary@allawasaya.com](mailto:secretary@allawasaya.com).
5. **Members are requested to submit an attested photocopy of their valid Computerized National Identity Cards (CNICs) as per SECP's direction, if not provided earlier and also communicate to the Company immediately of any change in their addresses.**
6. Members can also avail Video Conference facility in (name of cities where facility can be provided keeping in view geographical dispersal of members). In this regard please fill the following form and submit to the registered address of the Company within ten (10) days before holding of annual general meeting.

I/ We, \_\_\_\_\_ of \_\_\_\_\_, being a member of ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED, holder of \_\_\_\_\_ Ordinary Shares as per Register Folio No./ CDC A/C No..\_\_\_\_\_ hereby opt for Video Conference Facility at \_\_\_\_\_

\_\_\_\_\_  
Signature of member

If the Company receives consent from members holding an aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through Video Conference at least 10 days prior to the date of meeting, the Company will arrange Video Conference facility in that city subject to availability of such facility in that city.

7. CNIC numbers of shareholders are mandatorily required for Dividend distribution. Shareholders are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Share Registrar. In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with SRO 831(I)/2012 dated July 05, 2012 of SECP and therefore will be constrained to withhold the payment of dividend of such shareholders. The shareholders while sending CNIC must quote their respective folio number and name of the Company.
8. Pursuant to the requirements of Section 242 of the Companies Act, 2017 read with SRO No.1145(I)/2017 dated November 6, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, shareholders are MANDATORILY required to provide their bank account details to receive their cash dividend directly into their bank accounts instead of receiving it through dividend warrants. Moreover, pursuant to Section 243 (3) of the Act, the Company shall be bound to withhold any dividend declared by the company of those shareholders who do not provide their bank details.

Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/ participant/ CDC account services.

**CHAIRPERSON’S REVIEW REPORT U/S 192 OF THE COMPANIES  
ACT, 2017 ON OVERALL BOARD PERFORMANCE AND BOARD’S  
ROLE IN ACHIEVING THE COMPANY’S OBJECTIVES  
FOR YEAR ENDED JUNE 30, 2022**

Annual Evaluation of the Board of Directors of the Company, M/s Allawasaya Textile and Finishing Mills Limited, is carried out in accordance with the requirements of the Code of Corporate Governance to ensure that its performance and effectiveness is as per the expectations to achieve the goals and objectives of the Company. For the financial year ended June 30, 2022, it is assessed as Satisfactory. There was no violation of the code of conduct.

The Board meetings and Committee meetings were always well attended. The members of the Board of Directors of the Company were sent agendas and supporting material well in time prior to the board and its committee meetings. All the Directors made important contribution and made their best efforts for the achievements of the desired results during the year. The expertise of the Independent and non-executive Directors also helped in the decision making process. The operations of the Company’s Units were strategically planned and all the resources were optimally utilized. The performance results were found satisfactory.

All the employees of the Company were met with equitable treatment who contributed to the Company business through their effective and efficient working.

Sd/-  
MRS. NUSRAT JAMIL  
CHAIRPERSON

Multan, October 4, 2022

## **DIRECTORS' REPORT**

In the name of Allah the Most Beneficent and the Merciful

Dear Shareholders,

On behalf of the Board of Directors of the Company, it is my privilege to present before you the 65th Annual Report on the affairs of your Company along with the Audited Financial Statements for the year ended June 30, 2022.

### **GENERAL PERFORMANCE:**

By the grace of Almighty Allah, the performance of your Company during the period under review remained satisfactory. During the year the demand for yarn improved due to increase in demand for fabrics internationally. Your Company coped this situation very well. The timely implementation of BMR generated substantial opportunity for the increased production, sales and resultant profits for the Company. This also helped the Company to overcome the effects of increase in mark up and energy rates over the margins of the Company.

The second phase of major BMR of Unit No.2 was started in October- November 2021. To increase the production capacity of the mills, 8,256 Spindles alongwith Back-process were imported and installed. Few of the machines and electronic panels could not be supplied by the shipper due to Corona Virus in China. Resultantly, we could not start its production by the end of June 2022. As of today all the missing items have been received and are installed which will start its production in a couple of weeks.

### **OPERATIONS:**

The Mills produced Polyester-Cotton blended yarn throughout the year. The total production of yarn during the year under review at 20's count basis was 16,027,604.71 Kgs (actual production 9,458,603.28 Kgs) as compared to 16,096,494.36 Kgs (actual production 9,451,073.52 Kgs) last year. The total sales for the year amounted to PKR:4,827,204,348/- (9,352,733.04 Kgs) as compared to PKR:3,546,836,485/- (9,493,575.84 Kgs) last year. The gross profit for the year was PKR:455,492,118/- as compared to PKR:363,196,084/- last year. The Net Profit after providing for Tax amounted to PKR:143,885,427/- as compared to the Net Profit after tax of PKR:145,420,124/- last year.

The financial results for the year ended June 30, 2022 along with the comparative figures of the last year are summarized under the respective heads of Accounts below:

## ACCOUNTS:

	For the year ended June 30, 2022 Rupees	For the year ended June 30, 2021 Rupees
Revenue from contracts-net	4,827,204,348	3,546,836,485
Cost of goods sold	(4,371,712,230)	(3,183,640,401)
Gross Profit	<b>455,492,118</b>	<b>363,196,084</b>
Other income	-	5,415,898
Distribution and marketing expenses	(37,813,445)	(23,209,112)
Administrative expenses	(90,846,995)	(61,818,765)
Other expenses	(16,230,272)	(15,655,682)
Finance Cost	(92,095,757)	(51,359,826)
Profit before Taxation	<b>218,505,649</b>	<b>216,568,597</b>
Provision for Taxation	(74,620,222)	(71,148,473)
Profit for the year	<b>143,885,427</b>	<b>145,420,124</b>
Earnings per share- basic and diluted	<b>179.86</b>	<b>181.78</b>

## FUTURE OUTLOOK

Subsequent to the balance sheet date, the entire situation of the Textile Industry has reversed and got worst due to less demand of yarn and fabrics in local as well as international markets. In addition to the above, the increase in minimum wage, markup rates and energy tariff has put the affairs of Textile Industry on stake. Moreover, prevailing floods situation in one third of our country including lands of cotton cultivation has badly affected the production of cotton and almost 50% of the cultivated cotton crop has been destroyed. Resultantly, the shortage of cotton leads to instability in the prices of yarn and fabrics. The discontinuity of the regionally competitive energy tariff by the government of Pakistan with effect from 01-10-2022 will have extremely adverse effect on the operations/ performance of the Textile Industry as without the regionally competitive energy rates, it is impossible to meet the cost of production and be competitive in the international market. The effects of this discontinuity are already visible as a number of mills stand closed with effect from 01-10-2022. We hope that the Government of Pakistan realizes the situation and comes out with a workable solution to this grave problem.

## DIVIDEND

To share the profit earned by the Company for the year ended June 30, 2022 with the shareholders, your Directors have proposed distribution of a final cash dividend @72.50% (Rs.7.25 per share) to the shareholders of the Company in its meeting held on October 4, 2022.



## **CERTIFICATIONS**

Your Directors are pleased to report that your Company is quite successfully maintaining its following certifications:

### **ISO 9001:2015**

Certification for Quality Management System is not just a piece of paper, it is a whole set of systems which serves as stepping stone to the wide world of Quality.

### **ISO 14001:2015**

Certification for Environmental Management System which aims to ensure that our products have the least harmful impact on the environment during production, disposal and depletion of natural resources.

### **GRS (Global Recycled Standard)**

During the year, the Company is maintaining GRS Certification which showed reliability on our product and trust of our customers towards quality.

### **Cotton Connect (PRIMARK and BOOHOO)**

The company is maintaining this certification to improve the sustainability of the world's textiles supply chain and enables textile producers to deliver the best products now and in future by transparent, traceable and resilient manners.

## **COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE**

Your Directors are pleased to report that the Company is complying with the requirements of the Code of Corporate Governance as introduced by the Securities and Exchange Commission of Pakistan. The various statements, as required by the code, are given below:

### **PRESENTATION OF FINANCIAL STATEMENTS:**

The financial statements, prepared by the Company, fairly represent its state of affairs, the results of operations, cash flows, and changes in equity;

### **BOOKS OF ACCOUNTS:**

The Company has maintained proper books of accounts;

### **ACCOUNTING POLICIES:**

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

**COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS (IAS):**

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;

**INTERNAL CONTROL SYSTEM:**

The system of internal control is sound in design and has been effectively implemented and monitored;

**ON GOING CONCERN:**

The Company's financial position is sound enough to ensure its continuity as an on going concern;

**NO OUTSTANDING STATUTORY DUES:**

There are no outstanding statutory dues on account of taxes, levies and charges except of normal and routine nature;

**FINANCIAL HIGHLIGHTS:**

Key operating and financial data of the last six years is given in Annex 1.

**BOARD MEETINGS:**

During the year ended June 30, 2022 four (4) meetings of the Board of Directors were held. Attendance of each Director is given below:

<u>Director's Name</u>	<u>Meeting Attended</u>
Mrs. Nusrat Jamil	4
Mian Tanvir Ahmad Sheikh	4
Mian Muhammad Jamil	4
Mian Tauqir Ahmed Sheikh	4
Mian Anis Ahmad Sheikh	4
Mr. Mohammad Alamgir Jamil Khan	4
Mrs. Bushra Tauqir	4
Mr. Muhammad Umar Farooq	4
Mr. Javed Musarrat	4
Mr. Abdul Rehman Qureshi	4
Mr. Imran Hussain	3

The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

<b><u>Members Name</u></b>	<b><u>Attendance</u></b>
Mr. Javed Musarrat	4
Mrs. Nusrat Jamil	4
Mian Anis Ahmad Sheikh	4

The HR & R Committee held one (1) meeting during the year. Attendance by each member was as follows:

<b><u>Members Name</u></b>	<b><u>Attendance</u></b>
Mr. Abdul Rehman Qureshi	1
Mian Anis Ahmad Sheikh	1
Mr. Mohammad Alamgir Jamil Khan	1

## **COMPOSITION OF BOARD**

The Board consists of 9 male and 2 female directors with following composition:

Independent Directors	3
Non-executive Directors	3
Executive Directors	3
Female Directors	2
Total number of Directors	11

## **AUDITORS**

Your Company's Auditors M/s Yousuf Adil Chartered Accountants, Multan retire and being eligible offer themselves for re-appointment for the next year.

The Audit Committee of the Company has recommended and proposed the re-appointment of M/s Yousuf Adil Chartered Accountants, Multan as Auditors of the Company for the year 2022-2023 with remuneration as per ICAP Standard, in the upcoming Annual General Meeting of the Company.

## **PATTERN OF SHAREHOLDING**

A statement showing pattern of shareholdings of the Company and additional information as at June 30, 2022 is annexed to this report.



## **ACKNOWLEDGEMENT**

Your Directors acknowledge the best cooperation as usual enjoyed by your Company from all relevant Financial Institutions, its Bankers, M/s Habib Bank Limited, M/s Bank AL Habib Limited, M/s Habib Metropolitan Bank Limited, M/s United Bank Limited and M/s Askari Bank Limited and wish to record their appreciation for the same and hope their support to the Company will continue in future as well.

Your Directors also acknowledged the sincere efforts of healthcare workers, essential service providers and the entire Allawasaya Textile and Finishing Mills Limited (AWTX) team for managing and controlling the spread of Covid-19 during the year. Finally we thank all our valued customers, suppliers, stakeholders and bankers for their commitment to the Company and look forward to sharing further success with them in the coming years.

The dedicated hard work of all employees of the Company, working in these challenging circumstances, keeping the operations of the Company smooth is also acknowledged.

