

ALLAWASAYA

TEXTILE AND FINISHING MILLS LIMITED



64th Annual Report

For the Year ended June 30, 2021



64th Annual Report
of
Allawasaya Textile and Finishing Mills Limited
for the year ended June 30, 2021



CONTENTS

• VISION & MISSION STATEMENT	3
• COMPANY PROFILE	4
• NOTICE OF ANNUAL GENERAL MEETING	5
• CHAIRPERSON'S REVIEW REPORT U/S 192 OF COMPANIES ACT, 2017	6
• DIRECTORS' REPORT (ENGLISH)	7
• SIX YEARS KEY OPERATING AND FINANCIAL DATA	14
• STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE	15
• INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE	17
• INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	18
• STATEMENT OF FINANCIAL POSITION	22
• STATEMENT OF PROFIT OR LOSS	23
• STATEMENT OF COMPREHENSIVE INCOME	24
• STATEMENT OF CHANGES IN EQUITY	25
• STATEMENT OF CASH FLOWS	26
• NOTES TO THE FINANCIAL STATEMENTS	27
• PATTERN OF SHAREHOLDING	51
• PATTERN OF SHAREHOLDING (ADDITIONAL INFORMATION)	52
• CDC PAKISTAN LIMITED PATTERN OF SHAREHOLDING	53
• DIRECTORS' REPORT (URDU)	58
• NOTICE OF ANNUAL GENERAL MEETING (URDU)	59
• FORM OF PROXY (URDU)	60
• FORM OF PROXY (ENGLISH)	61



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
3rd 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

REGISTERED OFFICE

Allawasaya Square,
Mumtazabad Industrial Area,
Vehari Road, Multan, Pakistan
Ph: (061)4233624-26
Fax: (061)6525202
E-Mail: atm@allawasaya.com

SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Limited
H.M. House, 7-Bank Square, Lahore, Pakistan
Ph: (042)37235081-82
Fax: (042)37358817
E-Mail: shares@hmaconsultants.com



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 64th Annual General Meeting of the Company will be held on Thursday October 28, 2021 at 11:30 a.m. at its registered office, Allwasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan to transact the following business:

1. To confirm the minutes of the Extra Ordinary General Meeting of the Company held on May 24, 2021.
2. To receive, consider and adopt the annual audited financial statements of the Company together with the Directors', Auditors' Reports and Chairperson's Review thereon for the year ended June 30, 2021.
3. To consider and approve the distribution of cash dividend @352.50% (Rs.35.25 per share) as recommended by the Board for the year ended June 30, 2021.
4. To appoint auditors and to fix their remuneration for the financial year ending June 30, 2022 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 6, 2021

NOTES:

1. The Shares Transfer Books of the Company will remain closed from 14-10-2021 to 28-10-2021 (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 13, 2021 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.allwasaya.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@allwasaya.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 ALLWASAYA 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, 2021

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, 2021, 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 6, 2021



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 64th Annual Report on the affairs of your Company along with the Audited Financial Statements for the year ended June 30, 2021.

GENERAL PERFORMANCE:

By the grace of Almighty Allah, your Company performed quite well during the year under report. Though, for sometime the business activities were hampered due to the Covid-19 related issues which cropped up during the last year, the timely measures taken by the Government to combat the same had its positive effects on the industry. The deferment of long term loans for one year, loans against the salaries for a period of six months and fresh financing for capital expenditures under TERF Scheme of SBP were the positive steps taken by the Government which helped the industry to overcome the potentially difficult situation. Due to these steps the Textile Industry of Pakistan got an edge over its competitors and was able to grab substantial market internationally which was followed by positive effects in the local market as well. Other measures, specific to the Textile Industry, adopted by the Government also helped the Industry to become competitive in the international market. It is expected that the currently overall favorable position for the Pakistan Textile Industry will continue for a while in future. The Pakistan Textile Industry, by the grace of Almighty Allah, will continue reaping the benefits.

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 16,096,494.36 Kgs (actual production 9,451,073.52 Kgs) as compared to 13,816,607.73 Kgs (actual production 8,063,012.16 Kgs) last year. The total sales for the year amounted to PKR:3,546,836,485/- (9,493,575.84 Kgs) as compared to PKR:2,657,387,974/- (7,994,155.68 Kgs) last year. The gross profit for the year was PKR:363,196,084/- as compared to PKR: 176,766,811/- last year. The Net Profit after providing for Tax amounted to PKR:145,420,124/- as compared to the Net Profit after tax of PKR:14,826,182/- last year.

The financial results for the year ended June 30, 2021 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, 2021 Rupees	For the year ended June 30, 2020 Rupees
Revenue from contract-net	3,546,836,485	2,657,387,974
Cost of goods sold	(3,183,640,401)	(2,480,621,163)
Gross Profit	363,196,084	176,766,811
Other income	5,415,898	-
Distribution and marketing expenses	(23,209,112)	(17,847,424)
Administrative expenses	(61,818,765)	(56,373,463)
Other expenses	(15,655,682)	(1,715,743)
Finance Cost	(51,359,826)	(77,873,778)
Profit before Taxation	216,568,597	22,956,403
Provision for Taxation	(71,148,473)	(8,130,221)
Profit for the year	145,420,124	14,826,182
Earnings per share- basic and diluted	181.78	18.53

FUTURE OUTLOOK

Alhamdulillah, after the successful completion of BMR carried out by the Company during the previous years, your Directors have planned to further install 8,256 Spindles along with modification in back process and finishing during the current financial year. Your Directors believe that with the addition of further spindles, the increased installed capacity of the mills will help to grab new as well as specialized market.

Due to government policies, the capacity utilization in textile sector of Pakistan has significantly increased. This has resulted into higher local and international demand for Pakistani Textiles products especially yarn. However, textile sector is now facing challenges of speculative cotton trade and fluctuating exchange rates. We hope that all such challenges are settled soonest positively in the interest of Industry in befitting manner.

DIVIDEND

To share the profit earned by the Company for the year ended June 30, 2021 with the shareholders, your Directors have proposed distribution of a final cash dividend @ 352.50% (Rs.35.25 per share) to the shareholders of the Company in its meeting held on October 6, 2021.



REVISION IN REMUNERATION OF CHIEF EXECUTIVE OFFICER AND TWO FULL TIME WORKING DIRECTORS OF THE COMPANY

The Company in its Extra Ordinary General Meeting held on May 24, 2021, passed the Ordinary Resolution approving the revision in remuneration of the Chief Executive Officer and two full time Working Directors with effect from 30th May 2021 in addition to other perquisites/ benefits already allowed as before as per following detail:

Remuneration of Chief Executive Officer	-	PKR:750,000/- per month Net of Tax
Remuneration of Director Marketing & Sales	-	PKR:750,000/- per month Net of Tax
Remuneration of Director Production	-	PKR:600,000/- per month Net of Tax

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.

During the year, the Company has got some certifications which showed reliability on our product and trust of our customers towards quality. These certifications are GRS (Global Recycled Standard) and Cotton Connect (PRIMARK and BOOHOO).

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, 2021 five (5) 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	5
Mian Tanvir Ahmad Sheikh	5
Mian Muhammad Jamil	5
Mian Tauqir Ahmed Sheikh	4
Mian Anis Ahmad Sheikh	3
Mr. Mohammad Alamgir Jamil Khan	5
Mrs. Bushra Tauqir	1
Mr. Muhammad Umar Farooq	4
Mr. Javed Musarrat	5
Mr. Abdul Rehman Qureshi	5
Mr. Imran Hussain	5

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

<u>Members Name</u>	<u>Attendance</u>
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:

<u>Members Name</u>	<u>Attendance</u>
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 2021-2022 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, 2021 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 and M/s United 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. In terms of profitability, financial year 2020-21 has turned out to be one of the best years for the Company. 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 6, 2021