On behalf of the Board of Directors

Sd/-  
MRS. NUSRAT JAMIL  
CHAIRPERSON

Multan, October 4, 2022



## SIX YEARS KEY OPERATING AND FINANCIAL DATA

Year Ended June 30, BALANCE SHEET	2022	2021	2020	2019	2018	2017
Authorized Capital	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Issued, Subscribed & Paid up Capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Surplus on Revaluation of Property, Plant & Equipment	1,177,127,886	815,788,842	829,601,503	844,244,390	555,466,212	564,143,421
Tax holiday reserve	2,668,746	2,668,746	2,668,746	2,668,746	2,668,746	2,668,746
General reserve	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Un-appropriated Profits	471,010,408	342,653,609	183,420,824	153,951,755	181,999,407	152,641,179
Total Equity	1,738,807,040	1,249,111,197	1,103,691,073	1,088,864,891	828,134,365	807,453,346
Long Term Loans	193,426,731	151,193,993	178,875,000	173,250,000	-	-
Lease Liabilities	13,436,529	-	-	-	-	-
Deferred Liabilities	212,171,717	170,029,859	191,772,520	149,248,031	95,745,379	106,550,429
Current Liabilities	1,365,332,196	548,795,824	882,241,528	673,952,127	435,701,497	351,378,451
Total Liabilities	1,784,367,173	870,019,676	1,252,889,048	996,450,158	531,446,876	457,928,880
Total Equity & Liabilities	3,523,174,213	2,119,130,873	2,356,580,121	2,085,315,049	1,359,581,241	1,265,382,226
Fixed Assets	2,136,305,160	1,392,975,610	1,423,479,920	1,432,570,929	851,124,734	882,766,913
Long Term Deposits	5,337,497	2,379,997	2,379,997	2,379,997	2,379,997	2,379,997
Current Assets	1,381,531,556	723,775,266	930,720,204	650,364,123	506,076,510	380,235,316
Total Assets	3,523,174,213	2,119,130,873	2,356,580,121	2,085,315,049	1,359,581,241	1,265,382,226
PROFIT & LOSS ACCOUNT						
Revenue from contracts	4,827,204,348	3,546,836,485	2,657,387,974	2,090,559,370	2,168,465,319	1,966,036,666
Gross Profit	455,492,118	363,196,084	176,766,811	98,699,813	124,872,086	49,054,839
Profit / (Loss) before Taxation	218,505,649	216,568,597	22,956,403	(9,305,288)	36,016,332	(32,116,626)
Profit / (Loss) after Taxation	143,885,427	145,420,124	14,826,182	(15,919,798)	17,633,101	(40,346,211)
DISTRIBUTION						
Cash Dividend %	72.50	352.50	-	-	37.50	-
RATIOS						
Break up value Per share (Rs.)	2173.51	1561.39	1379.61	1361.08	1,035.17	1,009.32
Earning / (Loss) per Share (Rs)	179.86	181.78	18.53	(19.90)	22.04	(50.43)
Current Ratio	1.01:1	1.32:1	1.05:1	0.97:1	1.16:1	1.08:1
Debt/ equity ratio	14:86	17:83	16:84	15:85	00:100	00:100
CAPACITY & PRODUCTION						
No. of spindles installed	38,232	38,232	38,232	37,752	30,592	30,592
No. of spindles worked	38,232	38,232	38,232	35,352	30,592	30,592
Capacity of Yarn at 20's Count (Kgs)	16,220,207	16,204,862	13,971,695	10,505,451	13,164,469	13,213,585
Actual Production of Yarn at 20's Count (K gs)	16,027,605	16,096,494	13,816,608	10,350,145	13,102,052	12,882,613

**Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019**  
**Name of company ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED**  
**Year ending JUNE 30, 2022**

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

1. The total number of directors are 11 as per the following:

a. Male: 9

b. Female: 2

2. The composition of Board is as follows:

i. Independent Directors

1. Mr. Javed Musarrat	Independent Director
2. Mr. Abdul Rehman Qureshi	Independent Director
3. Mr. Imran Hussain	Independent Director

ii. Non-executive Directors

1. Mian Tauqir Ahmed Sheikh	Non-Executive Director
2. Mian Anis Ahmad Sheikh	Non-Executive Director
3. Mr. Muhammad Umar Farooq	Non-Executive Director

iii. Executive Directors

1. Mian Tanvir Ahmad Sheikh	Executive Director (CEO/MD)
2. Mian Muhammad Jamil	Executive Director
3. Mr. Mohammad Alamgir Jamil Khan	Executive Director

iv. Female Directors

1. Mrs. Nusrat Jamil	Non-Executive Director (Chairperson)
2. Mrs. Bushra Tauqir	Non-Executive Director

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with the dates of approval or updating has been maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Four out of eleven Directors have already attended Directors' Training Program (DTP), one Independent Director namely Mr. Abdul Rehman Qureshi has gotten exemption from SECP in year 2019, five Directors are exempted from the requirement of DTP as per regulation No. 19(2) of the CCG Regulations, 2019 and one newly appointed Director in last EOGM of the Company held on 24.05.2021 could not attend DTP during the year 2021-22 due to Corona Virus constraints prevailing in the country. All the Directors are fully conversant with their duties and responsibilities as Directors of the Company.
10. There was no change with respect to appointment of CFO, Company Secretary and Head of Internal Audit during the year.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
  - a) Audit Committee:
    1. Mr. Javed Musarrat- Independent Director- Chairman
    2. Mrs. Nusrat Jamil- Non-Executive Director- Member
    3. Mian Anis Ahmad Sheikh- Non-Executive Director- Member
  - b) HR and Remuneration Committee:
    1. Mr. Abdul Rehman Qureshi- Independent Director- Chairman
    2. Mian Anis Ahmad Sheikh- Non-Executive Director- Member
    3. Mr. Mohammad Alamgir Jamil Khan- Executive Director-Member
  - c) Nomination Committee (not mandatory)
  - d) Risk Management Committee (not mandatory)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 

a) Audit Committee	4 quarterly meetings
b) HR and Remuneration Committee	1 annually meeting
c) Nomination Committee	—
d) Risk Management Committee	—
15. The Board has set up an effective internal audit function headed by the Head of Internal Audit. The staff is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company and is involved in the internal audit function on a full time basis.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. We confirm that all other requirements of the Regulations have been complied with.

On the behalf of the Board of Directors

Sd/-  
MRS. NUSRAT JAMIL  
CHAIRPERSON

Multan, October 4, 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Allawasaya Textile and Finishing Mills Limited****Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Allawasaya Textile and Finishing Mills Limited** (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

**Yousuf Adil**  
**Chartered Accountants**

**Place:** Multan

**Date:** October 04, 2022

**UDIN Number:** CR202210088wRFnIoKu5

**INDEPENDENT AUDITOR'S REPORT****To the members of Allawasaya Textile & Finishing Mills Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of Allawasaya Textile & Finishing Mills Limited (the Company) which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit or loss and comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matters**

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



Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
<b>1. Revenue Recognition</b>	
<p>The Company's revenue from contracts comprise of revenue from the sale of yarn this has been disclosed in note 23 to the financial statements.</p> <p>Revenue from the sale is recognized, when control related to the sale of goods is transferred and the performance obligation is satisfied i.e. on dispatch of goods (note 4.4.17).</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of control to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our audit procedures to address the Key Audit Matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue;</li> <li>• Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;</li> <li>• Checked on sample basis whether the recorded sales transactions are based on transfer of goods to the customer, satisfying the performance obligation and were recorded in the appropriate accounting period.</li> <li>• Reviewing the adequacy of disclosure as required under applicable financial reporting framework.</li> </ul>

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

#### Responsibilities of Management and the 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 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 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 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

**Yousuf Adil**  
**Chartered Accountants**

**Place: Multan**  
**Date: October 04, 2022**  
**UDIN Number: AR2022100885H72h8YRn**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2,136,305,160	1,392,975,610
Long term deposits		5,337,497	2,379,997
		<u>2,141,642,657</u>	<u>1,395,355,607</u>
<b>Current assets</b>			
Stores and spares	6	57,150,005	32,496,159
Stock in trade	7	568,014,406	270,686,600
Trade debts	8	553,294,725	332,139,472
Loans and advances	9	110,197,241	17,483,574
Advance income tax		64,374,709	43,326,868
Trade deposits and prepayments	10	2,822,518	4,766,335
Tax refunds due from government	11	19,074,727	19,074,727
Cash and bank balances	12	6,603,225	3,801,531
		<u>1,381,531,556</u>	<u>723,775,266</u>
<b>Total assets</b>		<u><b>3,523,174,213</b></u>	<u><b>2,119,130,873</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	13	8,000,000	8,000,000
Surplus on revaluation of property, plant and equipment	14	1,177,127,886	815,788,842
Tax holiday reserve		2,668,746	2,668,746
General reserve		80,000,000	80,000,000
Unappropriated profits		<u>471,010,408</u>	<u>342,653,609</u>
		<u>1,738,807,040</u>	<u>1,249,111,197</u>
<b>Non-current liabilities</b>			
Long term loan	15	193,426,731	151,193,993
Lease liabilities	16	13,436,529	-
Deferred liabilities	17	<u>212,171,717</u>	<u>170,029,859</u>
		<u>419,034,977</u>	<u>321,223,852</u>
<b>Current liabilities</b>			
Trade and other payables	18	393,366,173	171,635,098
Accrued markup	19	19,141,424	10,303,319
Short term borrowings	20	813,782,709	206,891,241
Current portion of long term loan	15	69,661,705	100,323,410
Current portion of deferred grant	15	212,869	3,754,842
Current portion of lease liabilities	16	2,169,682	-
Unclaimed dividend		987,863	664,983
Provision for taxation	21	<u>66,009,771</u>	<u>55,222,932</u>
		<u>1,365,332,196</u>	<u>548,795,825</u>
<b>Contingencies and commitments</b>	22		
<b>Total equity and liabilities</b>		<u><b>3,523,174,213</b></u>	<u><b>2,119,130,873</b></u>

The annexed notes from 1 to 41 form an integral part of these financial statements.

Sd/-  
Mian Tanvir Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Muhammad Alamgir Jamil Khan  
Director

Sd/-  
Sohail Nadeem  
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Note</b>	<b>2022 Rupees</b>	<b>2021 Rupees</b>
Revenue from contracts - net	23	<b>4,827,204,348</b>	3,546,836,485
Cost of goods sold	24	<b>(4,371,712,230)</b>	(3,183,640,401)
Gross profit		<b>455,492,118</b>	363,196,084
Other income	25	-	5,415,898
Distribution and marketing expenses	26	<b>(37,813,445)</b>	(23,209,112)
Administrative expenses	27	<b>(90,846,995)</b>	(61,818,765)
Other expenses	28	<b>(16,230,272)</b>	(15,655,682)
Finance cost	29	<b>(92,095,757)</b>	(51,359,826)
		<b>(236,986,469)</b>	<b>(146,627,487)</b>
Profit before taxation		<b>218,505,649</b>	<b>216,568,597</b>
Provision for taxation	30	<b>(74,620,222)</b>	<b>(71,148,473)</b>
Profit for the year		<b>143,885,427</b>	<b>145,420,124</b>
Earnings per share - basic and diluted	31	<b>179.86</b>	181.78

The annexed notes from 1 to 41 form an integral part of these financial statements.

Sd/-  
Mian Tanvir Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Muhammad Alamgir Jamil Khan  
Director

Sd/-  
Sohail Nadeem  
Chief Financial Officer



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>2022 Rupees</b>	<b>2021 Rupees</b>
Profit for the year	<b>143,885,427</b>	145,420,124
<b>Items that will not be reclassified to profit or loss</b>	-	-
Surplus on revaluation of property plant and equipment	<b>446,211,093</b>	-
Deferred tax impact on revaluation	<b>(72,200,677)</b>	-
	<b>374,010,416</b>	-
	<b>517,895,843</b>	-
<b>Total comprehensive income for the year</b>	<b>517,895,843</b>	<b>145,420,124</b>

The annexed notes from 1 to 41 form an integral part of these financial statements.

Sd/-  
Mian Tanvir Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Muhammad Alamgir Jamil Khan  
Director

Sd/-  
Sohail Nadeem  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2022**

ON THE PERIOD ENDED JUNE 30, 2022

Share Capital	Reserves				Total
	Capital		Revenue		
	Surplus on revaluation of property, plant and equipment	Tax holiday reserve	General reserve	Unappropriated profits	

  

	Rupees					
Balance at July 01, 2020	8,000,000	829,601,503	2,668,746	80,000,000	183,420,824	1,103,691,073
Profit for the year	-	-	-	-	145,420,124	145,420,124
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	145,420,124	145,420,124
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	(13,812,661)	-	-	13,812,661	-
Balance at June 30, 2021	8,000,000	815,788,842	2,668,746	80,000,000	342,653,609	1,249,111,197
Profit for the year	-	-	-	-	143,885,427	143,885,427
Other comprehensive income for the year	-	374,010,416	-	-	-	374,010,416
Total comprehensive income for the year	-	374,010,416	-	-	143,885,427	517,895,842
Final dividend for the period ended June 30, 2021 @ Rs. 352.5	-	-	-	-	(28,200,000)	(28,200,000)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax (note-14)	-	(12,671,372)	-	-	12,671,372	-
Balance at June 30, 2022	8,000,000	1,177,127,886	2,668,746	80,000,000	471,010,408	1,738,807,040

The annexed notes from 1 to 41 form an integral part of these financial statements.

Sd/-  
Mian Tanvir Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Muhammad Alamgir Jamil Khan  
Director

Sd/-  
Sohail Nadeem  
Chief Financial Officer



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 Rupees	2021 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		218,505,649	216,568,597
Adjustments for:			
Depreciation on property, plant and equipment	5	46,558,051	46,289,497
Gain on disposal of property, plant and equipment		-	-
Provision for staff retirement benefits - gratuity		17,922,408	17,663,739
Finance cost		92,095,757	51,359,826
Gain on remeasurement of (GIDC)		-	(5,415,898)
<b>Operating cash flows before movement in working capital</b>		<b>375,081,865</b>	<b>326,465,761</b>
<b>decrease / (Increase) in current assets</b>			
Stores, spares and loose tools		(24,653,846)	(13,395,093)
Stock in trade		(297,327,806)	267,210,626
Trade debts		(221,155,253)	(84,221,322)
Loans and advances (excluding advance income tax)		(92,713,667)	(8,868,156)
Trade deposits and prepayments		1,943,817	5,586,604
Tax refunds due from government		-	22,142,740
<b>(Decrease) / increase in current liabilities</b>		<b>190,384,399</b>	<b>(149,580,880)</b>
Trade and other payables		(443,522,356)	38,874,519
<b>Net cash generated (used in) / from operations</b>		<b>(68,440,491)</b>	<b>365,340,280</b>
Income taxes paid		(76,270,773)	(44,091,890)
Staff retirement benefits - gratuity paid		(25,032,133)	(5,396,704)
Finance cost paid		(83,796,890)	(59,379,419)
<b>Net cash generated (used in) / from operating activities</b>		<b>(253,540,287)</b>	<b>256,472,267</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to property, plant and equipment	5	(17,998,787)	(15,785,187)
Addition to CWIP		(308,443,600)	-
Security deposit paid		(2,957,500)	-
<b>Net cash used in investing activities</b>		<b>(329,399,887)</b>	<b>(15,785,187)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances obtained		108,139,598	102,146,818
Lease liability paid		(765,789)	-
Repayment of long term finances	38	(100,323,409)	(56,161,704)
Dividend paid		-	-
Dividend paid		(28,200,000)	-
Short term borrowings - net		606,891,468	(307,310,418)
<b>Net cash generated from / (used in) financing activities</b>		<b>585,741,868</b>	<b>(261,325,304)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>		<b>2,801,694</b>	<b>(20,638,224)</b>
Cash and cash equivalents at beginning of the year		3,801,531	24,439,755
Cash and cash equivalents at end of the year		6,603,225	3,801,531
Running finance (overdraft)		(266,956,709)	(154,247,879)
<b>Net cash and cash equivalents at the end of year</b>		<b>(260,353,484)</b>	<b>(150,446,348)</b>

The annexed notes from 1 to 41 form an integral part of these financial statements.

Sd/-  
Mian Tanvir Ahmad Sheikh  
Chief Executive Officer

Sd/-  
Mian Muhammad Alamgir Jamil Khan  
Director

Sd/-  
Sohail Nadeem  
Chief Financial Officer

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 1. THE COMPANY AND ITS OPERATIONS

- 1.1** Allawasaya Textile & Finishing Mills Limited (the Company) was incorporated in Pakistan on March 31, 1958 as a private limited company. It was converted into a public limited company in 1965 under the Companies, Act 1913 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange (PSX) in Pakistan. It is principally engaged in the manufacturing and sale of yarn. The Registered office and mill of the Company is situated at Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan in the province of Punjab.

### 2. STATEMENT OF COMPLIANCE

#### 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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3. STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING THE YEAR

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

#### 3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2022

- 3.1.1** The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

Standards or Interpretations with no significant impact	Effective from accounting period beginning on or after:
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

#### 3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

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 unconsolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022



**Effective from accounting period  
beginning on or after:**

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred Indefinitely

**3.3** Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Basis of preparation**

These financial statements have been prepared under the historical cost convention modified by:

- revaluation of certain property, plant and equipment; and
- certain financial instruments at fair value.

##### **4.2 Functional and presentation currency**

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

##### **4.3 Critical judgments and accounting estimates in applying the accounting policies**

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognized in the period in which estimate is revised if the revision affects only that period, or in the period of revision and future period if the revision affects both current and future periods.

Significant areas requiring the use of management estimates in these financial statements relate to the following:

- useful life of depreciable assets.
- allowance for expected credit loss.
- provision for tax and deferred tax.
- revaluation of property plant and equipment.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.



#### **4.4 The principal accounting policies adopted are set out as below.**

##### **4.4.1 Property, plant and equipment**

Property, plant and equipment except freehold land, building on freehold land, plant and machinery, electric installation and power house and capital work in progress are stated at cost less accumulated depreciation and impairment, if any.

Freehold land, building on freehold land, plant and machinery, electric installation and power house are stated at revalued amount being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity so that the fair value and carrying value do not differ materially at the statement of financial position date. Increases in the carrying amounts arising on revaluation of land, buildings and plant and machinery are recognised, net of deferred tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity.

To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decrease that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset. All other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

Depreciation is charged to income applying reducing balance method to write-off the cost over the estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 5.1. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal respectively.

Gains / losses on disposal of operating assets, if any, are recognized in statement of profit or loss, as and when assets are derecognized.

Normal repairs and maintenance are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and assets replaced, if any, other than those kept as stand-by, are retired.

##### **4.4.2 Right-of-use assets and lease liabilities**

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the company.

The lease liabilities are initially measured at the present value of the minimum lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities were discounted using the Company's incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

##### **4.4.3 Capital work-in-progress**

Capital work-in-progress (CWIP) is stated at cost less any recognized impairment loss. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are available for use.



#### 4.4.4 Stores and spares

These are valued at lower of cost and net realized value. The cost is determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon upto the reporting date.

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

#### 4.4.5 Stock in trade

These are determined at lower of cost and net realisable value. Cost is determined as;

##### Particulars

Raw material

- At mills

- In transit

Weighted average cost.

Cost accumulated up to statement of financial position date.

Work in process

Finished goods

Waste

Average manufacturing cost.

Average manufacturing cost.

Net realizable value.

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

#### 4.4.6 Trade debts and other receivables

Trade debts and other receivables are initially recognized at fair value, which is usually the original invoiced amount and subsequently carried at amortized cost using the effective interest method less allowance for expected credit loss.

#### 4.4.7 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short-term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value, and short-term running finance. Running finances under mark-up arrangements are shown with short term borrowings in current liabilities on the balance sheet.

#### 4.4.8 Trade and other payables

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

#### 4.4.9 Taxation

##### Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits, assumptions and rebates available, if any, or on turnover at the specified rates or Alternate Corporate Tax Act as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessments framed / finalized during the year.

##### Deferred

Deferred tax is provided for using statement of financial position liability method for all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used. In this regard, the effect on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of Institute of Chartered Accountants of Pakistan.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted at the statement of financial position date.



#### **4.4.10 Dividend distribution**

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

#### **4.4.11 Impairment**

##### **Non-financial assets**

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

Where impairment loss subsequently reverses, the carrying amount of the assets 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 in prior periods. Reversal of impairment loss is recognized as

##### **Financial assets**

The Company recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or at FVTPL, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognises lifetime ECL for trade receivables. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative, quantitative, reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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

##### **Definition of default:**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).



### **Write-off policy**

The Company writes off financial assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognised in profit or loss.

#### **4.4.12 Financial Instruments:**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or at fair value, depending on the classification of the financial assets.

### **Classification of financial assets**

#### **a) Debt instruments measured at amortised cost**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

### **Amortised cost and effective interest method**

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

#### **b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)**

Debt instruments that meet specified conditions and are measured subsequently at fair value through other comprehensive income (FVTOCI).

#### **c) Equity instruments designated as at FVTOCI**

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

#### **d) Financial assets measured subsequently at fair value through profit or loss (FVTPL)**

By default, all other financial assets are measured subsequently at fair value through profit or loss

### **Derecognition of financial assets**

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



On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### **4.4.13 Financial liabilities**

##### ***Subsequent measurement of financial liabilities***

Financial liabilities that are not

- contingent consideration of an acquirer in a business combination,
- held-for-trading, or
- designated as at FVTPL,

are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

#### **4.4.14 Derecognition of financial liabilities**

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

#### **4.4.15 Off setting of financial assets and financial liabilities**

A financial asset and a financial liability is off set and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

#### **4.4.16 Foreign currency translation**

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing on the date of transactions. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction.

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

#### **4.4.17 Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer and the performance obligation is satisfied under the contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

#### **4.4.18 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

#### **4.4.19 Provisions**

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

#### **4.4.20 Staff retirement benefits**

##### ***Defined benefit plan***

The Company operates an unfunded gratuity scheme for all its eligible employees who have completed the minimum qualifying period of service. Employees successfully completing one year of service are paid with the outstanding amount which is calculated at latest drawn gross salary for the year. Charge for the year represents the amount becoming due in the year (whether paid or un-paid).

## 5. PROPERTY, PLANT AND EQUIPMENT

	Note	2022 Rupees	2021 Rupees
Operating assets	5.1	1,864,354,167	1,392,975,610
Right of use asset	5.1.1	13,850,437	-
Capital Work in Progress (CWIP)	5.3	258,100,556	-
		<u>2,136,305,160</u>	<u>1,392,975,610</u>

### 5.1 Operating assets

Particulars	Cost / Revaluation				Accumulated Depreciation					Rate
	At July 01, 2021	Additions during the year	Revaluation Surplus	At June 30, 2022	At July 01, 2021	For the year	Revaluation Adjustment	At June 30, 2022	Written Down Value as at June 30, 2022	
Rupees										%
Land- Freehold	569,800,000	-	236,143,000	805,943,000	-	-	-	-	805,943,000	-
Building on Free-hold Land	179,542,003	50,343,044	76,506,191	306,391,238	32,038,087	7,584,958	(39,623,045)	-	306,391,238	5
Plant & Machinery	709,805,401	-	-	709,805,401	133,514,306	28,814,555	(85,073,459)	77,255,401	632,550,000	5
<b>Power house</b>										
- Building on freehold land	8,353,620	-	-	8,353,620	1,889,748	323,194	-	2,212,942	6,140,678	5
- Generators	97,332,424	-	-	97,332,424	28,349,127	3,449,165	(8,865,397)	22,932,895	74,399,529	5
- Electric Installation	11,825,040	-	-	11,825,040	6,578,225	787,022	-	7,365,247	4,459,793	15
	117,511,084	-	-	117,511,084	36,817,100	4,559,381	(8,865,397)	32,511,084	85,000,000	
Tube Well	1,270,006	-	-	1,270,006	565,976	70,403	-	636,379	633,628	10
Electric Installation	14,927,990	16,450,388	-	31,378,378	7,150,808	1,909,882	-	9,060,690	22,317,688	15
Workshop Equipments	160,909	-	-	160,909	158,866	204	-	159,070	1,839	10
Tools & Equipments	151,401	-	-	151,401	148,112	329	-	148,441	2,960	10
Laboratory Equipments	3,832,266	-	-	3,832,266	3,334,428	49,784	-	3,384,212	448,054	10
Weighing Scales	811,008	-	-	811,008	699,431	11,158	-	710,589	100,419	10
Arms & Ammunition	295,907	-	-	295,907	191,678	10,423	-	202,101	93,806	10
Office Equipments	2,968,021	544,000	-	3,512,021	2,609,388	59,595	-	2,668,983	843,038	15
Furniture & Fixture	1,243,418	490,779	-	1,734,197	1,036,731	32,304	-	1,069,034	665,163	10
Vehicle & Automobile	38,517,719	513,620	-	39,031,339	29,596,613	71,393	-	29,668,006	9,363,333	20
TOTAL	1,640,837,133	68,341,831	312,649,191	2,021,828,155	247,861,524	43,174,368	(133,561,901)	157,473,990	1,864,354,167	
Vehicles-right of use asset	-	17,234,120	-	17,234,120	-	3,383,683	-	3,383,683	13,850,437	
	1,640,837,133	85,575,951	312,649,191	2,039,062,275	247,861,524	46,558,051	(133,561,901)	160,857,673	1,878,204,604	

### 5.2 Depreciation for the year has been allocated as under:

	Note	2022 Rupees	2021 Rupees
Cost of goods sold	24	43,000,653	43,984,085
Administrative expenses	27	3,557,398	2,305,412
		<u>46,558,051</u>	<u>46,289,497</u>

### 5.3 Capital Work in Progress

Building	15,430,831	-
Machinery	242,669,725	-
	<u>258,100,556</u>	<u>-</u>



For Comparative year

Particulars	Cost / Revaluation			Accumulated Depreciation				Written Down Value At June 30, 2021	Rate
	At July 01, 2020	Additions during the year	Revaluation Surplus	At June 30, 2021	At July 01, 2020	For the year	Revaluation Adjustment	At June 30, 2021	
	Rupees								%
<b>Owned</b>									
Land- Freehold	569,800,000	-	-	569,800,000	-	-	-	569,800,000	-
Building on Free-hold Land	179,055,003	487,000	-	179,542,003	24,276,859	7,761,228	-	32,038,087	5
Plant & Machinery	695,252,254	14,553,147	-	709,805,401	103,678,784	29,835,522	-	133,514,306	5
<b>Power house</b>									
- Building on freehold land	8,353,620	-	-	8,353,620	1,549,544	340,204	-	1,889,748	5
- Generators	97,332,424	-	-	97,332,424	24,718,427	3,630,700	-	28,349,127	5
- Electric Installation	11,825,040	-	-	11,825,040	5,652,316	925,909	-	6,578,225	15
	117,511,084	-	-	117,511,084	31,920,287	4,896,813	-	36,817,100	
<b>Tube Well</b>									
Electric Installation	1,270,006	-	-	1,270,006	487,751	78,225	-	565,976	10
Workshop Equipments	14,310,800	617,190	-	14,927,990	5,806,463	1,344,345	-	7,150,808	15
Tools & Equipments	160,909	-	-	160,909	158,639	227	-	158,866	10
Laboratory Equipments	151,401	-	-	151,401	147,747	365	-	148,112	10
Weighting Scales	3,832,266	-	-	3,832,266	3,279,113	55,315	-	3,334,428	10
Arms & Ammunition	801,508	9,500	-	811,008	687,386	12,045	-	699,431	10
Office Equipments	264,057	31,850	-	295,907	183,160	8,518	-	191,678	10
Furniture & Fixture	2,968,021	-	-	2,968,021	2,546,100	63,288	-	2,609,388	15
Vehicle & Automobile	1,243,418	-	-	1,243,418	1,013,766	22,965	-	1,036,731	10
	38,431,219	86,500	-	38,517,719	27,385,972	2,210,641	-	29,596,613	20
<b>TOTAL</b>	<b>1,625,051,946</b>	<b>15,785,187</b>	<b>-</b>	<b>1,640,837,133</b>	<b>201,572,026</b>	<b>46,289,497</b>	<b>-</b>	<b>247,861,524</b>	<b>1,392,975,610</b>