SIX YEARS KEY OPERATING AND FINANCIAL DATA

Year Ended June 30,	2021	2020	2019	2018	2017	2016
BALANCE SHEET						
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	815,788,842	829,601,503	844,244,390	555,466,212	564,143,421	575,634,520
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	342,653,609	183,420,824	153,951,755	181,999,407	152,641,179	178,237,663
Total Equity	1,249,111,197	1,103,691,073	1,088,864,891	828,134,365	807,453,346	844,540,929
Long Term Loans	151,193,993	178,875,000	173,250,000	-	-	-
Deferred Liabilities	170,029,859	191,772,520	149,248,031	95,745,379	106,550,429	119,794,403
Current Liabilities	548,795,824	882,241,528	673,952,127	435,701,497	351,378,451	383,227,754
Total Liabilities	870,019,676	1,252,889,048	996,450,158	531,446,876	457,928,880	503,022,157
Total Equity & Liabilities	2,119,130,873	2,356,580,121	2,085,315,049	1,359,581,241	1,265,382,226	1,347,563,086
Fixed Assets	1,392,975,610	1,423,479,920	1,432,570,929	851,124,734	882,766,913	890,476,175
Long Term Deposits	2,379,997	2,379,997	2,379,997	2,379,997	2,379,997	2,379,997
Current Assets	723,775,266	930,720,204	650,364,123	506,076,510	380,235,316	454,706,914
Total Assets	2,119,130,873	2,356,580,121	2,085,315,049	1,359,581,241	1,265,382,226	1,347,563,086
PROFIT & LOSS ACCOUNT						
Revenue from contracts	3,546,836,485	2,657,387,974	2,090,559,370	2,168,465,319	1,966,036,666	1,673,156,869
Gross Profit	363,196,084	176,766,811	98,699,813	124,872,086	49,054,839	50,541,703
Profit / (Loss) before Taxation	216,568,597	22,956,403	(9,305,288)	36,016,332	(32,116,626)	(35,643,655)
Profit / (Loss) after Taxation	145,420,124	14,826,182	(15,919,798)	17,633,101	(40,346,211)	(37,799,098)
DISTRIBUTION						
Cash Dividend %	352.50	-	-	37.50	-	-
RATIOS						
Break up value Per share (Rs.)	1561.39	1379.61	1361.08	1,035.17	1,009.32	1,055.68
Earning / (Loss) per Share (Rs)	181.78	18.53	(19.90)	22.04	(50.43)	(47.25)
Current Ratio	1.32:1	1.05:1	0.97:1	1.16:1	1.08:1	1.19:1
Debt/ equity ratio	17:83	16:84	15:85	00:100	00:100	00:100
CAPACITY & PRODUCTION						
No. of spindles installed	38,232	38,232	37,752	30,592	30,592	30,592
No. of spindles worked	38,232	38,232	35,352	30,592	30,592	30,592
Capacity of Yarn at 20's Count (Kgs)	16,204,862	13,971,695	10,505,451	13,164,469	13,213,585	12,864,160
Actual Production of Yarn at 20's Count (K gs)	16,096,494	13,816,608	10,350,145	13,102,052	12,882,613	12,679,268

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, 2021

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. The Board has arranged Directors' Training program for the following:

- 1. Mr. Mohammad Alamgir Jamil Khan- In year 2013
- 2. Mr. Muhammad Umar Farooq- In year 2016
- 3. Mr. Javed Musarrat- In year 2016
- 4. Mr. Imran Hussain- In year 2020

Out of total eleven Directors, four Directors have already completed Directors' Training Program earlier as stated above, one Director namely Mr. Abdul Rehman Qureshi has gotten exemption from the DTP Certification from SECP in year 2019, one newly elected female Director namely Mrs. Bushra Tauqir will complete her training in the year 2021-22 and remaining five Directors of the Company are exempt from the requirement of Directors' Training Program as per regulation No. 19(2) of the CCG Regulations, 2019. 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 & 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 6, 2021



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Allawasaya Textile & 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 & Finishing Mills Limited** (the Company) for the year ended June 30, 2021 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, 2021.

Yousuf Adil
Chartered Accountants

Place: Multan

Date: October 06, 2021

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, 2021, 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, 2021 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
<p>1. Revenue Recognition</p> <p>The Company’s revenue from contracts comprise of revenue from the sale of yarn this has been disclosed in note 22 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 4.4.15).</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"> • Obtaining an understanding of and assessing the design and implementation and operating effectiveness of controls around recognition of revenue; • Assessing the appropriateness of the Company’s accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • 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. • Reviewing the adequacy of disclosure as required under applicable financial reporting framework.

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

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

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

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

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) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Yousuf Adil
Chartered Accountants

Place: Multan

Date: October 06, 2021



STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,392,975,610	1,423,479,920
Long term deposits		2,379,997	2,379,997
		<u>1,395,355,607</u>	<u>1,425,859,917</u>
Current assets			
Stores and spares	6	32,496,159	19,101,066
Stock in trade	7	270,686,600	537,897,226
Trade debts	8	332,139,472	247,918,150
Loans and advances	9	60,810,442	49,793,601
Trade deposit and prepayments	10	4,766,335	10,352,939
Tax refunds due from government	11	19,074,727	41,217,467
Cash and bank balances	12	3,801,531	24,439,755
		<u>723,775,266</u>	<u>930,720,204</u>
Total assets		<u><u>2,119,130,873</u></u>	<u><u>2,356,580,121</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	13	8,000,000	8,000,000
Surplus on revaluation of property, plant and equipment	14	815,788,842	829,601,503
Tax holiday reserve		2,668,746	2,668,746
General reserve		80,000,000	80,000,000
Unappropriated profits		342,653,609	183,420,824
		<u>1,249,111,197</u>	<u>1,103,691,073</u>
Non-current liabilities			
Long Term Loan	15	151,193,993	178,875,000
Deferred liabilities	16	170,029,859	191,772,520
		<u>321,223,852</u>	<u>370,647,520</u>
Current liabilities			
Trade and other payables	17	171,635,097	278,566,153
Accrued markup	18	10,303,319	18,322,913
Short term borrowings	19	206,891,241	514,201,659
Current portion of long term loan	15	100,323,410	30,625,000
Current portion of deferred grant	15	3,754,842	-
Unclaimed dividend		664,983	664,983
Provision for taxation	20	55,222,932	39,860,820
		<u>548,795,824</u>	<u>882,241,528</u>
Contingencies and commitments	21		
TOTAL EQUITY AND LIABILITIES		<u><u>2,119,130,873</u></u>	<u><u>2,356,580,121</u></u>

The annexed notes from 1 to 40 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, 2021**

	Note	2021 Rupees	2020 Rupees
Revenue from contract - net	22	3,546,836,485	2,657,387,974
Cost of goods sold	23	(3,183,640,401)	(2,480,621,163)
Gross profit		363,196,084	176,766,811
Other income	24	5,415,898	-
Distribution and marketing expenses	25	(23,209,112)	(17,847,424)
Administrative expenses	26	(61,818,765)	(56,373,463)
Other expenses	27	(15,655,682)	(1,715,743)
Finance cost	28	(51,359,826)	(77,873,778)
		(146,627,487)	(153,810,408)
Profit before taxation		216,568,597	22,956,403
Provision for taxation	29	(71,148,473)	(8,130,221)
Profit for the year		145,420,124	14,826,182
Earnings per share - basic and diluted	30	181.78	18.53

The annexed notes from 1 to 40 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, 2021**

	2021 Rupees	2020 Rupees
Profit for the year	145,420,124	14,826,182
<i>Comprehensive income for the year</i>	-	-
	<hr/> 145,420,124	<hr/> -
Total comprehensive income for the year	<hr/> 145,420,124 <hr/>	<hr/> 14,826,182 <hr/>

The annexed notes from 1 to 40 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, 2021**

Share Capital	Reserves				Total	
	Capital		Revenue			
	Surplus on revaluation of property, plant and equipment	Tax holiday reserve	General reserve	Accumulated profit/Loss		
	----- Rupees -----					
Balance at July 01, 2019	8,000,000	844,244,390	2,668,746	80,000,000	153,951,755	1,088,864,891
Profit for the year	-	-	-	-	14,826,182	14,826,182
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	14,826,182	14,826,182
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	(14,642,887)	-	-	14,642,887	-
Balance at June 30, 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 (note-14)	-	(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

The annexed notes from 1 to 40 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, 2021

	Note	2021 Rupees	2020 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		216,568,597	22,956,403
Adjustments for:			
Depreciation on property, plant and equipment	5	46,289,497	48,058,271
Provision for staff retirement benefits - gratuity		17,663,739	12,431,136
Finance cost		51,359,826	77,873,778
Gain on remeasurement of (GIDC)		(5,415,898)	-
Operating cash flows before movement in working capital		326,465,761	161,319,588
decrease / (Increase) in current assets			
Stores, spares and loose tools		(13,395,093)	7,089,235
Stock in trade		267,210,626	(245,729,123)
Trade debts		(84,221,322)	(32,601,213)
Loans and advances (excluding advance income tax)		(8,868,156)	(5,598,569)
Trade deposits and prepayments		5,586,604	(9,254,160)
Tax refunds due from government		22,142,740	16,983,931
(Decrease) / increase in current liabilities			
Trade and other payables		(149,580,880)	65,594,878
		38,874,519	(203,515,021)
Net cash generated from / (used in) operations		365,340,280	(42,195,433)
Income taxes paid		(44,091,890)	(19,744,492)
Staff retirement benefits - gratuity paid		(5,396,704)	(17,558,159)
Finance cost paid		(59,379,419)	(78,490,618)
Net cash generated from / (used in) operating activities		256,472,267	(157,988,702)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment	5	(15,785,187)	(38,967,262)
Proceeds on disposal of property, plant and equipment		-	-
Net cash used in investing activities		(15,785,187)	(38,967,262)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances obtained		102,146,818	20,500,000
Repayment of long term finances	37	(56,161,704)	(6,000,000)
Short term borrowings - net		(307,310,418)	187,854,036
Net cash (used in) / generated from financing activities		(261,325,304)	202,354,036
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(20,638,224)	5,398,072
Cash and cash equivalents at beginning of the year		24,439,755	19,041,683
Cash and cash equivalents at end of the year		3,801,531	24,439,755

The annexed notes from 1 to 40 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, 2021**

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. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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, 2021

The following accounting standards, amendments and interpretations are effective for the year ended June 30, 2021. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions.	June 01, 2020
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS.	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Definition of a business.	January 01, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	January 01, 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform.	January 01, 2020

Certain annual improvements have also been made to a number of IFRSs.

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 financial statements other than certain additional disclosures.

Standards impacting financial statements

**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
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
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2023
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

Certain annual improvements have also been made to a number of IFRSs.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

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 Securities and Exchange Commission of Pakistan:

- 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. 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.

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.

4.4.2 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.

4.4.3 Stock in trade

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

Particulars

Raw material	
- At mills	Weighted average cost.
- In transit	Cost accumulated up to statement of financial position date.
Work in process	Average manufacturing cost.
Finished goods	Average manufacturing cost.
Waste	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.

4.4.4 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.

4.4.5 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.

4.4.6 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.

4.4.7 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.

4.4.8 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.

4.4.9 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 income.

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.

4.4.10 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 financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from 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 (FVTPL).

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.

4.4.11 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.

4.4.12 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.

4.4.13 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.

4.4.14 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.

4.4.15 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.

4.4.16 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.



5. PROPERTY, PLANT AND EQUIPMENT

	Note	2021 Rupees	2020 Rupees
Operating assets	5.1	<u>1,392,975,610</u>	<u>1,423,479,920</u>
		<u>1,392,975,610</u>	<u>1,423,479,920</u>

5.1 Operating assets

Particulars	Cost / Revaluation			Accumulated Depreciation			Written Down Value At June 30, 2021	Rate
	At July 01, 2020	Additions /(Disposals) during the year	At June 30, 2021	At July 01, 2020	For the year	At June 30, 2021		
	Rupees							%
Owned								
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	147,503,916	5
Plant & Machinery	695,252,254	14,553,147	709,805,401	103,678,784	29,835,522	133,514,306	576,291,095	5
Power house								
- Building on freehold land	8,353,620	-	8,353,620	1,549,544	340,204	1,889,748	6,463,872	5
- Generators	97,332,424	-	97,332,424	24,718,427	3,630,700	28,349,127	68,983,297	5
- Electric Installation	11,825,040	-	11,825,040	5,652,316	925,909	6,578,225	5,246,815	15
	117,511,084	-	117,511,084	31,920,287	4,896,813	36,817,100	80,693,984	
Tube Well	1,270,006	-	1,270,006	487,751	78,225	565,976	704,030	10
Electric Installation	14,310,800	617,190	14,927,990	5,806,463	1,344,345	7,150,808	7,777,182	15
Workshop Equipments	160,909	-	160,909	158,639	227	158,866	2,043	10
Tools & Equipments	151,401	-	151,401	147,747	365	148,112	3,289	10
Laboratory Equipments	3,832,266	-	3,832,266	3,279,113	55,315	3,334,428	497,838	10
Weighing Scales	801,508	9,500	811,008	687,386	12,045	699,431	111,577	10
Arms & Ammunition	264,057	31,850	295,907	183,160	8,518	191,678	104,229	10
Office Equipments	2,968,021	-	2,968,021	2,546,100	63,288	2,609,388	358,633	15
Furniture & Fixture	1,243,418	-	1,243,418	1,013,766	22,965	1,036,731	206,687	10
Vehicle & Automobile	38,431,219	86,500	38,517,719	27,385,972	2,210,641	29,596,613	8,921,106	20
TOTAL	1,625,051,946	15,785,187	1,640,837,133	201,572,026	46,289,497	247,861,524	1,392,975,610	

5.2 Depreciation for the year has been allocated as under;

	Note	2021 Rupees	2020 Rupees
Cost of goods sold	23	<u>43,984,085</u>	45,188,147
Administrative expenses	26	<u>2,305,412</u>	2,870,124
		<u>46,289,497</u>	48,058,271



For Comparative year

Particulars	Cost / Revaluation			Accumulated Depreciation			Written Down Value At June 30, 2020	Rate
	At July 01, 2019	Additions /(Disposals) during the year	At June 30, 2020	At July 01, 2019	For the year	At June 30, 2020		
Rupees								
Owned								%
Land- Freehold	569,800,000	-	569,800,000	-	-	-	569,800,000	-
Building on Free-hold Land	175,297,832	3,757,171	179,055,003	16,183,832	8,093,027	24,276,859	154,778,144	5
Plant & Machinery	660,390,163	34,862,091	695,252,254	73,461,675	30,217,109	103,678,784	591,573,470	5
Power house								
- Building on freehold land	8,353,620	-	8,353,620	1,191,435	358,109	1,549,544	6,804,076	5
- Generators	97,332,424	-	97,332,424	20,896,638	3,821,789	24,718,427	72,613,997	5
- Electric Installation	11,825,040	-	11,825,040	4,563,012	1,089,304	5,652,316	6,172,724	15
	117,511,084	-	117,511,084	26,651,084	5,269,203	31,920,287	85,590,797	
Tube Well	1,270,006	-	1,270,006	400,834	86,917	487,751	782,255	10
Electric Installation	13,979,000	331,800	14,310,800	4,359,371	1,447,092	5,806,463	8,504,337	15
Workshop Equipments	160,909	-	160,909	158,386	252	158,639	2,270	10
Tools & Equipments	151,401	-	151,401	147,341	406	147,747	3,654	10
Laboratory Equipments	3,832,266	-	3,832,266	3,217,651	61,461	3,279,113	553,153	10
Weighing Scales	801,508	-	801,508	674,706	12,680	687,386	114,122	10
Arms & Ammunition	264,057	-	264,057	174,171	8,989	183,160	80,897	10
Office Equipments	2,968,021	-	2,968,021	2,471,643	74,457	2,546,100	421,921	15
Furniture & Fixture	1,227,218	16,200	1,243,418	988,399	25,367	1,013,766	229,652	10
Vehicle & Automobile	38,431,219	-	38,431,219	24,624,661	2,761,312	27,385,972	11,045,247	20
TOTAL	1,586,084,684	38,967,262	1,625,051,946	153,513,755	48,058,271	201,572,026	1,423,479,920	



5.3 The Company had revalued its Free-hold Land, Building on Free-hold Land, Plant & Machinery, Electric Installation and Power house on June 30, 2019. The revaluation was carried out by M.Y.K Associates (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	455,840,000
Building on Free-hold Land	127,291,200
Plant & Machinery	401,788,800
	984,920,000

6. STORES AND SPARES

	2021	2020
	Rupees	Rupees
Stores	29,035,202	16,048,658
Spares	3,460,957	3,052,408
	32,496,159	19,101,066

6.1 The Company does not hold any stores, spares and loose tools for specific capitalization.

7. STOCK IN TRADE

	2021	2020
	Rupees	Rupees
Raw materials		
- Cotton	171,336,093	457,643,866
- Polyester	18,288,761	16,046,317
	189,624,854	473,690,183
Raw material in-transit	16,546,702	-
Work in process	20,204,588	21,116,672
Finished goods		
-Yarn	43,156,086	42,072,402
-Waste	1,154,370	1,017,969
	44,310,456	43,090,371
	270,686,600	537,897,226

8. TRADE DEBTS

Local - unsecured

Considered good	332,304,978	248,083,656
Provision of expected credit loss	(165,506)	(165,506)
	332,139,472	247,918,150

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.327.38 million (2020: Rs. 238.06 million) were neither past due nor impaired

- 8.6 As at year end, trade debts of Rs. 4.75 million (2020: Rs. 10.07 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:

	2021 Rupees	2020 Rupees
Over 6 months	4,753,100	10,017,503
	<u>4,753,100</u>	<u>10,017,503</u>

9. LOANS AND ADVANCES

Considered good

Advance income tax	43,326,868	41,178,183
Advance to suppliers	15,369,469	7,585,149
Advances to employees	1,866,732	677,666
Advance expenses on letter of credit	247,373	352,603
	<u>60,810,442</u>	<u>49,793,601</u>

10. TRADE DEPOSITS AND PREPAYMENTS

Margin deposit	1,605,311	8,774,977
Prepayments	3,161,024	1,577,962
	<u>4,766,335</u>	<u>10,352,939</u>

11. TAX REFUNDS DUE FROM GOVERNMENT

Sales tax refundable	-	20,060,355
Income tax refundable	19,074,727	21,157,112
	<u>19,074,727</u>	<u>41,217,467</u>