### 5.3.1 Movement in capital work in progress

	Note	2022 Rupees	2021 Rupees
Opening Balance		-	-
Additions during the year		308,443,600	-
Capitalized during the year		(50,343,044)	-
		<u>258,100,556</u>	<u>-</u>

- 5.4** The Company had revalued its Free-hold Land, Building on Free-hold Land, Plant & Machinery, Electric Installation and Power house on June 30, 2022. The revaluation was carried out by K.G. Traders (Private) Limited, an independent valuer not connected to the company, on the basis of market value. The revaluation surplus had been credited to 'Surplus on revaluation of property, plant and equipment'. Forced sale value of the above items of property, plant and equipment is as follows:

	Rupees
Land- Freehold	644,754,400
Building on Free-hold Land	257,959,440
Plant & Machinery	785,080,000
	<u>1,687,793,840</u>

### 6. STORES AND SPARES

	2022 Rupees	2021 Rupees
Stores and spares	50,619,276	29,035,202
Packing material	6,530,729	3,460,957
	<u>57,150,005</u>	<u>32,496,159</u>

- 6.1** The Company hold Rs. 8.97 million (2021: Rs. nil) stores, spares and loose tools for specific capitalization.

### 7. STOCK IN TRADE

	2022 Rupees	2021 Rupees
Raw materials		
- Cotton	67,529,352	171,336,093
- Polyester	66,697,219	18,288,761
	<u>134,226,571</u>	<u>189,624,854</u>
Raw material in-transit	259,274,539	16,546,702
Work in process	28,496,209	20,204,588
Finished goods		
-Yarn	144,145,573	43,156,086
-Waste	1,871,514	1,154,370
	<u>146,017,087</u>	<u>44,310,456</u>
	<u>568,014,406</u>	<u>270,686,600</u>

### 8. TRADE DEBTS

<b>Local - unsecured</b>		
Considered good	553,460,230	332,304,978
Provision of expected credit loss	(165,506)	(165,506)
	<u>553,294,724</u>	<u>332,139,472</u>

- 8.1** Trade debts are non-interest bearing and are generally on 60 to 90 days terms.
- 8.2** The Company provides for doubtful debts on the basis of past due balances. Balances considered bad and irrecoverable are written off when identified.
- 8.3** Trade debts consist of a large number of diversified customers. Ongoing credit evaluation is performed on the financial condition of account receivable and, where appropriate, provision is made.
- 8.4** The fair value of trade debts approximate their carrying amounts.



- 8.5 At year end, trade debts of Rs. 345.37 million (2021: Rs. 327.38 million) were neither past due nor impaired.
- 8.6 As at year end, trade debts of Rs. 8.67 million (2021: Rs. 4.75 million) were past due but not considered impaired for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The aging of past due debts is as follows:

	2022 Rupees	2021 Rupees
Over 6 months	8,670,500	4,753,100
	<u>8,670,500</u>	<u>4,753,100</u>

## 9. LOANS AND ADVANCES

### Considered good

Advance to suppliers	92,780,368	15,369,469
Advance for purchase of Term Finance Certificates	15,000,000	-
Advances to employees	2,145,781	1,866,732
Advance expenses on letter of credit	271,092	247,373
	<u>110,197,241</u>	<u>17,483,574</u>

## 10. TRADE DEPOSITS AND PREPAYMENTS

Margin deposit	1,605,311	1,605,311
Prepayments	1,217,207	3,161,024
	<u>2,822,518</u>	<u>4,766,335</u>

## 11. TAX REFUNDS DUE FROM GOVERNMENT

Income tax refundable	19,074,727	19,074,727
	<u>19,074,727</u>	<u>19,074,727</u>

## 12. CASH AND BANK BALANCES

Cash in hand	556,050	598,429
Cash at banks in current accounts	6,047,175	3,203,102
	<u>6,603,225</u>	<u>3,801,531</u>

## 13. SHARE CAPITAL

2022 Number of shares	2021 Number of shares	Authorised	2022 Rupees	2021 Rupees
1,000,000	1,000,000	Ordinary share of Rs. 10 each.	10,000,000	10,000,000
		<b>Issued, subscribed and paid up</b>		
		Ordinary shares of Rs. 10 each		
800,000	-	Opening	8,000,000	-
-	499,900	issued for cash	-	4,999,000
-	300,100	as bonus shares	-	3,001,000
<u>800,000</u>	<u>800,000</u>	Closing	<u>8,000,000</u>	<u>8,000,000</u>

- 13.1 There were no movements in issued, subscribed and paid up capital during the reporting year.
- 13.2 The Company has only one class of ordinary shares which carry no right to fixed income.
- 13.3 Shareholders are entitled to cast vote proportionate to the paid up value of shares carrying voting rights. All shares rank equally with regard to the Company's residual assets

## 14. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	2022 Rupees	2021 Rupees
Opening balance	918,442,584	937,897,036
Addition during the year	446,211,093	-
Transferred to unappropriated profit on account of:		
Incremental depreciation - net of deferred tax	(12,671,372)	(13,812,661)
Related deferred tax liability due to incremental depreciation	(5,692,937)	(5,641,791)
	<u>(18,364,309)</u>	<u>(19,454,452)</u>
	<u>1,346,289,368</u>	<u>918,442,584</u>

	<b>Note</b>	<b>2022 Rupees</b>	<b>2021 Rupees</b>
<b>Related deferred tax liability</b>			
Opening balance		(102,653,742)	(108,295,534)
Deferred tax arising on revaluation carried out during the year		(72,200,677)	-
Transferred to unappropriated profit on account of			
- deferred tax on incremental depreciation		5,692,937	5,641,791
- deferred tax due to rate change			
		5,692,937	5,641,791
		(169,161,482)	(102,653,742)
		<u>1,177,127,886</u>	<u>815,788,842</u>

## 15. LONG TERM LOAN

### Secured

Term Finance 1	15.1	124,500,000	163,500,000
Term Finance 2	15.2	30,661,705	91,985,114
TERF	15.3	108,139,600	-
Deferred grant		-	(212,869)
		<u>263,301,305</u>	<u>255,272,245</u>
Current portion of long term loan		(69,661,705)	(100,323,410)
Less: Current portion of deferred grant		(212,869)	(3,754,842)
		<u>193,426,731</u>	<u>151,193,993</u>

**15.1** This finance has been obtained from Bank Al Habib Limited for balancing modernization replacement (BMR). This loan has facility limit upto Rs. 195 million and is repayable in 20 equal quarterly installments commencing from October 10, 2019 with 1 year grace period. It carries markup at 6 months KIBOR plus 1.5%. The finance is secured against first mortgage charge over present and future fixed assets excluding assets under specific charge amounting to Rs. 790.5 million.

**15.2** This finance has been obtained from United Bank Limited to pay salaries & wages under SBP's Refinance Scheme for payment of wages & salaries and is repayable in 8 equal quarterly installments commencing from January 1, 2021 with 6 months grace period. This loan facility limit is upto Rs. 124 million. It carries mark up at (SBP Rate+2%). This finance is secured against 1st Pari Passu charge over moveable fixed assets and personal guarantees of directors of the Company.

**15.3.** This loan is obtained from Bank Al Habib Limited for retirement of import documents drawn under LC(s). This loan has facility Limit upto PKR 175 million and is repayable in 10 years with 2 years grace period in 16 semi-annual installments or on demand. It carries mark up at 6 months KIBOR plus 1.5%. The finance is secured against first mortgage charge of Rs 727 Million against personal guarantees of the directors.

## 16. LEASE LIABILITIES

Present value of minimum lease payments	15,606,211	-
Current portion shown under current liabilities	(2,169,682)	-
	<u>13,436,529</u>	<u>-</u>

This represents auto lease financing amounting to Rs 15.6 million (2021: Rs. NIL) obtained from Bank Al Habib Limited for the purpose of leasing the vehicles. This loan has facility limit upto PKR 40 million and is repayable in 5 years in 60 monthly installments. It carries mark up at 6 months KIBOR plus 1.5% Minimum lease payments have been discounted at an implicit interest rate ranging from 7.74% to 9.91% per annum (2021: Rs. NIL) to arrive at their present values. The lessee has the option to purchase the assets after expiry of the lease term.



The amount of future payments of the lease and the period in which these payments will become due are as follows:

<b>2022</b>	<b>Minimum lease payment</b>	<b>Future finance charge</b>	<b>Present value of lease liability</b>
	<b>------(Rupees)-----</b>		
Not later than one year	<b>3,806,655</b>	<b>1,752,571</b>	<b>2,054,084</b>
Later than one year and not later than five years	<b>16,744,144</b>	<b>3,192,017</b>	<b>13,552,127</b>
	<b>20,550,799</b>	<b>4,944,588</b>	<b>15,606,211</b>
<b>2021</b>	<b>Minimum lease payment</b>	<b>Future finance charge</b>	<b>Present value of lease liability</b>
	<b>------(Rupees)-----</b>		
Not later than one year	-	-	-
Later than one year and not later than five years	-	-	-
	-	-	-

#### 17. DEFERRED LIABILITIES

	<b>Note</b>	<b>2022 Rupees</b>	<b>2021 Rupees</b>
Deferred Tax	17.1	<b>212,171,717</b>	131,360,589
Provision for Gas Infrastructure Development Cess (GIDC)	17.2	-	38,456,401
Deferred Grant	17.3	-	212,869
		<b>212,171,717</b>	<b>170,029,859</b>

#### 17.1 Deferred Tax

<b>Deferred tax recognised in</b>			
<b>Opening Balance</b>	<b>Statement of Profit or loss</b>	<b>SOCI</b>	<b>Closing Balance</b>
<b>-----Rupees-----</b>			

#### Movement for the year ended June 30, 2022

Deferred tax liabilities on taxable temporary differences arising in respect of:

- Property, plant and equipment	69,758,918	12,571,665	-	82,330,583
- Surplus on revaluation of assets	102,653,743	(5,692,937)	72,200,677	169,161,483

Deferred tax assets on deductible temporary differences arising in respect of:

- doubtful debts	-	-	-	-
- staff gratuity	(6,848,234)	1,731,723	-	(5,116,511)
- investment credit	(12,235,610)	-	-	(12,235,610)
- unabsorbed tax losses	(21,968,228)	-	-	(21,968,228)
	<b>131,360,589</b>	<b>8,610,451</b>	<b>72,200,677</b>	<b>212,171,717</b>

Deferred tax recognised in		Closing Balance	
Opening Balance	Statement of Profit or loss		SOCI
Rupees			

**Movement for the year ended June 30, 2021**

Deferred tax liabilities on taxable

temporary differences arising in respect of:

- property, plant and equipment	65,465,283	4,293,635	-	69,758,918
- Surplus on revaluation of assets	108,295,534	(5,641,791)	-	102,653,743

Deferred tax assets on deductible

temporary differences arising  
in respect of:

- doubtful debts	-	-	-	-
- staff gratuity	(3,290,794)	(3,557,440)	-	(6,848,234)
- investment credit	(12,235,610)	-	-	(12,235,610)
- unabsorbed tax losses	(40,716,980)	18,748,752	-	(21,968,228)
	<u>117,517,433</u>	<u>13,843,156</u>	<u>-</u>	<u>131,360,589</u>

**17.2 Provision for Gas Infrastructure Development  
Cess(GIDC)**

**Note**

**2022  
Rupees**

**2021  
Rupees**

Provision for GIDC  
Less: Current portion

<b>38,456,401</b>	<b>48,234,750</b>
<b>(38,456,401)</b>	<b>(9,778,349)</b>
<b>-</b>	<b>38,456,401</b>

On August 13, 2020 the Supreme Court of Pakistan (SCP) through its order declared GIDC Act an intra vires to the constitution and directed all the industrial and commercial entities to pay the Cess that have become due up to July 31, 2020. However, as a concession, the same was allowed to be recovered in twenty four equal monthly installments starting from August 01, 2020. The Company has been granted stay by High Court through its order from making those installments.

The Company opted to recognize the Cess as payable in twenty four equal monthly installments is in accordance with the provision of IAS 37.