12. CASH AND BANK BALANCES

Cash in hand	598,429	644,727
Cash at banks in current accounts	3,203,102	23,795,028
	<u>3,801,531</u>	<u>24,439,755</u>

13. SHARE CAPITAL

2021 Number of shares	2020 Number of shares		2021 Rupees	2020 Rupees
<u>1,000,000</u>	<u>1,000,000</u>	Authorised		
		Ordinary share of Rs. 10 each.	<u>10,000,000</u>	<u>10,000,000</u>
		Issued, subscribed and paid up		
		Ordinary shares of Rs. 10 each		
499,900	499,900	issued for cash	4,999,000	4,999,000
300,100	300,100	as bonus shares	3,001,000	3,001,000
<u>800,000</u>	<u>800,000</u>		<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**

	2021 Rupees	2020 Rupees
Opening balance	937,897,036	958,520,821
Addition during the year	-	-
Transferred to unappropriated profit on account of:		
Incremental depreciation - net of deferred tax	(13,812,661)	(14,642,887)
Related deferred tax liability due to incremental depreciation	(5,641,791)	(5,980,897)
	<u>(19,454,452)</u>	<u>(20,623,784)</u>
	<u>918,442,584</u>	<u>937,897,036</u>
Related deferred tax liability		
Opening balance	(108,295,534)	(114,276,431)
Transferred to unappropriated profit on account of		
- deferred tax on incremental depreciation	5,641,791	5,980,897
	<u>5,641,791</u>	<u>5,980,897</u>
	<u>(102,653,743)</u>	<u>(108,295,534)</u>
	<u>815,788,842</u>	<u>829,601,503</u>

15. LONG TERM LOAN
Secured

Term Finance	15.1	163,500,000	189,000,000
Term Finance	15.2	91,985,114	20,500,000
Deferred grant		(212,869)	-
		<u>255,272,245</u>	<u>209,500,000</u>
Current portion of long term loan		(100,323,410)	(30,625,000)
Less: Current portion of deferred grant		(3,754,842)	-
		<u>151,193,993</u>	<u>178,875,000</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 instalments 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.

16. DEFERRED LIABILITIES

		2021 Rupees	2020 Rupees
Deferred Tax	16.1	131,360,589	117,517,432
Provision for Gas Infrastructure Development Cess (GIDC)	16.2	38,456,401	74,255,088
Deferred Grant	16.3	212,869	-
		<u>170,029,859</u>	<u>191,772,520</u>

16.1 Deferred Tax

	Opening Balance	Deferred tax recognised in		Closing Balance
		Recognised in Statement of Profit or loss	Recognised in SOCI	
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:				-
- 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)
	117,517,433	13,843,156	-	131,360,589

	Opening Balance	Deferred tax recognised in		Closing Balance
		Recognised in Statement of Profit or loss	Recognised in SOCI	
Movement for the year ended June 30, 2020				
Deferred tax liabilities on taxable temporary differences arising in respect of:				
- property, plant and equipment	58,497,875	6,967,408	-	65,465,283
- Surplus on revaluation of assets	114,276,431	(5,980,897)	-	108,295,534
Deferred tax assets on deductible temporary differences arising in respect of:				-
- doubtful debts	-	-	-	-
- staff gratuity	(4,777,631)	1,486,837	-	(3,290,794)
- investment credit	-	(12,235,610)	-	(12,235,610)
- unabsorbed tax losses	(18,748,644)	(21,968,336)	-	(40,716,980)
	149,248,031	(31,730,598)	-	117,517,433

16.2 Provision for Gas Infrastructure Development Cess(GIDC)

	2021 Rupees	2020 Rupees
Provision for GIDC	48,234,750	74,255,088
Less: Current portion	(9,778,349)	-
	38,456,401	74,255,088

During the current year, 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.

In light of the above stated order of the SCP, the Company opted to recognize the Cess as payable in twenty four equal monthly installments and as a result the Company has recorded a gain Rs. 5.4 million on remeasurement of the provision for GIDC in accordance with the provision of IAS 37.

16.3 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:

	Note	2021 Rupees	2020 Rupees
As at July 01		-	-
Recognized during the year		9,471,621	-
Amortized during the year		(5,503,910)	-
As at June 30		<u>3,967,711</u>	<u>-</u>
Less: Current portion		<u>(3,754,842)</u>	-
Non current portion		<u>212,869</u>	-

17. TRADE AND OTHER PAYABLES

Accrued liabilities		64,239,514	58,680,149
Creditors		34,607,596	192,437,854
Gratuity payable	17.1	23,614,600	11,347,565
Workers' profit participation fund	17.2	14,851,797	3,421,548
Workers' welfare fund		10,387,907	6,076,922
Current portion of provision for GIDC	16.2	9,778,349	-
Advance from customer		8,507,139	4,317,208
Tax deducted at source		1,118,858	2,283,957
Other payables		4,529,337	950
		<u>171,635,097</u>	<u>278,566,153</u>

17.1 Gratuity payable

Opening balance		11,347,565	16,474,588
Charged during the year		17,663,739	12,431,136
Payment made during the year		(5,396,704)	(17,558,159)
Closing balance		<u>23,614,600</u>	<u>11,347,565</u>

17.2 Workers Profit Participation Fund

Opening balance		3,421,548	1,984,563
Interest on funds utilized in company's business		85,552	193,693
Allocation for the period / year		11,344,697	1,243,292
		<u>14,851,797</u>	<u>3,421,548</u>

18. ACCRUED MARKUP

Short term borrowings		6,451,650	11,259,542
Long term borrowings		3,851,669	7,063,371
		<u>10,303,319</u>	<u>18,322,913</u>

		2021 <i>Rupees</i>	2020 <i>Rupees</i>
19. SHORT TERM BORROWINGS			
Secured			
Cash Finance	19.2	52,643,362	331,028,356
Running finance	19.3	154,247,879	183,173,303
		<u>206,891,241</u>	<u>514,201,659</u>
19.1 Short term borrowing facilities available from commercial banks under mark up arrangements aggregate to Rs. 960 million (2020: Rs. 710 million) of which facilities remain un-utilized at the year end amounts to Rs. 753 million (2020: 196 million).			
19.2 Cash finance facilities have been obtained from Bank Al Habib Limited, Habib Bank Limited, Habib Metro Bank Limited and United Bank Limited having limit aggregate to Rs.725 million of which facilities remain un utilized at the year end amounts to Rs.672 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, pledge of imported goods(cotton only) and promissory note along with personal guarantee of directors with PNWS. These facilities carry mark up at the rates ranging from 8.18% to 8.59% per annum (2020: 9.11% to 14.65% per annum).			
19.3 Running finance facilities have been obtained from Bank Al Habib Limited, Habib Bank Limited, United Bank limited and Habib Metro Bank Limited having limit aggregate to Rs.235 million of which facilities remain unutilize at the year end amounts to Rs.81 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 8.32% to 9.09% per annum (2020: 9.36% to 15.06% per annum).			
	Note	2021 <i>Rupees</i>	2020 <i>Rupees</i>
20. PROVISION FOR TAXATION			
Provision made during the year			
- Current	29	<u>55,222,932</u>	<u>39,860,820</u>
21. CONTINGENCIES AND COMMITMENTS			
Contingencies			
21.1 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.			
21.2 Commitments			
Letter of guarantee issued by Commercial Banks on behalf of the Company outstanding as at June 30, 2021 is Rs. 37.65 million (2020: Rs. 37.5 million) respectively.			
		2021 <i>Rupees</i>	2020 <i>Rupees</i>
Letter of credit		<u>218,547,400</u>	<u>-</u>

22. REVENUE FROM CONTRACT	Note	2021 Rupees	2020 Rupees
Local			
- Yarn		4,102,129,966	3,072,085,289
- Waste		20,316,342	15,781,080
- Cotton		25,715,912	3,950,173
		4,148,162,220	3,091,816,542
Sales tax on local sale			
- Yarn		(596,035,978)	(431,776,484)
- Waste		(2,951,947)	(2,292,978)
- Cotton		(2,337,810)	(359,106)
		3,546,836,485	2,657,387,974
23. COST OF GOODS SOLD			
Raw materials consumed	23.1	2,329,231,322	1,881,293,220
Fuel and power		380,616,842	269,508,285
Salaries, wages and benefits	23.2	306,151,888	241,071,452
Depreciation	5.2	43,984,085	45,188,147
Stores and spares consumed		57,572,810	35,913,795
Packing materials consumed		41,173,744	31,778,086
Insurance		4,612,598	5,153,968
Repairs and maintenance		3,265,113	2,406,106
		3,166,608,402	2,512,313,059
Adjustment of work in process			
Opening stock		21,116,672	14,000,222
Closing stock		(20,204,588)	(21,116,672)
		912,084	(7,116,450)
Cost of goods manufactured		3,167,520,486	2,505,196,609
Finished goods			
Opening stock		43,090,371	18,514,925
Purchases		17,340,000	-
Closing stock	23.3	(44,310,456)	(43,090,371)
		16,119,915	(24,575,446)
		3,183,640,401	2,480,621,163
23.1 Raw materials consumed			
Opening stock		473,690,183	259,652,956
Purchases (including direct expenses) - Net		2,044,055,753	2,094,172,729
		2,517,745,936	2,353,825,685
Closing stock		(189,624,854)	(473,690,183)
		2,328,121,082	1,880,135,502
Cotton cess		1,110,240	1,157,718
		2,329,231,322	1,881,293,220
23.2 Salaries, wages and benefits include Rs. 16.13 million (2020: Rs. 11.53 million) in respect of gratuity.			
23.3 It includes waste stock amounting to Rs. 1.154 million (2020: Rs. 1.01 million).			
24. OTHER INCOME			
	Note	2021 Rupees	2020 Rupees
Remeasurement of Gas Infrastructure Development Cess (GIDC)		5,415,898	-

25. DISTRIBUTION AND MARKETING EXPENSES

	Note	2021 Rupees	2020 Rupees
Commission on sale of yarn		19,321,112	14,636,399
Salaries of sales staff		3,888,000	3,211,025
		23,209,112	17,847,424

26. ADMINISTRATIVE EXPENSES

Directors' remuneration		19,526,656	21,001,172
Salaries and benefits	26.1	17,462,940	12,851,014
Vehicles running and maintenance		8,975,398	7,430,271
Depreciation	5.2	2,305,412	2,870,124
Travelling and conveyance	26.2	3,139,655	2,380,021
Communication		1,902,261	2,168,776
Auditors' remuneration	26.3	1,510,000	1,510,000
Legal and professional		1,557,822	1,435,338
Fee and subscription		1,520,549	1,159,900
Insurance		1,001,526	895,760
Printing and stationery		947,802	715,045
Entertainment		1,067,651	861,728
Rent, rates and taxes		338,081	500,721
Donation		10,000	250,000
Repairs and maintenance		285,877	218,268
Advertisement		172,725	69,825
Others		94,410	55,500
		61,818,765	56,373,463

26.1 Salaries and benefits include Rs. 1.76 million (2020: Rs.0.874 million) in respect of gratuity.

26.2 This includes directors' travelling amounting to Rs. 2.8 million (2020: Rs. 1.99 million).

26.3 AUDITORS' REMUNERATION

	2021 Rupees	2020 Rupees
- 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
	1,510,000	1,510,000

27. OTHER EXPENSES

Workers' Profit Participation Fund	11,344,697	1,243,292
Workers' Welfare Fund	4,310,985	472,451
	15,655,682	1,715,743

28. FINANCE COST

Mark up on short term borrowings	31,837,046	47,482,539
Mark up on long term borrowings	17,364,358	28,579,451
Bank and other charges	2,072,870	1,295,542
Bank guarantee commission	-	322,553
Interest on Workers' Profit participation fund	85,552	193,693
	51,359,826	77,873,778

**29. PROVISION FOR TAXATION**

		2021	2020
		Rupees	Rupees
Current			
- for the year		55,222,932	39,860,820
Deferred tax	16.1	13,843,156	(31,730,599)
Prior year		2,082,385	-
		<u>71,148,473</u>	<u>8,130,221</u>

29.1 Relationship between tax expense and accounting profit

		2021	2020
Applicable tax rate		29%	29%
Profit before tax		216,568,597	22,956,403
Tax on accounting profit before tax		62,804,893	6,657,357
Income chargeable to tax at lower rate		(7,581,961)	33,203,463
Effect due to inadmissible expenses		(18,546,438)	(15,377,904)
Effect of deferred tax		13,843,156	(31,730,599)
Others		20,628,823	15,377,904
Current year provision		<u>71,148,473</u>	<u>8,130,221</u>

29.2 The Company has filed Income Tax Return up to tax year 2020 which is deemed assessed as per Income Tax Ordinance, 2001.

30. EARNINGS PER SHARE

Profit for the year	Rupees	<u>145,420,124</u>	<u>14,826,182</u>
Weighted average number of ordinary shares	Number	<u>800,000</u>	<u>800,000</u>
Earnings per share - basic and diluted	Rupees	<u>181.78</u>	<u>18.53</u>

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

31. FINANCIAL RISK MANAGEMENT

31.1 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.

31.2 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. 341.19 million (2020: Rs. 283.54 million), the financial assets which are subject to credit risk amounted to Rs. 341.19 million (2020: Rs. 283.54 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

	2021	2020
	Rupees	Rupees
Long term Deposits	2,379,997	2,379,997
Trade debts	332,139,472	247,918,150
Loans and advances	1,866,732	677,666
Trade deposit	1,605,311	8,774,977
Bank balances	3,203,102	23,795,028
	341,194,614	283,545,818

31.2.1 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.

31.2.2 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

31.3 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 31.3.2 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

31.3.1 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
June 30, 2021				
Financial liabilities				
Interest bearing				
Long term loans	2% to 8.85%	100,323,410	155,161,704	255,485,114
Short term borrowing	8.18% to 9.09%	206,891,241	-	206,891,241
Non interest bearing				
Unclaimed dividend		664,983	-	664,983
Accrued markup		10,303,319	-	10,303,319
Trade and other payables		122,461,710	-	122,461,710
		440,644,663	155,161,704	595,806,367

Weighted Average effective rate	Upto 1 year	1 - 5 years	Total
	Rupees	Rupees	Rupees
June 30, 2020			
Financial liabilities			
Interest bearing			
Long term loans 12.26% to 14.99%	30,625,000	178,875,000	209,500,000
Short term borrowings 9.11% to 15.06%	514,201,659	-	514,201,659
Non interest bearing			
Unclaimed dividend	664,983		664,983
Accrued markup	18,322,913	-	18,322,913
Trade and other payables	262,465,568	-	262,465,568
	826,280,123	178,875,000	1,005,155,123

31.3.2 Financing facilities

Secured bank loan facilities with various maturity dates through to April 2021 and which may be extended by mutual agreement:

	2021	2020
	Rupees	Rupees
- amount used	206,891,241	514,201,659
- amount un-used	753,108,759	195,798,341

31.4 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.

31.4.1 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.

31.4.2 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, 2021 would increase / decrease by Rs. 4.58 million (2020: Rs.7.23 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.

31.4.3 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.

31.4.4 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.

31.5 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.

31.6 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).

31.6.1 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, 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, 2019 were performed by M.Y.K Associates (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-----			
As at June 30, 2021				
Land- Freehold	-	569,800,000	-	569,800,000
Building on free-hold l	-	147,503,916	-	147,503,916
Plant & machinery	-	576,291,095	-	576,291,095
Power house	-	80,693,984	-	80,693,984
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at June 30, 2020				
Land- Freehold	-	569,800,000	-	569,800,000
Building on free-hold l	-	154,778,144	-	154,778,144
Plant & machinery	-	591,573,470	-	591,573,470
Power house	-	85,590,797	-	85,590,797

There were no transfer between levels of fair value hierarchy during the year.

31.7 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:

	2021 Rupees	2020 Rupees
Assets categorized at amortized cost		
Long term deposits	2,379,997	2,379,997
Trade debts	332,139,472	247,918,150
Loans and advances	1,866,732	677,666
Trade deposit	1,605,311	8,774,977
Cash and bank balances	3,801,531	24,439,755
	341,793,043	284,190,545

<i>Liabilities categorized at amortized cost</i>	2021 Rupees	2020 Rupees
Long term loan	255,485,114	209,500,000
Short term borrowings	206,891,241	514,201,659
Trade and other payables	122,461,710	262,465,568
Unclaimed dividend	664,983	664,983
Accrued markup	10,303,319	18,322,913
	595,806,367	1,005,155,123

32. 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:

	2021 Rupees	2020 Rupees
Total debt	462,376,355	723,701,659
Less: Cash and cash at Bank	(3,801,531)	(24,439,755)
Net debt	458,574,824	699,261,904
Total equity	1,249,111,197	1,103,691,073
Adjusted capital	1,707,686,021	1,802,952,977
Debt-to-adjusted capital ratio	26.85%	38.78%

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

<i>Particulars</i>	<i>Managerial remuneration</i>		<i>Utilities</i>	
	2021	2020	2021	2020
	----- Rupees -----			
Chief Executive	6,266,129	6,000,000	3,015,499	2,586,118
Directors	11,279,032	10,800,000	1,478,796	1,266,967
Executive	5,020,000	4,425,000	-	-
	22,565,161	21,225,000	4,494,295	3,853,085

33.1 Particulars

	<i>No of persons</i>	
	2021	2020
Chief Executive	1	1
Directors	2	2
Executive	2	2

33.2 During the year, meeting fee of Rs. 530,000 (2020: Rs. 402,000) was paid to the directors.

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

**34. 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.

35. PLANT CAPACITY AND ACTUAL PRODUCTION

		2021	2020
Number of spindles installed		38,232	38,232
Number of spindles worked		38,232	38,232
Number of shifts worked		1056	921
Capacity of yarn at 20's count			
on the basis of utilization	<i>Kgs</i>	16,204,862	13,971,695
Actual production of yarn at 20's count	<i>Kgs</i>	16,096,494	13,816,608

Reasons for shortfall

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.