**17.3 DEFERRED GRANT**

As mentioned in note 15.2, the State Bank of Pakistan (SBP) through circular no. 6 dated April 10, 2020 introduced a 'Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concern (the Refinance Scheme). The purpose of the Refinance Scheme is to provide relief to dampen the effects of COVID- 19 by providing loans at concessional interest rates. The Company obtained financing of Rs. 122.64 million under the Refinance Scheme. The benefit of below market interest rates, measured as the difference between the fair value of loan and loan proceeds on the date of disbursement has been recognised as deferred grant. The deferred grant is amortized over the term of the loan i.e., 2.5 years. In line with the recognition of interest expense, the grant is compensatory. The movement during the year is as follows:

	<b>2022 Rupees</b>	<b>2021 Rupees</b>
As at July 01	<b>3,967,711</b>	<b>-</b>
Recognized during the year	<b>-</b>	<b>9,471,621</b>
Amortized during the year	<b>(3,754,842)</b>	<b>(5,503,910)</b>
As at June 30	<b>212,869</b>	<b>3,967,711</b>
Less: Current portion	<b>(212,869)</b>	<b>(3,754,842)</b>
Non current portion	<b>-</b>	<b>212,869</b>



	Note	2022 Rupees	2021 Rupees
<b>18. TRADE AND OTHER PAYABLES</b>			
Creditors		160,878,102	34,607,596
Accrued liabilities		116,445,966	64,239,514
Current portion of provision for GIDC	17.2	38,456,401	9,778,349
Gratuity payable	18.1	16,504,875	23,614,600
Workers' profit participation fund	18.2	11,761,067	14,851,797
Workers' welfare fund		14,857,112	10,387,907
Advance from customer		10,915,597	8,507,139
Sales Tax Payable		10,619,614	4,528,564
Tax deducted at source		5,747,078	1,118,858
Other payables		7,180,361	774
		<b>393,366,173</b>	<b>171,635,098</b>
<b>18.1 Gratuity payable</b>			
Opening balance		23,614,600	11,347,565
Charged during the year		17,922,408	17,663,739
Payment made during the year		(25,032,133)	(5,396,704)
Closing balance		<b>16,504,875</b>	<b>23,614,600</b>
<b>18.2 Workers Profit Participation Fund</b>			
Opening balance		14,851,797	3,421,548
Interest on funds utilized in company's business		410,935	85,552
Allocation for the period / year		11,761,067	11,344,697
Paid during the year		(15,262,732)	-
Closing balance		<b>11,761,067</b>	<b>14,851,797</b>
		<b>2022 Rupees</b>	<b>2021 Rupees</b>
<b>19. ACCRUED MARKUP</b>			
Short term borrowings		13,729,055	6,451,650
Long term borrowings		5,412,369	3,851,669
		<b>19,141,424</b>	<b>10,303,319</b>
<b>20. SHORT TERM BORROWINGS</b>			
<b>Secured</b>			
Cash Finance	20.1	546,826,000	52,643,362
Running finance	20.2	266,956,709	154,247,879
		<b>813,782,709</b>	<b>206,891,241</b>
<b>20.1</b> Cash finance facilities have been obtained from Bank Al Habib Limited, Habib Bank Limited, Habib Metro Bank Limited and Meezan Bank Limited having limit aggregate to Rs.875 million of which facilities remain unutilized at the year end amounts to Rs.328 million. These facilities are obtained for working capital requirements, and are secured against pledge of cotton bales, fiber, and yarn in lock and key under bank's muccaddum and promissory note along with personal guarantee of directors with PNWS. These facilities carry mark up at the rates ranging from 9.36% to 14.93% per annum (2021: 8.18% to 8.59% per annum).			
<b>20.2</b> Running finance facilities have been obtained from Bank Al Habib Limited, Habib Bank Limited, Habib Metro Bank limited and Askari Bank limited having limit aggregate to Rs.325 million of which facilities remain unutilized at the year end amounts to Rs.58 million. These facilities are obtained for working capital requirements and are secured against cotton bales, personal guarantee of directors, joint pari passu charge over current assets of the company and pledge of stocks. These facilities carry mark up at the rates ranging from 8.58% to 15.06% per annum (2021: 8.32% to 9.09% per annum).			

	<i>Note</i>	<b>2022</b> <i>Rupees</i>	<b>2021</b> <i>Rupees</i>
<b>21. PROVISION FOR TAXATION</b>			
Charged during the year	30	<u>66,009,771</u>	<u>55,222,932</u>

## **22. CONTINGENCIES AND COMMITMENTS**

### **22.1 Contingencies**

The Company has filed a writ petition against water and sanitation agency (WASA) Multan regarding special notice dated December 22, 2004 in which the authority has demanded a sum of Rs. 4.1 million of the arrears of water effluent discharge. The Company is of opinion that it is a spinning mill and has not undertaken a job of weaving and finishing so there is no effluent discharge of water from the unit. The Lahore High Court through order no. C.M.No.2 of 2004 had ordered that impugned notice shall remain suspended till final order.

### **22.2 Commitments**

Letter of guarantee issued by Habib bank limited to SNGPL of Rs. 37.5 million and by Bank Al Habib Limited to WAPDA of Rs. 13.11 million on behalf of the Company outstanding as at June 30, 2022. This aggregates to Rs. 50.61 million (2021: Rs. 37.65 million).

Letter of credit	<u>259,545,631</u>	<u>218,547,400</u>
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		2022 Rupees	2021 Rupees
<b>23. REVENUE FROM CONTRACTS</b>	<b>Note</b>		
Local			
- Yarn		5,568,024,930	4,102,129,966
- Waste		24,571,457	20,316,342
- Cotton		-	25,715,912
		<b>5,592,596,387</b>	<b>4,148,162,220</b>
Sales tax on local sale			
- Yarn		(761,821,827)	(596,035,978)
- Waste		(3,570,212)	(2,951,947)
- Cotton		-	(2,337,810)
		<b>4,827,204,348</b>	<b>3,546,836,485</b>
<b>24. COST OF GOODS SOLD</b>			
Raw materials consumed	24.1	3,478,110,220	2,329,231,322
Fuel and power		470,578,594	380,616,842
Salaries, wages and benefits	24.2	348,260,391	306,151,888
Depreciation	5.2	43,000,653	43,984,085
Stores and spares consumed		57,479,470	57,572,810
Packing material consumed		49,503,488	41,173,744
Insurance		2,426,279	4,612,598
Repairs and maintenance		5,131,387	3,265,113
		<b>4,454,490,482</b>	<b>3,166,608,402</b>
<b>Adjustment of work in process</b>			
Opening stock		20,204,588	21,116,672
Closing stock		(28,496,209)	(20,204,588)
		<b>(8,291,621)</b>	<b>912,084</b>
Cost of goods manufactured		<b>4,446,198,861</b>	<b>3,167,520,486</b>
<b>Finished goods</b>			
Opening stock		44,310,456	43,090,371
Purchases		27,220,000	17,340,000
Closing stock	24.3	(146,017,087)	(44,310,456)
		<b>(74,486,631)</b>	<b>16,119,915</b>
		<b>4,371,712,230</b>	<b>3,183,640,401</b>
<b>24.1 Raw materials consumed</b>			
Opening stock		189,624,854	473,690,183
Purchases (including direct expenses) - Net		3,421,407,309	2,044,055,753
		<b>3,611,032,163</b>	<b>2,517,745,936</b>
Closing stock		(134,226,571)	(189,624,854)
		<b>3,476,805,592</b>	<b>2,328,121,082</b>
Cotton cess		1,304,628	1,110,240
		<b>3,478,110,220</b>	<b>2,329,231,322</b>
<b>24.2</b>	Salaries, wages and benefits include Rs. 16.85 million (2021: Rs. 16.13 million) in respect of gratuity.		
<b>24.3</b>	It includes waste stock amounting to Rs. 1.871 million (2021: Rs. 1.154 million).		
<b>25. OTHER INCOME</b>	<b>Note</b>	<b>2022 Rupees</b>	<b>2021 Rupees</b>
Remeasurement of Gas Infrastructure Development Cess (GIDC)		-	5,415,898
		<b>-</b>	<b>5,415,898</b>



**26. DISTRIBUTION AND MARKETING EXPENSES**

	<i>Note</i>	<b>2022</b> <b>Rupees</b>	<b>2021</b> <b>Rupees</b>
Commission on sale of yarn		31,835,445	19,321,112
Salaries of sales staff		5,978,000	3,888,000
		<u>37,813,445</u>	<u>23,209,112</u>

**27. ADMINISTRATIVE EXPENSES**

Directors' remuneration		29,755,580	19,526,656
Salaries and benefits	27.1	21,925,212	17,462,940
Vehicles running and maintenance		10,722,670	8,975,398
Depreciation	5.2	3,557,398	2,305,412
Travelling and conveyance	27.2	9,733,817	3,139,656
Communication		2,083,421	1,902,261
Auditors' remuneration	27.3	1,510,000	1,510,000
Legal and professional		2,949,993	1,557,822
Fee and subscription		2,741,842	1,520,549
Insurance		1,024,465	1,001,526
Printing and stationery		1,722,945	947,802
Entertainment		1,015,257	1,067,651
Rent, rates and taxes		451,331	338,081
Donation		5,000	10,000
Repairs and maintenance		517,597	285,877
Advertisement		133,050	172,725
Others		997,417	94,410
		<u>90,846,995</u>	<u>61,818,765</u>

**27.1** Salaries and benefits include Rs. 1.5 million (2021: Rs. 1.76 million) in respect of gratuity.

**27.2** This includes directors' travelling amounting to Rs. 9.15 million (2021: Rs. 2.8 million).

**27.3 AUDITORS' REMUNERATION**

	<b>2022</b> <b>Rupees</b>	<b>2021</b> <b>Rupees</b>
- Statutory audit fee	850,000	850,000
- Half yearly review	200,000	200,000
- Review report on compliance with CCG	100,000	100,000
- Certificate for CDC and free float shares	200,000	200,000
- Out of pocket expenses	160,000	160,000
	<u>1,510,000</u>	<u>1,510,000</u>

**28. OTHER EXPENSES**

Workers' Profit Participation Fund	11,761,067	11,344,697
Workers' Welfare Fund	4,469,205	4,310,985
	<u>16,230,272</u>	<u>15,655,682</u>

**29. FINANCE COST**

Mark up on short term borrowings	60,684,340	31,837,046
Mark up on long term borrowings	17,976,643	17,364,358
Bank and other charges	12,257,586	2,072,870
Bank guarantee commission	766,253	-
Interest on Workers' Profit participation fund	410,935	85,552
	<u>92,095,757</u>	<u>51,359,826</u>



**30. PROVISION FOR TAXATION**

		<b>2022</b> <b>Rupees</b>	<b>2021</b> <b>Rupees</b>
Current			
- for the year		<b>66,009,771</b>	55,222,932
Deferred tax	17.1	<b>8,610,451</b>	13,843,156
Prior year		-	2,082,385
		<b>74,620,222</b>	<b>71,148,473</b>

**30.1 Relationship between tax expense and accounting profit**

	<b>2022</b>	<b>2021</b>
Applicable tax rate	29%	29%
Profit before tax	<b>218,505,649</b>	216,568,597
Tax on accounting profit before tax	<b>63,366,638</b>	62,804,893
Income chargeable to tax at lower rate	<b>2,643,133</b>	(7,581,961)
Effect due to permanent differences	<b>(17,718,065)</b>	(18,546,438)
Effect of deferred tax	<b>8,610,451</b>	13,843,156
Others	<b>17,718,065</b>	20,628,823
Current year provision	<b>74,620,222</b>	<b>71,148,473</b>

**30.2** The Company has filed Income Tax Return up to tax year 2021 which is deemed assessed as per Income Tax Ordinance, 2001.

**31 EARNINGS PER SHARE**

Profit for the year	<b>Rupees</b>	<b>143,885,427</b>	145,420,124
Weighted average number of ordinary shares	<b>Number</b>	<b>800,000</b>	800,000
Earnings per share - basic and diluted	<b>Rupees</b>	<b>179.86</b>	181.78

**31.1** There is no dilutive effect on the basic profit per share of the Company.

## 32 FINANCIAL RISK MANAGEMENT

**32.1** The Company has exposure to the following risks from its use of financial instruments:

Credit risk  
Liquidity risk  
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### 32.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. Out of the total financial assets of Rs. 568.99 million (2021: Rs. 341.19 million), the financial assets which are subject to credit risk amounted to Rs. 568.99 million (2021: Rs. 341.19 million). The Company manages credit risk in trade debts by assigning credit limits to its customers and thereby does not have significant exposure to any individual customer.

Credit risk of the Company arises principally from the trade debts, loans and advances and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

#### Financial assets

	2022 Rupees	2021 Rupees
Long term deposits	5,337,497	2,379,997
Trade debts	553,294,725	332,139,472
Loans and advances	2,145,781	1,866,732
Trade deposit	1,605,311	1,605,311
Cash and bank balances	6,603,225	3,203,102
	<b>568,986,539</b>	<b>341,194,614</b>

#### 32.2.1 Credit risk related to receivables

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.