36. NUMBER OF EMPLOYEES

	2021	2020
	<i>Number</i>	
Total number of employees	958	961
Average number of employees during the year	956	962

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long term loan	Short term borrowings	Total
	----- <i>Rupees</i> -----		
At June 30, 2020	209,500,000	514,201,659	723,701,659
Cash inflows	102,146,818	4,296,959,283	4,399,106,101
Cash outflows	(56,161,704)	(4,604,269,701)	(4,660,431,405)
At June 30, 2021	255,485,114	206,891,241	462,376,355

38. CORRESPONDING FIGURES

The preparation and presentation of these financial statements for the year ended June 30, 2021 is in accordance with the requirements of IFRSs. Following is the major reclassification made for better presentation.

Reclassified from	Reclassified to	Reason	Rupees
Trade and other payables	Deferred liabilities	Better Presentation	74,255,088

39. 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 6, 2021**.

40. GENERAL

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

**PATTERN OF SHAREHOLDING OF THE SHAREHOLDERS
OF THE COMPANY AS ON JUNE 30, 2021**

Number of Shareholders	Shareholding From	To	Total Shares held	Percentage of Total Capital
114	1	100	5,501	0.69
20	101	500	5,067	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
180			800,000	100.00

Serial Number	Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
1	Individuals	174	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
TOTAL		180	800,000	100

Trade in shares of the company carried out by a Director, CEO or Executive, their spouses, minor children and substantial shareholders during 2020-21

S.NO.	NAME	PURCHASE	SALE
1.	Mrs. Sarah Hajra Khan	50	-

(spouse of Mr. Mohammad Alamgir Jamil Khan, Executive Director)

Except the detail given above no trade in shares was reported by a Director, CEO or Executive, their spouses, minor children and substantial shareholders from July 1, 2020 to June 30, 2021 in the shares of the Company.



**PATTERN OF SHAREHOLDING
AS ON JUNE 30, 2021**

ADDITIONAL INFORMATION

Shareholders' Category	Number of Shareholders	Number of Shares held
Associated Companies, Undertakings and Related Parties		Nil
Central Depository Company of Pakistan Limited	40	2,851
NIT and ICP		
Investment Corporation of Pakistan	2	100
DIRECTORS		
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
CHIEF EXECUTIVE OFFICERS		
Mian Tanvir Ahmad Sheikh	1	20,070
Directors'/C.E.O's Spouses & Minor Children	4	46,269
Executives		Nil
Public Sector Companies and Corporations		Nil
Shareholders holding 5% or more voting interest		
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
General Public	92	10,367

**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED
PATTERN OF SHAREHOLDING
AS ON JUNE 30, 2021**

Number of Shareholders	Shareholding		Total Number of Shares held
	From	To	
35	1	100	884
4	101	500	1,017
1	501	1,000	950
----- 40			----- 2,851

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
Individuals	36	2,696	94.56
Joint Stock Companies	2	150	5.26
Others	2	5	0.18
	40	2,851	100.00

آڈیٹرز: میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس، ملتان ریٹائر ہو گئے ہیں اور انہوں نے اپنی فرم کو دوبارہ تعیناتی 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 2021-22 کے لئے میسرز یوسف عادل چارٹرڈ اکاؤنٹینٹس، ملتان کی دوبارہ تعیناتی بطور ایڈیٹرز تجویز کی ہے۔
حصص داری کا اسلوب: کمپنی کا 30 جون 2021ء کا حصص داری کا اسلوب لف کر دیا گیا ہے۔

اکنائٹمنٹ (اعتراف):

آپ کے ڈائریکٹران تمام متعلقہ مالیاتی اداروں اور اپنے بینکوں بشمول میسرز حبیب بینک لمیٹڈ، میسرز بینک الحیب لمیٹڈ، میسرز حبیب میٹروپولیٹن بینک لمیٹڈ اور میسرز یونائیٹڈ 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 اور ان سال کوئیڈ - 19 کو پھیلنے سے روکنے اور اس پر قابو پانے کے لئے ہیلتھ ورکرز، ضروری سروس فراہم کرنے والوں اور اللہ وسایا ٹیکسٹائل اینڈ فٹنگ ملز لمیٹڈ (AWTX) کی پوری ٹیم کی مخلصانہ کوششوں کو بھی سراہتے ہیں۔ مالیاتی سال 2020-21ء منافع کے لحاظ سے کمپنی کے لیے بہترین سال ثابت ہوا ہے۔ آخر میں ہم اپنے تمام قابل قدر گاہکوں، سپلائرز، سٹیک ہولڈرز اور بینکرز کا کمپنی سے وابستگی کے لیے شکریہ ادا کرتے ہیں اور آنے والے برسوں میں 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 - 16 اکتوبر 2021ء

بورڈ کے اجلاس:

سال ختمہ 30 جون 2021ء کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری نیچے دی گئی ہے۔

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

سال ختمہ 30 جون 2021ء کے دوران آڈٹ کمیٹی کی چار (4) اجلاس منعقد ہوئے ہر ایک ممبر کی حاضری درج ذیل ہے:

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

ایچ آر اینڈ آر کمیٹی کی سال ختمہ 30 جون 2021ء کے دوران ایک (1) اجلاس منعقد ہوا۔ ہر ایک ممبر کی حاضری درج ذیل ہے۔

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

بورڈ کی ترکیب

کمپنی کے بورڈ آف ڈائریکٹرز (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	ڈائریکٹرز کی کل تعداد

کوڈ آف کارپوریٹ گورننس کی پیروی

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 پیروی کر رہی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق اہم بیانات 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۔

اندرونی نگرانی کا نظام:

کمپنی کا اندرونی نگرانی کا نظام اچھا بنایا گیا ہے اور اسے منوٹر طور پر لاگو 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 پروان چڑھتا رہے گا۔

کوئی پرانے بتایا جات نہیں ہیں:

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

تفصیل پائی لائٹس:

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

مستقبل کے رجحانات:

الحمد للہ گزشتہ سالوں میں کمپنی کی طرف سے کیے گئے بی۔ ایم۔ آر (توازن، جدت و ترمیم) کی کامیاب تکمیل کے بعد آپ کے ڈائریکٹرز نے 8,256 اسپنڈلز مزید انسٹال کرنے کا منصوبہ بنایا ہے اور ساتھ ہی موجودہ مالی سال کے دوران بیک پروس میں ترمیم بھی کرنی ہے۔ آپ کے ڈائریکٹرز کو یقین ہے کہ مزید اسپنڈلز کے اضافے کے ساتھ ملوں کی بڑھتی ہوئی نصب شدہ صلاحیت نئی اور مخصوص مارکیٹ کو حاصل کرنے میں مدد دے گی۔ حکومتی پالیسیوں کی وجہ سے پاکستان کے ٹیکسٹائل سیکٹرز میں صلاحیت کے استعمال میں نمایاں اضافہ ہوا ہے۔ اس کے نتیجے میں پاکستانی ٹیکسٹائل مصنوعات خاص طور پر یارن کی مقامی اور بین الاقوامی طلب بڑھ گئی ہے۔ تاہم اب ٹیکسٹائل سیکٹرز کو کپاس کی قیاس آرائی کی تجارت اور شرح تبادلہ میں اتار چڑھاؤ کا سامنا ہے۔ ہم امید کرتے ہیں کہ اس طرح کے تمام چیلنجز جلد ہی مناسب انداز میں انڈسٹری کے مفاد میں مناسب انداز میں حل ہو جائیں گے۔

ڈیویڈنڈ:

کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 6 اکتوبر 2021ء کو کمپنی کے منافع برائے سال تھتہ 30 جون 2021ء میں سے حصص داران کو نقد منافع منقسمہ بحساب 352.50 فیصد (35.25 روپے فی شیئر) دینے کی تجویز دی ہے۔

کمپنی کے چیف ایگزیکٹو آفیسر اور وکیل وقتی ڈائریکٹروں کے مشاہروں میں نظر ثانی

کمپنی کے غیر معمولی سالانہ اجلاس عام منعقدہ 24 مئی 2021ء میں عام قرارداد کے ذریعے کمپنی کے چیف ایگزیکٹو آفیسر اور وکیل وقتی ڈائریکٹروں کے مشاہروں میں 30 مئی 2021ء سے بشمول دیگر مراعات کے اضافہ کیا گیا جس کی تفصیل درج ذیل ہے۔