Trade debts consist of a large number of diversified customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, provision is made. The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

### 32.2.2 Credit risk related to bank balances

In respect of bank balances, credit risk on bank balances is limited as they are placed with local banks having good credit ratings assigned by credit rating agencies.

	Rating		Rating agency
	Short term	Long term	
Allied Bank Limited	A1+	AAA	PACRA
Askari Bank Limited	A1+	AA+	PACRA
Bank Al Habib Limited	A1+	AAA	PACRA
Habib Bank Limited	A1+	AAA	JCR-VIS
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
National Bank of Pakistan	A1+	AAA	PACRA
MCB Bank Limited	A1+	AAA	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
Bank Alfalah Limited	A1+	AA+	PACRA
United Bank Limited	A1+	AAA	JCR-VIS
Bank Islami Pakistan Limited	A1	A+	PACRA
Soneri Bank Limited	A1+	AA-	PACRA

### 32.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Note 32.3.2 below sets out details of additional unutilized facilities that the Company has at its disposal to further reduce liquidity risk.

#### 32.3.1 Liquidity and interest risk table

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

Weighted average effective rate		Upto 1 year	1 - 5 years	Total
		Rupees	Rupees	Rupees
<b>June 30, 2022</b>				
<b>Financial liabilities</b>				
<b>Interest bearing</b>				
Long term loans	2% to 12.97%	69,661,705	193,639,600	263,301,305
Short term borrowings	8.27% to 15.56%	813,782,709	-	813,782,709
<b>Non interest bearing</b>				
Unclaimed dividend		987,863	-	987,863
Accrued markup		19,141,424	-	19,141,424
Trade and other payables		277,324,068	-	277,324,068
		<b>1,180,897,769</b>	<b>193,639,600</b>	<b>1,374,537,369</b>

	<b>Weighted Average effective rate</b>	<b>Upto 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
<b>June 30, 2021</b>		<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Financial liabilities</b>				
<b>Interest bearing</b>				
Long term loans	2% to 8.85%	100,323,410	155,161,704	255,485,114
Short term borrowings	8.18% to 9.09%	206,891,241	-	206,891,241
<b>Non interest bearing</b>				
Unclaimed dividend		664,983	-	664,983
Accrued markup		10,303,319	-	10,303,319
Trade and other payables		122,461,710	-	122,461,710
		<b>440,644,663</b>	<b>155,161,704</b>	<b>595,806,367</b>

### 32.3.2 Financing facilities

Secured bank loan facilities with various maturity dates which may be extended by mutual agreement:

	<b>2022</b>	<b>2021</b>
	<b>Rupees</b>	<b>Rupees</b>
- amount utilized	<b>813,782,709</b>	206,891,241
- amount unutilized	<b>386,217,291</b>	753,108,759

### 32.4 Market risk management

Market Risk is the risk that changes in 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 objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

#### 32.4.1 Interest rate risk management

Interest / markup rate risk arises from the possibility that changes in interest / markup rates will affect the value of financial instruments. The Company has significant amount of interest based financial assets and financial liabilities which are largely based on variable interest / markup rates, therefore the Company has to manage the related finance cost which exposes it to the risk of 3 months and 6 months KIBOR. Since the impact on interest rate exposure is significant to the Company, management is considering the alternative arrangement to manage interest rate exposure in future.

#### 32.4.2 Interest rate sensitivity

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended June 30, 2022 would increase / decrease by Rs. 10.85 million (2021: Rs.4.58 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

The Company does not recognized any fixed rate financial assets and liabilities at fair value through profit and loss therefore, a change in interest rate would not affect Statement of profit or loss.

#### 32.4.3 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However, the Company is not exposed to foreign currency risk on assets and liabilities as it does not have foreign debtors or creditors.

#### 32.4.4 Equity price risk management

The Company is not exposed to equity price risks arising from equity investments as the Company has no such investment held for trading purpose.

### 32.5 Determination of fair values

#### Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.



### 32.6 Fair value estimation

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy 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). The Company has no items to report in this level.
- **Level 3:** Inputs for asset or liability that are not based on observable market data (unobservable inputs).

#### 32.6.1 Fair value of non-financial asset measured at fair value

##### Fair value of property, plant and equipment

The company's Land-Freehold, Building on Free-hold Land, Plant & Machinery, Electric Installation, Power house at revalued amount, being fair value at the date of revaluation using market basis, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of the company's Free-hold Land, Plant & Machinery, Electric Installation and Power house as at June 30, 2022 were performed by K.G. (Private) Limited (valuer), an independent valuer is listed on panel of Pakistan Banks Association with proper qualification and experience in the fair value measurement of property, plant and equipment.

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<b>As at June 30, 2022</b>				
Land- Freehold	-	805,943,000	-	805,943,000
Building on free-hold lai	-	306,391,238	-	306,391,238
Plant & machinery	-	632,550,000	-	632,550,000
Power house	-	85,000,000	-	85,000,000
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<b>As at June 30, 2021</b>				
Land- Freehold	-	569,800,000	-	569,800,000
Building on free-hold lai	-	147,503,916	-	147,503,916
Plant & machinery	-	576,291,095	-	576,291,095
Power house	-	80,693,984	-	80,693,984

The fair value of of financial instruments are approximate to their carrying value. There were no transfer between levels of fair value hierarchy during the year.

#### 32.7 Financial instruments by category

The Company finances its operation through equity, borrowings and 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.

The accounting policies for financial instruments have been applied for line items as below:

	2022 Rupees	2021 Rupees
<b>Assets categorized at amortized cost</b>		
Long term deposits	5,337,497	2,379,997
Trade debts	553,294,725	332,139,472
Loans and advances	2,145,781	1,866,732
Trade deposit	1,605,311	1,605,311
Cash and bank balances	6,603,225	3,801,531
	<b>568,986,539</b>	<b>341,793,043</b>

	2022 Rupees	2021 Rupees
<b>Liabilities categorized at amortized cost</b>		
Long term loan	155,161,705	255,485,114
Short term borrowings	813,782,709	206,891,241
Trade and other payables	293,828,943	122,461,710
Unclaimed dividend	987,863	664,983
Accrued markup	19,141,424	10,303,319
	<b>1,282,902,644</b>	<b>595,806,367</b>

### 33. CAPITAL MANAGEMENT DISCLOSURE

The Company's objectives, policies and processes for managing capital are as follows:

- The Company is not subject to any externally imposed capital requirements.
- The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
- Consistently with others in the industry, the company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the SOFP) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e., share capital and unappropriated profit).
- The debt-to-adjusted capital ratios at June 30 were as follows:

	2022 Rupees	2021 Rupees
Total debt	1,077,084,014	462,376,355
Less: Cash and cash at Bank	(6,603,225)	(3,801,531)
Net debt	1,070,480,789	458,574,824
Total equity	1,738,807,040	1,249,111,197
Adjusted capital	2,809,287,829	1,707,686,021
Debt-to-adjusted capital ratio	38.11%	26.85%

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

Particulars	Managerial remuneration		Utilities	
	2022	2021	2022	2021
	----- Rupees -----			
Chief Executive	9,000,000	6,266,129	2,635,019	3,015,499
Directors	16,200,000	11,279,032	1,920,561	1,478,796
Executive	6,000,000	5,020,000	-	-
	<b>31,200,000</b>	<b>22,565,161</b>	<b>4,555,580</b>	<b>4,494,295</b>

#### 34.1 Particulars

	No of persons	
	2022	2021
Chief Executive	1	1
Directors	2	2
Executive	2	2

34.2 During the year, meeting fee of Rs. 750,000 (2021: Rs. 430,000) was paid to the directors.

34.3 The Chief Executive and directors are also provided with the Company owned and maintained cars and telephones at their residences.



### 35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. There are no related party transactions except for the remuneration of directors and key management personnel as disclosed in note 33.

36. PLANT CAPACITY AND ACTUAL PRODUCTION	2022	2021
Number of spindles installed	38,232	38,232
Number of spindles worked	38,232	38,232
Number of shifts worked	1057	1,056
Capacity of yarn at 20's count		
on the basis of utilization	Kgs 16,220,207	16,204,862
Actual production of yarn at 20's count	Kgs 16,027,605	16,096,494

#### Reasons for increase

It is difficult to describe precisely the production capacity in spinning mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed, twist and raw materials used, etc. It also varies according to the pattern of production adopted in a particular year.

### 37. NUMBER OF EMPLOYEES

	2022	2021
	Number	
Total number of employees	974	958
Average number of employees during the year	972	956

### 38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long term loan	Short term borrowings	Total
	Rupees		
At June 30, 2021	255,485,114	206,891,241	462,376,355
Cash inflows	108,139,600	1,283,187,237	1,391,326,837
Cash outflows	(100,323,409)	(676,295,769)	(776,619,178)
At June 30, 2022	263,301,305	813,782,709	1,077,084,014

### 39. CORRESPONDING FIGURES

The preparation and presentation of these financial statements for the year ended June 30, 2022 is in accordance with the requirements of IFRSs.

### 40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue by the Board of Directors of the Company in its meeting held on October 04, 2022

### 41. GENERAL

Figures in the financial statements have been rounded-off to the nearest rupee except stated otherwise.

Sd/-	Sd/-	Sd/-
Mian Tanvir Ahmad Sheikh	Mian Muhammad Alamgir Jamil Khan	Sohail Nadeem
Chief Executive Officer	Director	Chief Financial Officer

**PATTERN OF SHAREHOLDING OF THE SHAREHOLDERS  
OF THE COMPANY AS ON JUNE 30, 2022**

<b>Number of Shareholders</b>	<b>Shareholding From</b>	<b>To</b>	<b>Total Shares held</b>	<b>Percentage of Total Capital</b>
121	1	100	5,538	0.69
20	101	500	5,030	0.63
6	501	1,000	5,200	0.65
9	1,001	5,000	27,111	3.39
8	5,001	10,000	70,526	8.82
1	10,001	15,000	10,064	1.26
7	15,001	20,000	126,410	15.80
3	20,001	25,000	63,644	7.96
4	25,001	30,000	111,756	13.97
2	30,001	35,000	64,316	8.04
1	35,001	40,000	35,560	4.45
2	40,001	45,000	88,006	11.00
0	45,001	50,000	0	0.00
3	50,001	70,000	186,839	23.35
<b>187</b>			<b>800,000</b>	<b>100.00</b>

<b>Serial Number</b>	<b>Categories of Shareholders</b>	<b>Number of Shareholders</b>	<b>Number of Shares held</b>	<b>Percentage</b>
1	Individuals	181	799,745	99.97
2	Joint Stock Companies	2	150	0.02
3	Investment Companies	2	100	0.01
4	Others	2	5	0.00
<b>TOTAL</b>		<b>187</b>	<b>800,000</b>	<b>100.00</b>



## PATTERN OF SHAREHOLDING AS ON JUNE 30, 2022

### ADDITIONAL INFORMATION

Shareholders' Category	Number of Shareholders	Number of Shares held
<b>Associated Companies, Undertakings and Related Parties</b>		Nil
Central Depository Company of Pakistan Limited	47	2,851
<b>NIT and ICP</b>		
Investment Corporation of Pakistan	2	100
<b>DIRECTORS</b>		
Mian Muhammad Jamil	1	61,000
Mian Tanvir Ahmad Sheikh	1	20,070
Mrs. Nusrat Jamil	1	65,376
Mian Tauqir Ahmed Sheikh	1	34,166
Mian Anis Ahmad Sheikh	1	35,560
Mr. Mohammad Alamgir Jamil Khan	1	60,463
Mrs. Bushra Tauqir	1	23,404
Mr. Muhammad Umar Farooq	1	43,850
Mr. Javed Musarrat	1	2,500
Mr. Abdul Rehman Qureshi	1	2,500
Mr. Imran Hussain	1	2,500
<b>CHIEF EXECUTIVE OFFICERS</b>		
Mian Tanvir Ahmad Sheikh	1	20,070
<b>Directors'/C.E.O's Spouses &amp; Minor Children</b>	4	46,269
<b>Executives</b>		Nil
<b>Public Sector Companies and Corporations</b>		Nil
<b>Shareholders holding 5% or more voting interest</b>		
Mian Muhammad Jamil	1	61,000
Mrs. Nusrat Jamil	1	65,376
Mr. Mohammad Alamgir Jamil Khan	1	60,463
Mian Muhammad Bilal Ahmed Sheikh	1	44,156
Mr. Muhammad Umar Farooq	1	43,850
<b>General Public</b>	92	10,367

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**  
**PATTERN OF SHAREHOLDING**  
**AS ON JUNE 30, 2022**

Number of Shareholders	Shareholding		Total Number of Shares held
	From	To	
42	1	100	921
4	101	500	980
1	501	1,000	950
<b><u>47</u></b>			<b><u>2,851</u></b>

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
Individuals	43	2,696	94.56
Joint Stock Companies	2	150	5.26
Others	2	5	0.18
	<b><u>47</u></b>	<b><u>2,851</u></b>	<b><u>100.00</u></b>

## بورڈ کی ترکیب

کمپنی کے بورڈ آف ڈائریکٹرز نو (9) مرد حضرات اور دو (2) خواتین پر مشتمل ہیں۔ جن کی تفصیل درج ذیل ہے۔