چیف ایگزیکٹو آفیسر کا مشاہرہ	-	مبلغ -/750,000 روپے ماہانہ نیٹ آف ٹیکس
ڈائریکٹرز مارکیٹنگ اور سیلز	-	مبلغ -/750,000 روپے ماہانہ نیٹ آف ٹیکس
ڈائریکٹرز پروڈکشن	-	مبلغ -/600,000 روپے ماہانہ نیٹ آف ٹیکس

اسٹاڈ (سرٹیفیکیشن)

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 کیو ایم ایس سند

یہ سرٹیفیکیشن برائے کوالٹی منیجمنٹ سسٹم صرف کاغذ کا ٹکڑا نہیں ہے بلکہ یہ معیار کی وسیع دنیا میں قدم رکھنے کا کام کرتا ہے۔

اور آئی ایس او 14001:2015 ای ایم ایس سند

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

اس سال کے دوران کمپنی نے مزید سرٹیفیکیشنز حاصل کی ہیں جن میں GRS گلوبل ری سائیکلڈ شیٹڈ رڈ اور کائون کابلیٹ (PRIMARK اور BOOHOO) شامل ہیں، جن سے ہماری مصنوعات پر ہمارے صارفین کا اعتماد میں اضافہ ہوگا۔

ڈائریکٹران کی رپورٹ

شروع کرتا ہوں 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 64 ویں سالانہ رپورٹ بشمول آڈٹ شدہ حسابات و نتائج برائے مالیاتی سال ختمہ 30 جون 2021ء پیش کر رہی ہوں۔

عمومی کارکردگی:

مالیاتی سال ختمہ 30 جون 2021ء کے دوران آپ کی کمپنی کی کارکردگی مجموعی طور پر کافی اطمینان بخش رہی۔ اگرچہ کچھ عرصہ کوویڈ-19 کی وجہ سے کاروباری سرگرمیاں رکاوٹ کا شکار تھی جو پچھلے سال کے دوران پیدا ہوئی تھی تاہم اس سے نپٹنے کے لئے حکومت کی جانب سے بروقت اٹھائے گئے اقدامات نے صنعت پر اس کے مثبت اثرات مرتب کیے۔ ایک سال کے لئے طویل مدتی قرضوں کا اہوا، چھ ماہ کے لئے تنخواہوں کی ادائیگی کے لئے قرضے اور اسٹیٹ بینک کی TERF سکیم کے تحت سرمائے کے اخراجات کے لئے تا زہ فنانسنگ حکومت کی جانب سے اٹھائے گئے مثبت اقدامات تھے جنہوں نے صنعت کی ممکنہ مشکل صورت حال پر قابو پانے میں مدد دی۔ ان اقدامات کی وجہ سے پاکستان کی ٹیکسٹائل انڈسٹری نے اپنے حریفوں پر برتری حاصل کر لی اور بین الاقوامی سطح پر اچھی مارکیٹ حاصل کرنے میں کامیاب ہو گئی جس کے مقامی مارکیٹ میں بھی مثبت اثرات مرتب ہوئے۔ حکومت کی طرف سے ٹیکسٹائل انڈسٹری کے لئے مخصوص کردہ دیگر اقدامات نے انڈسٹری کو بین الاقوامی مارکیٹ میں مسابقتی بنانے میں مدد دی۔ توقع ہے کہ پاکستان انڈسٹری کے لئے فی الحال مجموعی طور پر سازگار حالات مستقبل قریب میں جاری رہیں گے اور اللہ تعالیٰ کے فضل سے پاکستان ٹیکسٹائل انڈسٹری مزید فوائد حاصل کرتی رہے گی۔

آپ پریشور:

دوران سال ملکی پیداوار پولیٹریسٹر کائون یارن رہی۔ پیش کردہ مالیاتی سال کے دوران دھماگے کی کل پیداوار بیس سنگل کاؤنٹ کی بنیاد پر 16,096,494.36 کلوگرام (حقیقی پیداوار 9,451,073.52 کلوگرام) جو کہ پچھلے سال میں 13,816,607.73 کلوگرام (حقیقی پیداوار 8,063,012.16 کلوگرام) تھی۔ موجودہ مالیاتی سال آمدنی (سیلز) کے کل محصولات مبلغ - 3,546,836,485 روپے (9,493,575.84 کلوگرام) ہیں جو کہ پچھلے سال مبلغ - 2,657,387,974 روپے (7,994,155.68 کلوگرام) تھے۔ کمپنی کا ابتدائی منافع مبلغ - 363,196,084 روپے تھا جو کہ پچھلے سال مبلغ - 176,766,811 روپے تھا۔ کل منافع بعد از ٹیکس مبلغ - 145,420,124 روپے تھا جب کہ پچھلے سال کل منافع بعد از ٹیکس مبلغ - 14,826,182 روپے تھا۔

موجودہ مالیاتی سال ختمہ 30 جون 2021ء اور پچھلے مالیاتی سال کے متناسب مالیاتی نتائج کاؤنٹنگ ہیڈز کی ترتیب کے ساتھ ذیل میں دیے گئے ہیں۔

اکاؤنٹس:

سال ختمہ 30 جون 2021ء	سال ختمہ 30 جون 2020ء	
روپے	روپے	
3,546,836,485	2,657,387,974	حتمی آمدنی بذریعہ معاہدہ
(3,183,640,401)	(2,480,621,163)	لاگت فروخت کردہ اشیاء
363,196,084	176,766,811	ابتدائی منافع
5,415,898	-	دیگر آمدنی
(23,209,112)	(17,847,424)	ترتیل و مارکیٹنگ اخراجات
(61,818,765)	(56,373,463)	انتظامی اخراجات
(15,655,682)	(1,715,743)	دیگر اخراجات
(51,359,826)	(77,873,778)	فنانس لاگت
216,568,597	22,956,403	منافع قبل از ٹیکس
(71,148,473)	(8,130,221)	ٹیکس کی فراہمی
145,420,124	14,826,182	سالانہ منافع
181.78	18.53	آمدنی فی حصص۔ بنیادی ڈاٹا لیٹ

اطلاع سالانہ اجلاس عام

پڑ ریج ٹولس پبلک لیمیٹڈ کی جانب سے کر اللہ و سالیہ ٹیکسٹائل اینڈ فینشنگ ملز لیمیٹڈ کا 84 واں سالانہ اجلاس عام ہر دو تہرات 28 اکتوبر 2021ء بوقت 11:30 بجے صبح کھائی کے رجسٹرڈ آفس کر اللہ و سالیہ ٹیکسٹائل اینڈ فینشنگ ملز لیمیٹڈ، پانچ ماہی روڈ، ملتان، پاکستان میں منعقد ہونے کی اطلاع کیلئے مندرجہ ذیل امور کی انجام دہی کیلئے مندرجہ ذیل ہے۔

- 1۔ 24 مئی 2021ء کھائی کے مندرجہ ذیل معمولی اجلاس عام کی کارروائی کی توثیق۔
- 2۔ سالانہ 30 جون 2021ء کے آڈٹ شدہ حیلانے ڈائریکٹرز، آڈیٹرز اور چیئرمین کے جائزہ کی رپورٹوں پر غور و خوض اور منظوری۔
- 3۔ سالانہ 30 جون 2021ء کی بائٹ 352.50 فیصد نقد منافع تقسیم بحساب 35.25 روپے فی شیئر کی حصص داران کو ادائیگی کے لیے پورڈ کے ڈائریکٹرز کی سفارش منظور کرنا۔
- 4۔ 30 جون 2022ء کو ختم ہونے والے مالیاتی سال کیلئے کھائی کے آڈیٹر کاکٹر راجوکر آئسڈو اجلاس عام کے انعقاد تک آڈٹ کی ذمہ داری سنبھالیں گے اور ان کے مشاہیرے کا تین کیا جائے گا۔ پورڈ آف ڈائریکٹرز نے آڈٹ کھائی کی سفارش پر 30 جون 2022ء کو ختم ہونے والے مالیاتی سال کیلئے میسرز یوسف عادل چارڈ ڈاکوٹھیس کام بطور بیرونی آڈیٹر تجویز کیا ہے۔ میسرز یوسف عادل چارڈ ڈاکوٹھیس ریلٹاز ہور ہے ہیں اور انہوں نے دوبارہ تین تین کیلئے اپنی خدمات پیش کی ہیں۔
- 5۔ چیئرمین کی اجازت سے دیگر امور پر کارروائی۔

تکلم پورڈ آف ڈائریکٹرز
محمد اسلم علی۔ کھائی سیکریٹری

ملتان..... پورچہ 6 اکتوبر 2021ء

نوٹ:-

(i)۔ کھائی کی حصص کی منتقلی کی ٹیپ 14 اکتوبر 2021ء تا 28 اکتوبر 2021ء (بشمول دونوں دن) بند رہیں گی۔ حصص کی منتقلیاں جو کہ مورچہ 13 اکتوبر 2021ء کو کارروائی دن کے اختتام سے قبل کھائی کے رجسٹرڈ آفس میسرز زید مجید مجید ایسوسی ایٹس (پرائیویٹ) لیمیٹڈ، انجک۔ ایم باؤس، 7 بنگ سکواڈ ہور میں پہنچ جائیں گی عمل از وقت شروع ہوں گی۔

(ii)۔ اجلاس پورچہ آفس میں شرکت اور ووٹ دینے کا استحقاق رکھنے والا ممبر اپنی جگہ پر ووٹ دینے اور شرکت کرنے کیلئے کسی دوسرے ممبر کو اپنا پراسی مقرر کر سکتا ہے۔ پراسی کا ممبر ہونا لازمی ہے۔ پراسی کے ووٹ ہونے کیلئے ضروری ہے کہ پراسی فارم پر 51 روپے کار سیدی ٹکٹ چسپاں ہو، علاوہ ازیں پراسی فارم پر ممبر اور ایک گواہ کے بھی دستخط ہوں جو کہ اجلاس کے آغاز سے 48 گھنٹے قبل کھائی کے رجسٹرڈ آفس میں پہنچ جائیں۔

(iii)۔ سی ڈی سی حصص داران جو اس اجلاس میں شرکت اور ووٹ دینے کا استحقاق رکھتے ہیں ان کے لیے ضروری ہے کہ اپنی شناخت کیلئے کپیڈ آف ڈسٹانسی کارڈ یا سپورٹ ممبر لائیں اور پراسی کی صورت میں کپیڈ آف ڈسٹانسی کارڈ یا سپورٹ کی تصدیق نقل اف کریں۔ کارپوریٹ ممبرز کے نام نمک کان معمول کی ضروری دستاویز اسٹاپتے ممبر لائیں۔

(iv)۔ ممبران کی آسانی کیلئے ایک معیاری درخواست فارم (Standard Request Form) کھائی کی ویب سائٹ (www.allwasaya.com) پر دستاویز کیا گیا ہے۔ چیئرمین سالانہ آڈٹ شدہ مالیاتی نتائج کی وصولی کی ضروری دی ڈی ڈی کی بنیاد پر بارڈ کھائی وصول کرنا چاہتے ہیں وہ اپنی درخواست کھائی سیکریٹری کے ڈاک کے پتے پر یا ای میل ایڈریس secretary@allwasaya.com کے ذریعے بھیج سکتے ہیں۔

(v)۔ ممبران سے اس سے پہلے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (S.E.C.P) کے حکم کے مطابق اپنے کپیڈ آف ڈسٹانسی کارڈ کی تفریق مستوع شدہ تصدیق کھائی سے کروائیں اور اس سے کھائی اور ممبر پتے میں کوئی تبدیلی ہو تو کھائی کو فوراً مطلع کریں۔

(vi)۔ ممبران ویلے یو کانسٹنس کی سہولت حاصل کر سکتے ہیں جن شہروں میں ممبران کا خراغائی پتلا زیادہ ہے۔ اس مقصد کیلئے سالانہ اجلاس عام کے انعقاد سے دس (10) دن قبل ذیل میں دی گئی فٹا۔ کھائی کے رجسٹرڈ پتے پہنچ جاتی چاہیے۔

میں رہنم..... کار کی رہائش..... ممبر میسرز اللہ و سالیہ ٹیکسٹائل اینڈ فینشنگ ملز لیمیٹڈ، حامل عام حصص..... برطانیہ رجسٹرڈ فو لیو نمبر سی ڈی سی اکاؤنٹ نمبر..... ویلے یو کانسٹنس کی سہولت کا استحقاق ہوں جو کہ..... شہر میں ہو۔

ممبر کے دستخط

اگر کھائی نے مجموعی دس (10) فیصد یا اس سے زائد ممبران کی فٹا وصول پائی جو کہ کھائی کے سالانہ اجلاس عام سے دس دن قبل کھائی کو وصول ہوں تو پھر کھائی اس شہر میں ویلے یو کانسٹنس کی سہولت فراہم کرے گی بشرطیکہ اس شہر میں یہ سہولت موجود ہو۔

(vii)۔ منافع حقیقہ (ڈیویڈنڈ) کی ادائیگی کے لیے حصص داران کے کپیڈ آف ڈسٹانسی کارڈ (CNIC) لازمی درکار ہے۔ اس لیے حصص داران سے درخواست ہے کہ وہ اپنے کپیڈ آف ڈسٹانسی کارڈ کی نقل (اگر ایسی ہے تو کھائی کے رجسٹرڈ آفس کو بھیج کر دیاں۔ مندرجہ کپیڈ آف ڈسٹانسی کارڈ (CNIC) کی عدم دستیابی کی صورت میں کھائی لنس ای سی بی کے ایس آر ایڈریس 831 (I)/2012 تا ریح 5 جولائی 2012ء کے تحت ایسے حصص داران کی منافع حقیقہ کی ادائیگی روک لی جائے گی۔

(viii)۔ گنیز بک 2017ء کے نیکیشن نمبر 242 اور لنس آر ایڈریس 1145 (I)/2017 تا ریح 6 نومبر 2017ء اوکٹنیز (منافع حقیقہ) قواعد و ضوابط 2017ء کے تحت حصص داران اپنا نقد منافع حقیقہ بجائے ڈیویڈنڈ وارنٹس کے براہ راست بینک اکاؤنٹس میں وصول کرنے کے لئے لازمی طور پر اپنے بینک اکاؤنٹس کی تفصیلات سے متعلق (اگر ایسی ہے تو کھائی کے رجسٹرڈ آفس کو بھیج کر دیاں۔ مندرجہ کپیڈ آف ڈسٹانسی کارڈ کی تفصیلات کی عدم موجودگی کے باعث کھائی اس بات کی پابند ہوگی کہ وہ حصص داران کو منافع حقیقہ کی ذمہ داری روک دیں گے۔

جن حصص داران نے ایسی بینک بین الاقوامی اکاؤنٹ نمبر (IBAN) جن سے متعلق ہے کہ کھائی کی ویب سائٹ پر الیکٹرانک ڈیویڈنڈ مینڈیٹ فارم موجود ہے اس فارم کی پُر شدہ کھائی سے کپیڈ آف ڈسٹانسی کارڈ کی کھائی کے رجسٹرڈ آفس میسرز زید مجید مجید ایسوسی ایٹس (پرائیویٹ) لیمیٹڈ، ایم باؤس 7، بنگ سکواڈ ہور بھجوا دیں۔

سی ڈی سی حصص داران اپنے الیکٹرانک مینڈیٹ فارم براہ راست اپنے برادر امیدوار سی ڈی سی اکاؤنٹ سرور کو فراہم کریں۔

پراکسی فارم

میں (نام فو لیو نمبر) _____ رہائشی _____
بجائے ممبر اللہ وسایا ٹیکسٹائل اینڈ فینشنگ ملز لمیٹڈ اور حامل عام حصص برطابق (نام فو لیو نمبر) _____
کو بطور اپنے رمیر کے ایما پر مختار (پراکسی) مقرر کرنا ہوں / کرتی ہوں تاکہ وہ میری جگہ کمپنی کے سالانہ اجلاس عام / غیر معمولی اجلاس عام میں
جو تاریخ _____ کو منعقد ہو رہا ہے، اس میں اور یا اس کے ملتوی شدہ اجلاس میں شرکت کرے / حق رائے دہی
استعمال کرے بالکل اسی طرح جیسے میں خود اس جگہ موجود ہوتا رہتی۔

دستخط تاریخ _____ 2021ء

پانچ روپے کارسیدی ٹکٹ چسپاں کریں۔

گواہ:

نام:

پتہ:

شناختی کارڈ نمبر:

دستخط:

اہم نوٹ: پُرشدہ پراکسی فارم اجلاس کے آغاز سے ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ آفس واقع اللہ وسایا اسکوائر، ممتاز آباد، سٹرل ایریا، و ہاڑی روڈ، ملتان میں پہنچی 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 _____ 2021

Signed by the said

In presence of

Please affix Revenue Stamp Rs. 5/-

Witness:|

Name: _____

Address: _____

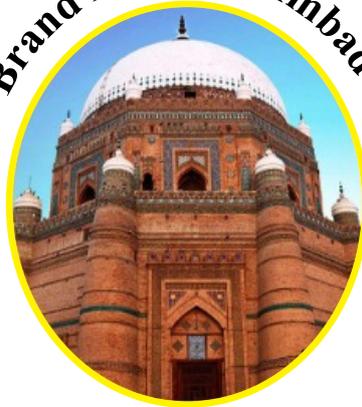
CNIC No. _____

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.

Brand Name "Gumbad"



www.allawasaya.com

ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED

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

Phone: (061) 4233624-26

Fax: (061) 6525202

Website: www.allawasaya.com

E-mail: atm@allawasaya.com