3	خود مختار ڈائریکٹرز
3	غیر انتظامی ڈائریکٹرز
3	انتظامی ڈائریکٹرز
2	خواتین ڈائریکٹرز
11	ڈائریکٹران کی کل تعداد

آڈیٹر: میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس، ملتان ریٹائر ہو گئے ہیں اور انہوں نے اپنی فرم کو دوبارہ قیمتی کے لیے پیش کیا ہے۔ کمپنی کی آڈٹ کمیٹی نے آئندہ سالانہ اجلاس عام میں آئی۔ سی۔ اے۔ پی (ICAP) کے معیار کے مطابق معاوضے کے ساتھ مالیاتی سال 2022-23 کے لئے میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس، ملتان کی دوبارہ طبعیاتی بطور ایڈیٹر تجویز کی ہے۔

حصص داری کا اسلوب: کمپنی کا 30 جون 2022ء کا حصص داری کا اسلوب لف کر دیا گیا ہے۔

## اکتا جمٹ (اعتراف):

آپ کے ڈائریکٹران تمام متعلقہ مالیاتی اداروں اور اپنے بینکوں بشمول میسرز حبیب بینک لمیٹڈ، میسرز بینک لمیٹڈ، میسرز حبیب میٹروپولیٹن بینک لمیٹڈ، میسرز یونائیٹڈ بینک لمیٹڈ اور میسرز عسکری بینک لمیٹڈ کے تعاون کو سراہتے ہیں اور اس امید کی خواہش کا اظہار کرتے ہیں کہ تمام بینک مستقبل میں بھی اس تعاون کو جاری رکھیں گے۔ آپ کے ڈائریکٹرز وران سال کو پید۔ 19 کو پھیلنے سے روکنے اور اس پر قابو پانے کے لئے ہیلپتھ ورکرز ضروری سروس فراہم کرنے والوں اور اللہ وسایا ٹیکسٹائل اینڈ فٹنگ ملز لمیٹڈ (AWTX) کی پوری ٹیم کی خلصانہ کوششوں کو بھی سراہتے ہیں۔ آخر میں ہم اپنے تمام قابل قدر رگابوں، سپلائرز، سٹیک ہولڈرز اور دیگرز کا کمپنی سے وابستگی کے لیے شکریہ ادا کرتے ہیں اور آنے والے برسوں میں بھی ان کے ساتھ مزید کامیابیوں کے اشتراک کے خواہاں ہیں۔

آپ کے ڈائریکٹران کمپنی کے تمام ملازمین کی انتھک محنت اور ان مشکل حالات میں بھی اپنے کام کو بلا رکاوٹ جاری رکھنے کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز

دستخط

مسز نصرت جمیل۔ چیئر پرسن

ملتان۔ 14 اکتوبر 2022ء

### اندرونی نگرانی کا نظام:

کمپنی کا اندرونی نگرانی کا نظام اچھا بنایا گیا ہے اور اسے مندرجہ ذیل طور پر لاگو و جانچا جاتا ہے۔

ہمیشہ جاری رہنے والا کاروبار:

کمپنی کی مالی حالت نہ صرف اچھی ہے بلکہ اس بات کو یقینی بناتی ہے کہ اس کا کاروبار پُر و ان چڑھتا رہے گا۔

کوئی پرانے جتایا جات نہیں ہیں:

عمومی اور روزمرہ جتایا جات کے علاوہ ٹیکس، محصول اور وصولیوں کی مد میں کوئی پرانے جتایا جات نہیں ہیں۔

فنا فضل ہائی لائنس:

سابقہ چھ سالوں کا بنیادی پیداواری اور مالیاتی مواضعیمہ ایک میں دیا گیا ہے۔

بورڈ کے اجلاس:

سال ختمہ 30 جون 2022ء کے دوران بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری نیچے دی گئی ہے۔

ڈائریکٹر کا نام	تعداد حاضری اجلاس
مسز نصرت جمیل	4
میاں تنویر احمد شیخ	4
میاں محمد جمیل	4
میاں توقیر احمد شیخ	4
میاں انیس احمد شیخ	4
مسٹر محمد عالمگیر جمیل خان	4
مسز بشری توقیر	4
مسٹر محمد عرفان	4
مسٹر جاوید مسرت	4
مسٹر عبدالرحمن قریشی	4
مسٹر عمران حسین	3

سال ختمہ 30 جون 2022ء کے دوران آڈٹ کمیٹی کی چار (4) اجلاس منعقد ہوئے ہر ایک ممبر کی حاضری درج ذیل ہے:

ممبر کا نام	حاضری
مسٹر جاوید مسرت	4
مسز نصرت جمیل	4
میاں انیس احمد شیخ	4

ایچ آر اینڈ آر کمیٹی کی سال ختمہ 30 جون 2022ء کے دوران ایک (1) اجلاس منعقد ہوا۔ ہر ایک ممبر کی حاضری درج ذیل ہے۔

ممبر کا نام	حاضری
مسٹر عبدالرحمن قریشی	1
میاں انیس احمد شیخ	1
مسٹر محمد عالمگیر جمیل خان	1

## مستقبل کے رجحانات:

ٹیلنس شیٹ کی تاریخ کے بعد، مقامی اور بین الاقوامی منڈیوں میں یارن اور فبر کس کی مانگ میں کمی کی وجہ سے ٹیکسٹائل انڈسٹری کی پوری صورت حال بدل گئی اور بدتر ہو گئی۔ مذکورہ بالا کے علاوہ، کم از کم اجرت، مارک اپ کی شرح اور نوٹائی کے نرخوں میں اضافے نے ٹیکسٹائل انڈسٹری کے معاملات کو داؤ پر لگا دیا ہے۔ مزید یہ کہ ہمارے ملک کے ایک تہائی حصے میں سیلاب کی موجودہ صورت حال نے بشمول کپاس کی زیر کاشت زمینوں کی پیداوار کو بری طرح متاثر کیا ہے اور تقریباً 50 فیصد کاشت کی گئی کپاس کی فصل تباہ ہو چکی ہے۔ نتیجتاً، روئی کی قلت، یارن اور فبر کس کی قیمتوں میں عدم استحکام کا باعث بنی ہے۔ حکومت کے نوٹائی کے مسا بقی نرخ ختم کرنے کے اقدام سے ٹیکسٹائل انڈسٹری کی صلاحیت پراس کے منفی اثرات ہو گئے اور پیداواری لاگت کو پورا کرنا ناممکن ہو جائے گا۔

### ڈیویڈنڈ:

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 14 اکتوبر 2022ء کو کمپنی کے منافع برائے سال ختمہ 30 جون 2022ء میں سے حصص داران کو نقد منافع منقسمہ بحساب 72.50 فیصد (7.25 روپے فی شیئر) دینے کی تجویز دی ہے۔

### اسناد (سرٹیفیکیشنز)

آپ کے ڈائریکٹران اس بات کا اظہار کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی نے کامیابی کے ساتھ درج ذیل سرٹیفیکیشنز جاری رکھی ہوئی ہیں۔

#### آئی ایس او 9001:2015 کی ایم ایس سند

یہ سرٹیفیکیشن برائے کوالٹی مینجمنٹ سسٹم صرف کاغذ کا کٹرا نہیں ہے بلکہ یہ معیاری وسیع دنیا میں قدم رکھنے کا کام کرتا ہے۔

#### اور آئی ایس او 14001:2015 ای ایم ایس سند

انوار مشل مینجمنٹ سسٹم کے لیے سرٹیفیکیشن کا مقصد یہ یقینی بنانا ہے کہ ہماری مصنوعات قدرتی وسائل کی پیداوار و رضائع کرنے اور ختم ہونے کے دوران ماحول پر کم سے کم نقصان دہ اثر پڑے۔

#### گلوبل ری سائیکلڈ سینڈ رڈ GRS

موجودہ مالی سال کے دوران کمپنی نے جی آر ایس سرٹیفیکیشن کو جاری رکھا ہوا ہے جس نے ہماری مصنوعات پر اعتماد اور معیار کے حوالے سے ہمارے صارفین کے اعتماد کو ظاہر کیا ہے۔

#### کاش کا نیکٹ (PRIMARK اور BOOHOO)

کمپنی دنیا کی ٹیکسٹائل سپلائی چین کی پائیداری کو بہتر بنانے کے لیے اس سرٹیفیکیشن کو برقرار رکھتی ہے اور ٹیکسٹائل پروڈیوسرز کو اس قابل بناتی ہے کہ وہ آب اور مستقبل میں شفاف، قابل شناخت اور چکدار آداب کے ذریعے بہترین مصنوعات فراہم کر سکیں۔

#### کوڈ آف کارپوریٹ گورننس کی بیرونی

آپ کے ڈائریکٹران یہ رپورٹ کر کے خوشی کا اظہار کرتے ہیں کہ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی متعارف کردہ کوڈ آف کارپوریٹ گورننس کی بیرونی کر رہی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق اہم بنیادیں درج ذیل ہیں۔

#### مالیاتی نتائج کی پیشکش:

کمپنی کے تیار کردہ مالیاتی نتائج واضح طور پر کمپنی کے معاملات، پیداوار کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو ظاہر کرتے ہیں۔

#### اکاؤنٹس کی عتب:

کمپنی نے صحیح اکاؤنٹس کی عتب مرتب کی ہوئی ہیں۔

#### اکاؤنٹنگ پالیسیاں:

مالیاتی نتائج کی تیاری میں اکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا جاتا ہے۔

#### بین الاقوامی اکاؤنٹنگ معیار کے ساتھ مطابقت:

مالیاتی نتائج کی تیاری میں پاکستان میں رائج بین الاقوامی اکاؤنٹنگ معیار کو لاگو کیا جاتا ہے۔



### ڈائریکٹران کی رپورٹ

شروع اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

محترم حصص داران!

یہ میرے لیے اعزاز کی بات ہے کہ میں کمپنی کی 65 ویں سالانہ رپورٹ بشمول آڈٹ شدہ حسابات و نتائج برائے مالیاتی سال ختمہ 30 جون 2022ء پیش کر رہی ہوں۔

عمومی کارکردگی:

اللہ تعالیٰ کے فضل و کرم سے زیر جائزہ مدت کے دوران آپ کی کمپنی کی کرکاروگی تسلی بخش رہی۔ سال کے دوران بین الاقوامی سطح پر ٹیکسٹائل مصنوعات کی مانگ میں اضافے کی وجہ سے یارن کی مانگ میں بہتری آئی۔ آپ کی کمپنی نے اس صورت حال سے بہترین استفادہ کیا۔ بی۔ ایم۔ آر (توازن، جدت و ترمیم) کے بروقت نفاذ نے کمپنی کے لیے پیداوار فروخت اور نتیجے میں ہونے والے منافع کے لیے کافی مواقع پیدا کیے ہیں۔ اس سے کمپنی کے مارجن پر مارک اپ اور توانائی کی شرح میں اضافے کے اثرات پر قابو پانے میں بھی مدد ملی۔

یونٹ نمبر 2 کے بی۔ ایم۔ آر (توازن، جدت و ترمیم) کا دوسرا مرحلہ اکتوبر۔ نومبر 2021ء میں شروع کیا گیا تھا۔ ملز کی پیداواری صلاحیت کو بڑھانے کے لیے بیک پروسس کے ساتھ 8,256 سپنڈلز نصب کیے گئے تھے۔ چین میں کرونا وائرس کی وجہ سے بیرون ملک شپر چند مشینیں اور الیکٹرانک پینل بروقت فراہم نہیں کر سکے، جس میں تاخیر ہو گئی اور نتیجتاً ہم جون 2022ء کے آخر تک اس کی پیداوار شروع نہیں کر سکے۔ تاہم اب تمام مشینری موصول اور انسٹال ہو چکی ہیں اب سے دو ہفتوں میں پیداوار شروع کر دیں گی۔

آپ پر مشتمل:

دوران سال ملز کی پیداوار پولیسٹر کاٹن یارن رہی۔ پیش کردہ مالیاتی سال کے دوران دھماگے کی کل پیداوار تیس سنگل کاؤنٹ کی بنیاد 16,027,604.71 کلوگرام (حقیقی پیداوار 9,458,603.28 کلوگرام) جو کہ پچھلے سال میں 16,096,494.36 کلوگرام (حقیقی پیداوار 9,451,073.52 کلوگرام) تھی۔ موجودہ مالیاتی سال آمدنی (سیلز) کے کل محصولات مبلغ -/4,827,204,348 روپے (9,352,733.04 کلوگرام) ہیں جو کہ پچھلے سال مبلغ -/3,546,836,485 روپے (9,493,575.84 کلوگرام) تھے۔ کمپنی کا ابتدائی منافع مبلغ -/455,492,118 روپے تھا جو کہ پچھلے سال مبلغ -/363,196,084 روپے تھا۔ کل منافع بعد از ٹیکس مبلغ -/143,885,427 روپے تھا جب کہ پچھلے سال کل منافع بعد از ٹیکس مبلغ -/145,420,124 روپے تھا۔

موجودہ مالیاتی سال ختمہ 30 جون 2022ء اور پچھلے مالیاتی سال کے متناسب مالیاتی نتائج کاؤٹنگ ہیڈز کی ترتیب کے ساتھ ذیل میں دیے گئے ہیں۔

اکاؤنٹس:

سال ختمہ 30 جون 2022ء	سال ختمہ 30 جون 2021ء	
روپے	روپے	
4,827,204,348	3,546,836,485	حتمی آمدنی بذریعہ معاہدے
(4,371,712,230)	(3,183,640,401)	لاگت فروخت کردہ اشیاء
455,492,118	363,196,084	ابتدائی منافع
-	5,415,898	دیگر آمدنی
(37,813,445)	(23,209,112)	ترسیل و مارکیٹنگ اخراجات
(90,846,995)	(61,818,765)	انتظامی اخراجات
(16,230,272)	(15,655,682)	دیگر اخراجات
(92,095,757)	(51,359,826)	ٹرانس لاگت
218,505,649	216,568,597	منافع قبل از ٹیکس
(74,620,222)	(71,148,473)	ٹیکس کی فراہمی
143,885,427	145,420,124	سالانہ منافع
179.86	181.78	آمدنی فی حصص۔ بنیادی ڈیٹا لیوڈ



## اطلاع برائے 65 واں سالانہ اجلاس عام

جذریہ نوٹس بدائع مطلق کیا جاتا ہے کہ اللہ وسایا ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ کا 65 واں سالانہ اجلاس عام بروز جمعہ 28 اکتوبر 2022ء بوقت 03:30 بجے سپر کینٹین کے رجسٹرڈ انٹنس اللہ وسایا سکوائر ممتاز بازار لاہور سٹرل ایریا، دہلاڑی روڈ، ملتان، پاکستان میں منعقد ہوگا۔

1۔ 28 اکتوبر 2021ء تکنی کے منصفہ 64 واں سالانہ اجلاس عام کی کاروباری کی نوٹس۔

2۔ سال محمد 30 جون 2022ء کے آڈٹ شدہ حسابات، ڈائریکٹریل، ڈائریکٹریل اور پیجز پر سن کے جائزہ کی روپوں پر غور و خوض اور منظوری۔

3۔ سال محمد 30 جون 2022ء کی بابت 72.50 فیصد نقد منافع منقسم بحساب 7.25 روپے فی شیئر کی حصص داران کو ادائیگی کے لیے پورے کے ڈائریکٹریل کی سفارش منظور کرنا۔

4۔ 30 جون 2023ء کو رقم ہونے والے مالیاتی سال کیلئے تکنی کے آڈٹ کا تقرر جو کہ آئندہ اجلاس عام کے انعقاد تک آڈٹ کی ذمہ داری سنبھالیں گے اور ان کے مشاہیر کا تعین کیا جائے گا۔ پورڈ آف ڈائریکٹریل نے آڈٹ تکنی کی سفارش پر 30 جون 2023ء کو رقم ہونے والے مالیاتی سال کیلئے مسز صیف عادل چارڈ ڈاکٹر چٹیس کا نام بطور بیرونی آڈیٹر تجویز کیا ہے مسز صیف عادل چارڈ ڈاکٹر چٹیس ریٹائر ہو رہے ہیں اور انہوں نے دوبارہ تعیناتی کیلئے اپنی خدمات پیش کی ہیں۔

5۔ پیجز پر سن کی اجازت سے دیگر امور پر کاروباری۔

تکمیل پورڈ آف ڈائریکٹریل

محمد طعیل۔ تکنی سیکریٹری

ملتان۔۔۔ مورخہ 07 اکتوبر 2022ء

نوٹ:-

(i)۔ تکنی کی حصص کی تکلیفی کی کتب 22 اکتوبر 2022ء، 28 اکتوبر 2022ء (شمول دونوں دن) بند رہیں گی۔ حصص کی مشکلیاں جو کہ مورخہ 21 اکتوبر 2022ء کو کاروباری دن کے اختتام سے قبل تکنی کے شیئرز رجسٹر افس، مسز حمیدہ مجید ایسوی انٹنس (پرائیویٹ) لمیٹڈ، ایچ۔ ایم ہاؤس، 7 بنگ سکوائر، لاہور میں پہنچ جائیں گی، ان کو وقت شمار ہوں گی۔

(ii)۔ اجلاس ہنداش شرکت اور ووٹ دینے کا اختتام رکھنے والا نمبر اپنی جگہ پر ووٹ دینے اور شرکت کرنے کیلئے کسی دوسرے نمبر کو اپنا پر کسی مقرر کر سکتا ہے۔ پر کسی کا نمبر ہو گا۔ پر کسی کے موثر ہونے کیلئے ضروری ہے کہ پر کسی فارم پر 5/- روپے کا رسید کی گسٹ چپاں ہو علاوہ ان پر کسی فارم پر نمبر اور ایک گواہ کے بھی دخل ہوں جو کہ اجلاس کے آغاز سے 48 گھنٹے قبل تکنی کے رجسٹرڈ افس میں پہنچ جائیں۔

(iii)۔ سی ڈی سی حصص داران جو اس اجلاس میں شرکت اور ووٹ دینے کا اختتام رکھتے ہیں ان کے لیے ضروری ہے کہ اپنی شناخت کیلئے کپیڈ انڈر ڈشاشنی کارڈ لایا یا سپورٹس ہوا لائیں اور پر کسی کی صورت میں کپیڈ انڈر ڈشاشنی کارڈ لایا سپورٹس کی تصدیق منقول لف کریں۔ کارڈ پر پیمبر کے نمبر کے اندکان معمول کی ضروری دستاویزات اپنے ساتھ لائیں۔

(iv)۔ ممبران کی آسانی کیلئے ایک معیاری درخواست فارم (Standard Request Form) تکنی کی ویب سائٹ (www.allawasaya.com) پر دست یاب کیا ہے۔ جو ممبران سالانہ آڈٹ شدہ مالیاتی نتائج کی تصدیق ریوی ڈی ڈی وی ڈی آر یوٹس کی بجائے بارڈر کا پی وصول کرنا چاہتے ہیں وہ اپنی درخواست تکنی سیکریٹری کے ڈاک کے پتے پر یا ای میل ایڈریس secretary@allawasaya.com کے ذریعے بھیج سکتے ہیں۔

(v)۔ ممبران سے افسانے کے ممبران ریڈر بھیجے تکنی آف پاکستان (S.E.C.P) کے حکم کے مطابق اپنے کپیڈ انڈر ڈشاشنی کارڈ کی غیر مندرجہ شدہ صفحہ کا پیج تک کوئی اور نمبر پر کسی کوئی توجہ دینی ہو گی۔ تکنی نوٹس منسلک کریں۔

(vi)۔ ممبران ویڈیو کانفرنس کی سہولت حاصل کر سکتے ہیں جن شیروں میں ممبران کا جغرافیائی پھیلاؤ زیادہ ہے۔ اس مقصد کیلئے سالانہ اجلاس عام کے انعقاد سے دس (10) دن قبل میں دی گئی شدہ تکنی کے رجسٹرڈ پتے پر پہنچ جانی چاہیے۔

میں رہم۔ کار کی رہائی۔ ممبر مسز اللہ وسایا ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ، حامل عام حصص۔ برطانوی رجسٹرڈ لیڈر سی ڈی ڈی اکاؤنٹ نمبر۔ ویڈیو کانفرنس کی سہولت کا انتخاب کرنا کرتی ہوں جو کہ۔ شہر میں ہو۔

ممبر کے دخل

اگر تکنی نے مجموعی دس (10) فیصد یا اس سے زائد ممبران کی شدہ وصول پائی جو کہ تکنی کے سالانہ اجلاس عام سے دس دن قبل تکنی کو وصول ہوئے تو پھر تکنی اس شہر میں ویڈیو کانفرنس کی سہولت فراہم کرے گی بشرطیکہ اس شہر میں یہ سہولت موجود ہو۔

(vii)۔ منافع تقسیم (ڈیویڈنڈ) کی آدائیگی کے لیے حصص داران کے کپیڈ انڈر ڈشاشنی کارڈ (CNIC) لازمی دکار ہے۔ اس لیے حصص داران سے درخواست ہے کہ وہ اپنے کپیڈ انڈر ڈشاشنی کارڈ کی نقل (اگر بھی متع نہیں کرتی) شیئرز رجسٹر افس تک کروائیں۔ مسٹر کپیڈ انڈر ڈشاشنی کارڈ (CNIC) کی عدم دستیابی کی صورت میں تکنی لیس ای سی پی کے ایس آر او نمبر 831(I)/2012 تا تاریخ 5 جولائی 2012ء کے تحت ایسے حصص داران کی منافع تقسیم کی آدائیگی روک رکھی جائے گی۔

(viii)۔ کپیڈ ایکٹ 2017ء کے سیکشن نمبر 242 اور ایس آر او نمبر 1145(I)/2017 تا تاریخ 6 نومبر 2017ء اور کپیڈ منافع تقسیم (تواہد منافع) 2017ء کے تحت حصص داران اپنا نقد منافع تقسیم بھانے ڈیویڈنڈ وارنٹس کے ذریعہ اور اسٹیک چیک اکاؤنٹس میں وصول کرنے کے لیے لازمی طور پر اپنے چیک اکاؤنٹس کی تفصیلات متع کرانیں۔ بصورت دیگر گھیرا ایکٹ 2017ء کے سیکشن 243(3) کے تحت چیک اکاؤنٹس کی تفصیلات کی عدم موجودگی کے باعث تکنی اس بات کی پابند ہوگی کہ وہ ان حصص داران کو منافع تقسیم کی ترسیل روک دیں گے۔

جن حصص داران نے ابھی تک بین الاقوامی اکاؤنٹ نمبر (IBAN) نہیں متع کروائے ان سے درخواست ہے کہ تکنی کی ویب سائٹ پر ایلیکٹرانک ڈیویڈنڈ مینڈیٹ فارم موجود ہے اس فارم کی مدد سے کپیڈ انڈر ڈشاشنی کارڈ کی کاپی کے تکنی کے غیر رجسٹرڈ مسز حمیدہ مجید ایسوی انٹنس (پرائیویٹ) لمیٹڈ، ایچ۔ ایم ہاؤس، 7 بنگ سکوائر، لاہور بھیج دیں۔

سی ڈی سی حصص داران اپنے ایکٹرانک مینڈیٹ فارم پر اور اسٹاپتے ہو کر حصہ دار سی ڈی سی اکاؤنٹس مزید کفر کر دیں۔

## پراکسی فارم

میں (نام فو لیو نمبر) \_\_\_\_\_ رہائشی \_\_\_\_\_  
 بحیثیت ممبر اللہ وسایا ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ اور حامل عام حصص برطانی (نام فو لیو نمبر) \_\_\_\_\_  
 کو بطور اپنے نمبر سے ایماء پر حق دار (پراکسی) مقرر کرتا ہوں / کرتی ہوں تاکہ وہ میری جگہ کمپنی کے سالانہ اجلاس عام / غیر معمولی اجلاس عام میں  
 جو بتاریخ \_\_\_\_\_ کو منعقد ہو رہا ہے، اس میں اور یا اس کے ملوث شدہ اجلاس میں شرکت کرے / حق رائے دہی  
 استعمال کرے بالکل اسی طرح جیسے میں خود اس جگہ موجود ہونا ہوتی۔

دستخط بتاریخ \_\_\_\_\_ 2022ء

پانچ روپے کارسیدی ٹکٹ چسپاں کریں۔

گواہ:

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

شناختی کارڈ نمبر: \_\_\_\_\_

دستخط: \_\_\_\_\_

اہم نوٹ: پُر شدہ پراکسی فارم اجلاس کے آغاز سے ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس واقع اللہ وسایا اسکوائر، ممتاز آباد، ستر علی ایریا، وہاڑی روڈ، ملتان میں پہنچ جانے چاہیے۔



## FORM OF PROXY

I, \_\_\_\_\_ FOLIO NO. \_\_\_\_\_

of \_\_\_\_\_

being a member of ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED, hereby

appoint \_\_\_\_\_ FOLIO NO. \_\_\_\_\_

of \_\_\_\_\_

as my proxy in my absence to attend and vote for me and on my behalf at the

(Ordinary or /and Extraordinary as the case may be) General Meeting of the Company

to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and at any adjournment thereof.

As witness my hand this

day of \_\_\_\_\_ 2022

Signed by the said

In presence of

Please affix Revenue  
Stamp Rs. 5/-

Witness:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

CNIC No. \_\_\_\_\_

Signature: \_\_\_\_\_

### IMPORTANT

This form of proxy, duly completed, must be deposited at the Company's Registered office at Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan not less than 48 hours before the time for holding the meeting.



[www.allawasaya.com](http://www.allawasaya.com)

**ALLAWASAYA TEXTILE & FINSHING MILLS LIMITED**

ALLAWASAYA Square, Mumtazabad Industrial Area,  
Vehari Road, Multan , Pakistan.

Phone: (061) 4233624-26

Fax: (061) 6525202

Website: [www.allawasaya.com](http://www.allawasaya.com)

E-mail: [atm@allawsaya.com](mailto:atm@allawsaya.com)